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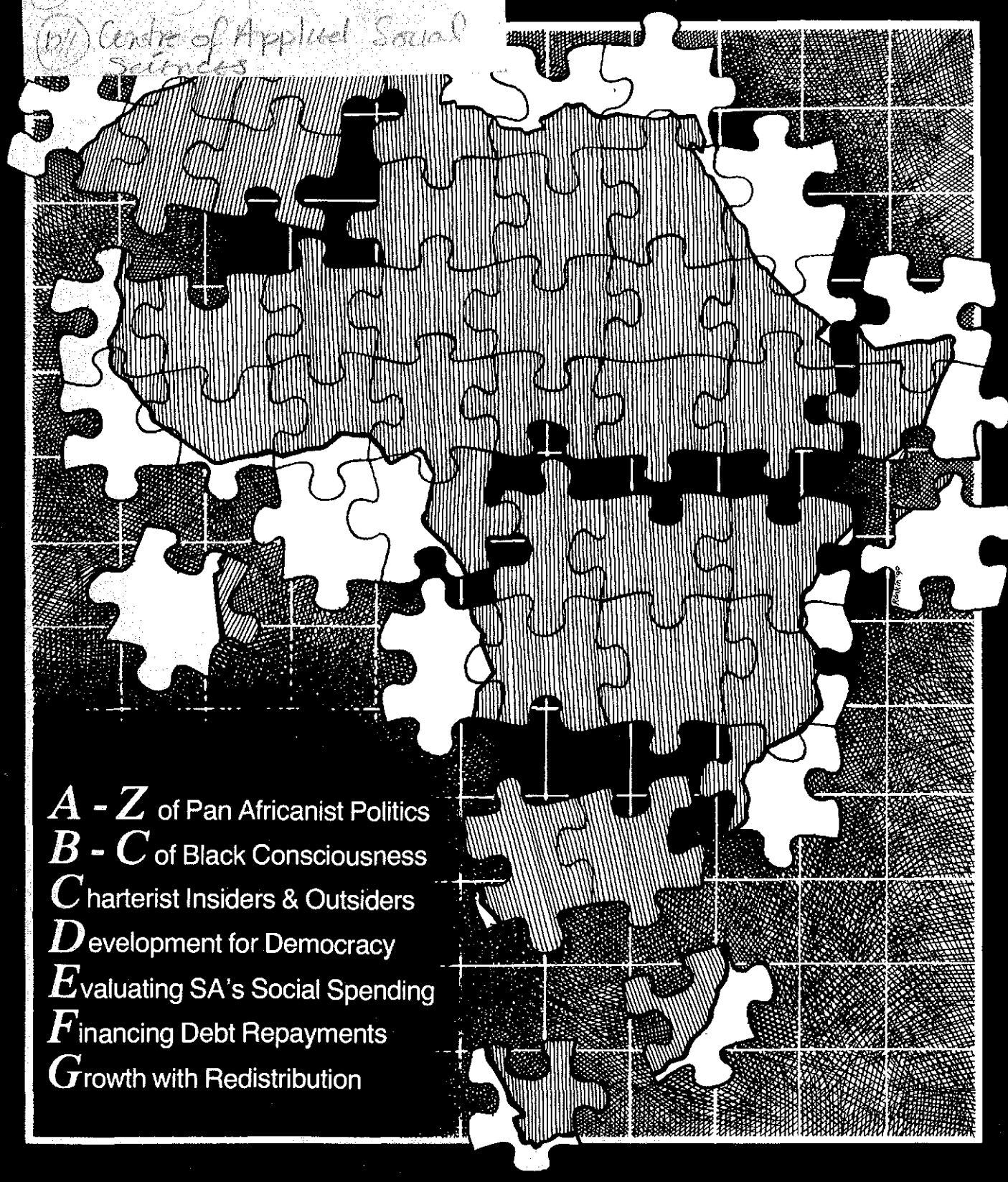
INDICATOR SOUTH AFRICA



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'Indicator SA, the estimable quarterly report, has made a valuable contribution to the environmental debate ... a publication called *Rotating the Cube: Environmental Strategies for the 1990s*.' *Sunday Times*, April 1990.

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SOUTH AFRICA

VOL.7 NO3

WINTER 1990

POLITICAL MONITOR

ECONOMIC MONITOR

RURAL & REGIONAL MONITOR

URBAN MONITOR

INDUSTRIAL MONITOR

MONITOR COVERS
Accompanying our special focus on extra-parliamentary groups, the charts on the five monitor covers document the structures of the PAC (Political), the Congress Defiance Campaign (Economic), Azapo (Regional), the non-Charterist Alliance (Urban) and Nactu (Industrial).

Editorial Notes

The shuttle missions abroad in mid-1990 by State President FW de Klerk and ANC Deputy President Nelson Mandela have tested foreign reactions to the new political climate inside South Africa. After two decades of isolation, the state of the country's foreign and internal affairs are reflected in a separate tale of two tours (of many cities)!

If a political settlement is eventually reached through negotiations, South Africa's new leaders may well find themselves presenting a united front on future diplomatic missions. At this stage, however, both white and black politics are marked by dissension and disunity at home. The separate tours aptly reflect the country's profound divisions.

In this context, the current edition of *Indicator SA* looks at the political divisions found in the extra-parliamentary realm. A special focus in the political, urban and industrial monitors analyses the opposition groups 'outside' of the mainstream congress alliance: the Africanist, black consciousness, civic and Inkatha movements.

The new climate of South African politics and the ongoing talks-about-talks have seen a resurgence of the political rivals of the African National Congress and National Party. Are more militant rival groups gaining ground on the two major protagonists as they attempt to bargain a compromise? Wherein lies the appeal of the policies and politics of their opponents waiting in the left and right wings?

Apart from the many other subjects and usual features in this quarterly report, *Indicator SA* contributors set out to answer these thorny questions in particular:

• Gary van Staden and Ivan Mantzaris document the resurgence of the Pan Africanist Congress and 'Non-Charterist' Alliances, identifying their present constituencies and potential strengths.

• Barney Desai and Strini Moodley, prominent spokespeople for the PAC and Azapo, explain why they reject negotiations, plea for an end to inter-organisational violence and make a call for political tolerance and black unity.

• Lawrie Schlemmer and Simon Bekker diagnose two of the major issues disputed across the entire ideological spectrum in the transitional phase - minority rights and negotiation groundrules.

• Jeremy Seekings comments on the revival of civic protest in the townships since late 1989 and the potential linkages between community and national level organisations in the restructuring of opposition politics.

• Oupa Ngwenya and Cassandra Moodley assess the extent of black worker support for and divisions over Africanist and Black Consciousness policies inside both the Nactu and Cosatu labour federations.

The strong majoritarian traditions in white and black politics are currently reflected in the national media dominance of the National Party, on the one hand, and the African National Congress, on the other. This *Indicator SA* series of articles on rival left-wing movements emphasises the broader spectrum of black politics. In an A-Z of South African politics, future editions of our quarterly report will put socialist, centrist and right-wing parties under the spotlight.

AN APPEAL FOR OPINIONS

In ending my last editorial, I appealed to readers to complete a readership survey distributed with that edition. We have had many surveys returned and thank those readers who responded for their time and effort. We will be acting on your suggestions, especially those proposing new topics.

We are again enclosing this survey insert, however, to enable those readers who did not participate the first time around to now do so. Your assessments of *Indicator SA* are invaluable and help us to improve our publications. If you did miss this opportunity, please complete the survey straight away and return it in the attached pre-paid envelope.

We also enclose a catalogue and order form for the forty-odd publications produced by the Indicator Project SA between 1983-1990. Our many new readers may want to take advantage of the special offers available on back-issues of both the quarterly report and our issue focus series. Order these topical publications, all limited editions, while they are still in print!

Graham Howe, Editor
June 1990

POLITICAL MONITOR

Pan Africanist Congress

(formed on 6 April, 1959)

PAC Internal

National Executive Committee

President	**Zephania Mothopeng**
Vice President	**Clarence Mawketu**
Secretary	**Benny Alexander**
Assistant Secretary	**Philemon Tefu**
Publicity Secretary	**Benny Ntoele**
Finance	**Mike Matsobane**
Foreign Affairs	**Patricia de Lille**
Sports	**Lesley Ntuli**
Projects and Relief	**Joyce Sidebe**
Projects Develop.	**Batembu Lungulwana**
Health Secretary	**Nana Mahobi**
Labour Secretary	**Manene Samela**
Legal Affairs	**Philip Dlamini**
Culture	**Mphulotsi Morokong**
National Organiser	**Walter Phisikile**
Education	**Mahlobi Bandazayo**
Political Affairs	**Mipolisi Mangqungwana**

Working Committee

Eastern Cape	Western Cape	Transvaal	Northern Transvaal
Orange Free State	Border	Natal	Transkei

Local Branches

PAC External

National Executive Commitee

President	**Zephania Mothopeng**
Chairman	**Johnson Mlambo**
Vice Chairman	**V Maki**
Secretary General	**Joe Mkwanazi**

Secretariat

Foreign Affairs **Gora Ebrahim**	Social/ Women **Nomvula Booi**	Education/ Manpower **I Mafola**
Economic/ Projects **M Gqobose**	Finance **T Mgumba**	Assistant Admin. **K Nkula**

Azanian People's Liberation Army

Special Issues

Outside the MDM

An A-Z of Azanian Politics

By Gary van Staden, Senior Research Officer, SA Institute of International Affairs

The hurly burly of 1990 - President FW de Klerk's initiatives and Nelson Mandela's responses, international and internal reactions, and the general readjustment by all interest groups - has been commonly expressed as a single process of 'negotiations about negotiation'. Two groups have dominated recent events - the government and the Mass Democratic movement (MDM), specifically the African National Congress (ANC) - but there are several other black political forces in the South African environment whose impact cannot be ignored.

It is not the intention here to become involved in an ideological debate about the respective merits (or otherwise) of Africanism, Black Consciousness and the Mass Democratic Movement. Furthermore, until the people of South Africa are given the opportunity to democratically elect their leaders, the relative strengths of rival organisations will remain largely guesswork; some educated, some propaganda, but guesswork none the less. There seems little point in merely adding another guess to the list.

Within these parameters, this overview focuses on the three major groupings in black politics outside of the MDM, namely the Africanist, Black Consciousness and Inkatha movements. (This assumes that the South African Communist Party remains in its alliance with the ANC, and that the MDM encompasses the ANC).

AFRICANISM

The Africanist ideology contains a number of elements which clearly separate it from the so-called Charterism of the MDM. The most important of these issues are:

- land ownership;
- the role of whites and communists in the liberation struggle;
- multi-racialism versus non-racialism; and
- the armed struggle.

The Manifesto of the Africanist Movement, first published in 1959, remains a cornerstone of Africanist policy. During the colonial period the African people were dispossessed of their land, their freedom and their basic human rights. The return of the land 'stolen' by white settlers to the indigenous African people is a fundamental principle of Africanism and is regarded as non-negotiable. The Africanists disagree strongly with the Charterist view that the land belongs to ALL who live and work it.

Until democratic elections are held, the relative strengths of rival black groups will remain largely guesswork

The Africanist movement has a fundamentally different view to the MDM on the role of whites and communists in the liberation struggle. Both are regarded by the Africanists as deeply suspect and stand accused of 'hijacking' the liberation struggle for their own selfish ends. In 1959 one of the giants of Africanism, Robert Sobukwe, called South African communists 'quacks', and precisely the same sentiments are still expressed today.

The Africanist view on the role of whites in the liberation struggle is that they have too much to lose in terms of privilege and possessions to be reliable allies. The issue of liberation and repossession of 'stolen' land is an indigenous African affair. It is this aspect of Africanism which is primarily responsible for the frequent accusations that Africanism is racist and exclusivist.

The Pan Africanists deeply suspect whites and communists involved in the liberation struggle

Yet the Africanist movement would argue that it, and not the Charterists, are the genuine non-racialists in the South African political environment. Their reasoning is complex, often semantic in nature, and apparently irreconcilable with their view on white participation in the liberation struggle.

On Non-racialism

The reference in the Freedom Charter to 'groups' forms the basis of Africanist reasoning that the MDM follows a multiracial rather than non-racial approach. It is argued that non-racialism denies the existence of race whereas multiracialism recognises its existence but supposedly

The Africanists argue that the MDM uses non-racial rhetoric but still believes in the existence of racial groups

treats all 'groups' as equals. Further, it was the concept of multi-racialism in the de-colonisation period in Africa which was responsible for maintaining white control by bestowing equal status on the alien dispossessor and the indigenous dispossessed.

The Africanists would claim that the MDM has simply shifted from multiracial to non-racial rhetoric while retaining the basic belief that different racial groups do in fact exist. Non-racialism for the Africanists is defined not merely as total equality in which racial differences are disregarded, but a denial that race exists at all in any meaningful social sense.

But the Africanists do draw clear distinctions between historical and prevailing conditions inside South Africa and future conditions in a liberated Africanist society. By this mechanism Africanism attempts to reconcile its basic belief that race does not exist with attempts to address the problems created by those who did not share that belief. Thus it does not deny that race has (and continues) to play a key role in shaping developments in South Africa.

It is within this context that the Africanist view on white participation in the liberation struggle should be viewed. Whites have been (and remain) the colonisers and the benefactors in Africa. The same historical consequences have left Africans dispossessed, oppressed, colonised and exploited. The exclusion of whites, therefore, is not based on race criteria but is a consequence of history. Such exclusion will end at the moment of liberation and the return of the 'stolen' land.

Another parting of the ways is that Africanists view armed struggle as the primary means of liberation

This inclusion, however, is subject to a number of conditions. What is the Africanist definition of 'African'? Once again, the issue of race does not apply. Any person who regards themselves as African and accepts the culture, traditions, value system and democracy of African socialist majority rule, and who owes no other loyalty, is considered to be an African.

On Negotiations

The issue of armed struggle represents another significant parting of ways between Africanists and the MDM, specifically the ANC. In the Africanist view armed struggle is not merely ONE of the mechanisms available to facilitate liberation - it is the primary one. This is based on an Africanist interpretation of history which holds that political power is never given away; it must be taken by force. This leaves armed struggle as the only alternative.

It follows, therefore, that the Africanists reject negotiation as a mechanism for facilitating a transfer of power unless such negotiations are confined to the mechanics of the transfer of land, resources and political power to the African majority.

This refusal to compromise extends to the current round of 'talking about talks' which Africanists believe is a 'sell-out' of the liberation struggle. The South African government is NOT about to negotiate the transfer of power and ownership, it is in the process of attempting to dilute internal resistance and weaken international pressure, including sanctions. The Africanists would argue that those sections of the broad liberation movement (such as the MDM) which participate in negotiations at this point are in fact strengthening the government's hand by giving it space to manoeuvre.

The member organisations of the Africanist movement will not suspend its armed struggle and agree to negotiate unless the following statutes are repealed:

- the Population Registration Act;
- The Land Acts of 1913 and 1936;
- the Bantu Education Act;
- the SA Constitution Amendment Act (1983); and
- the Bantustan independence and self-government Acts.

Even then, the only issue it will negotiate once these statutes are repealed is the mechanism whereby all the people of South Africa elect representatives - on an one person, one vote basis - to a Constituent Assembly which will then be charged with the responsibility of drawing up a new constitution for South Africa (or Azania). Only elected representatives with a mandate from the people can do this.

Thus it is not correct to state that the Africanist component of the liberation movement is not prepared to negotiate under any circumstances. It would argue that it is not prepared to compromise its basic principles and that at this point in South Africa's history, negotiation involves too much compromise.

On Strengths

It was stated at the outset that measurement of the relative strengths of the rival liberation movements would not be an issue here. But obviously any overall assessment depends on the measure of power the

Africanist groupings can muster in support of their stand. While this area remains highly emotive, two elements do seem clear. Firstly, at this point in South Africa's history the Africanist component of the liberation movement is not in the majority, but on the other hand, it certainly cannot be ignored.

It is undeniable that since the early 1980s and particularly towards the middle of that decade, Africanism has shown a strong revival inside South Africa, a revival which continues. And, despite its troubled history, Africanism has produced a crop of leaders who are talented, dedicated and more than capable of holding their own in any future scenarios which may arise.

The major organisations which promote the Africanist ideology are the Pan Africanist Congress, the Pan Africanist Congress (Internal) - formerly the Pan Africanist Movement - certain elements within the Nactu trade union federation and youth movements such as the Azanian National Youth Unity (Azanyu). (Also see charts on monitor covers.)

BLACK CONSCIOUSNESS

Black consciousness is a highly sophisticated ideology and to dismiss it as anti-white, a fringe element, irrelevant or elitist is reductionist and a grave injustice to some of the most brilliant minds produced by South Africa, such as that of Bantu Steve Biko, Mapetla Mohapi and Mthuli ka Shezi.

The Black consciousness ideology argues that the removal of the chains on the minds of black South Africans - psychological liberation - is as important as removing the chains on their feet. It emphasises self-reliance and assertiveness, addressing itself to how the oppressed should liberate themselves: 'Black man, you are on your own'.

The ideology and philosophy urged black South Africans - whether they be 'Bantu', 'Coloured' or 'Indian' - to accept their identity, to shake off instilled feelings of inferiority, to take their own decisions and to unite against a common oppressor.

It totally rejected white participation in the liberation struggle, not because it was anti-white, but because it believed that those who have been a party to exploitation, oppression and profit, cannot assist the exploited and oppressed to gain their liberation. Accordingly, it was the shock of being told that blacks no longer needed or wanted whites to do their thinking for them which prompted white liberals to regard the ideology as anti-white.

On Socialism

Black consciousness adheres to the major propositions of scientific socialism. It demands the return of all South Africa's land and resources to the common ownership of the people as a whole.

The Azanian Manifesto, the guiding document of the black consciousness movement, reflected the major principles of the Africanist Manifesto drawn up some 20 years earlier. It is thus no coincidence that the differences with the MDM are similar to those expressed by the Africanists. An exception is the black consciousness movement's attitude to Marxist-Leninism which is far more favourable than that of the Africanists (who tend towards African socialism).

Despite the many ideas it shares with Africanism - the return of the land and resources, its views on white participation in the liberation struggle, its views on race (where it espouses non-racialism rather than what it calls the multi-racialism of the MDM) and its views on negotiation and armed struggle - it would be a gross oversimplification to state that black consciousness is merely a refinement of Africanism.

The black consciousness movement would certainly regard itself as more sophisticated and relevant than Africanism with its 'old-fashioned' ideas on African nationalism. Black consciousness leans far more toward a class analysis of South African society than does Africanism. Thus demands for the return of the land, while sharing the Africanist belief that this was 'stolen' during the colonial period, contain new, more sophisticated elements of scientific socialism.

On Negotiations

Black consciousness, like Africanism, has no sympathy for the 'group' concept and postulates that rights can only be protected by the state on an individual basis. Thus a future Azania under black consciousness would not discriminate against whites (or anyone else) on a racial basis, nor would it accept any measures designed to protect the privileges of a specific racial group.

It rejects the current round of 'talking about talks' for much the same reasons as the

Negotiations are rejected as a mechanism for a transfer of power unless they deal with the redistribution of resources

More so than Africanism, Black Consciousness relies on class analysis and is politically more sophisticated

The third force outside the Congress camp, Inkatha, endorses the MDM's goals but rejects tactics of sanctions, etc

Africanists. The black consciousness movement's view is that to go to the negotiating table at this point would only entrench the powerlessness of the liberation movement. Like the Africanists, they believe that the only negotiations worth becoming involved in are those which establish the mechanisms whereby the majority can elect their representatives to a Constituent Assembly.

Political, social, economic and constitutional policies cannot, according to black consciousness groups, be negotiated with the present government. They can only be negotiated after the government has resigned.

On Strengths

The black consciousness ideology is served by the Black Consciousness Movement of Azania - BCM(A) - which operates out of exile in Harare and runs an armed wing, the Azanian National Liberation Army (Azanla); by the black consciousness movement inside South Africa which includes organizations such as the Azanian People's Organisation (Azapo), and by its student and youth wings. The black consciousness ideology is also championed by elements within Nactu in opposition to the Africanists within this trade union federation.

All three of these groups would claim that their ideologies have many sympathisers within MDM rank-and-file

While it may be tempting to measure the numbers in Nactu against its MDM rival, Cosatu, and find Nactu wanting, both the black consciousness and Africanist movements would claim that their respective ideologies have many sympathisers within the ranks of Cosatu.

INKATHA

The 'third force' at work in black politics outside of the MDM is Inkatha. Inkatha's stand on negotiations is well known. It does not need to be repeated here except to say that it endorses the major objectives of the MDM but disagrees on the nature of the tactics to be employed in order to achieve its desired ends. In so doing Inkatha has denied itself the two most powerful weapons available to its rivals - armed struggle and the active support of economic sanctions.

Inkatha, on the other hand, views these tactics as counterproductive and fully supports the current round of negotiations. Some of its differences with the MDM are of a tactical nature but others concern economic policy. Inkatha wants a free enterprise capitalist system, while the MDM is tending towards a mixed economy with several key socialist elements.

On Participation

But perhaps the key differences between Inkatha and the MDM concern the issues of participation in the political system and the use of violence against political rivals. The leadership of Inkatha and that of 'self-governing' KwaZulu overlap to a significant degree, so that there is full Inkatha participation in the current political system. This element of 'co-option' is attacked by the MDM as 'selling-out' but defended by Inkatha as providing access to the highest levels of the political system.

The bottom-line is that Inkatha considers itself to be part of the broad liberation movement; whereas its extra-parliamentary opponents widely regard Inkatha as part of the political system they seek to remove.

Inkatha denies that its support has been slipping in the key Natal region since the release of Nelson Mandela and the unbanning of the ANC. The MDM, on the other hand, claims that the violence in Natal is due to desperate attempts by Inkatha - assisted by the state - to prevent the MDM undermining Inkatha's only real power base.

Clearly, the causes of the violence are more complex but this is not the place to discuss these issues. The only item at issue here is that the violence in Natal/KwaZulu is a major contributing factor to the strained relationship between Inkatha and the MDM.

To conclude, this brief essay cannot possibly represent a comprehensive overview of the political environment outside of the MDM. Many issues have remained untouched in the attempt to highlight some of the more important ideological and tactical differences between the MDM and its major political rivals.

Only three of the rival black political organisations have been discussed, however briefly, and there are many more. It would be fair to make two final points, however. Firstly, the Africanist, black consciousness and Inkatha movements are the MDM's most important rivals and, secondly, none of them can be ignored in political scenarios concerning the negotiation process or a post-apartheid South Africa. IPA

Negotiations

The **Unacceptable** Compromise

By Barney Desai, Internal Co-ordinator, Pan Africanist Congress

The Pan Africanist Congress had barely existed for one year as a formal body when it was banned in 1960 as a direct result of its country-wide anti-pass campaign. In the wake of the PAC's actions, the African National Congress was also banned and the first state of emergency was declared. It is therefore necessary that there be a succinct restatement of the PAC's position. The words of the first President of the PAC, Robert Sobukwe are the vehicle through which we reiterate our case:

> *Our contention is that Africans are the only people who, because of their material position, can be interested in the complete overhaul of the present structure of society ...*
>
> *Politically, we stand for government of the Africans, for the Africans, by the Africans, with everybody who owes his allegiance and loyalty only to Africa and accepts the democratic rule of an African majority, being regarded as an African.*
>
> *We guarantee no minority rights because we are fighting precisely that group exclusiveness which those who plead for minority rights would like to perpetuate. It is our view that if we have guaranteed individual liberties, we have given the highest guarantee necessary and possible ...*
>
> *Economically, we stand for a planned economy and the most equitable distribution of wealth. The slogan of 'equal opportunities' is meaningless if it does not take equality of income as a springboard from which we take off. Our problem, as we see it, is to make a planned economy work within a framework of a political democracy. It has not done so in any of the countries that practice it today, but we do not believe that totalitarianism is inherent in a system of a planned economy.*
>
> *Socially, we stand for the full and complete development of the human personality with the active creation of conditions that will encourage the rapid disintegration of group exclusiveness and the emergence of a united African nation.'*

Sobukwe, the PAC founder, rejected minority rights as part of the struggle against group exclusiveness

These words were spoken 31 years ago, and they remain our perspectives and goals for a future Azania. Our world outlook is unambiguous. We are firmly committed to a policy of non-alignment - neither East nor West! South Africa was the object of colonial conquest and still is in the grip of a settler minority who not only serve their own interest, but those of imperialism and international finance capital.

Those interests have raped the African continent and left a legacy of starvation, extreme poverty and degradation. Equally, however, we hold no brief for Soviet imperialism. The rampant corruption of their satellites in eastern Europe can only be described as acts of gangsters dressed in working men's clothes, who abused the humanity of the socialist ethic.

Both the Pan Africanist Congress and the African National Congress subscribe to the principle of one person, one vote in a unitary state. We are both committed to the demand for the establishment of a mechanism for the calling of a Constituent Assembly where representatives of the people elected by universal adult suffrage will deliberate and enact a new constitution for our country. Both organisations demand the unconditional release of political prisoners and the return of the exiles.

The PAC calls for a Constituent Assembly where elected representatives of the people will enact a new constitution

The Pan Africanist Congress also demands as a precondition to any negotiations with this regime:

- the abolition of the Land Acts which reserve 90% of the land for the white settler population;
- the abolition of the Population Registration Act;
- the abolition of the Bantu Education Act;
- the abolition of all security laws which restrict our freedom of speech, assembly and the right to a fair trail. We demand the lifting of the state of emergency;
- that the regime unequivocally commit

Before negotiations, the PAC demands the abolition of the Land Acts and a commitment to the redistribution of resources

itself to the equitable redistribution of resources, to right the wrong done to the black masses of our country.

What has been the regime's response to these demands?

Firstly, the regime has rejected out of hand the demand for convening a Constituent Assembly. No doubt they fear that such an assembly would terminate white supremacy. Mr de Klerk has said, 'I want to emphasise that I am against simplistic majority rule'. He asserts that there have to be 'checks and balances' leading to a 'consensus government.' Votes will be of 'equal value'.

The PAC posits these questions. Can there be consensus between master and servant? Can we reconcile the irreconcilable? Can there be any doubt this is yet another attempt to secure group privilege and to frustrate the majority oppressed? Mr de Klerk's proposals (or ruse) are an attempt to divide the three million white votes enough times to ensure that the majority vote does not mean majority rule.

Negotiating from a position of weakness opens the way to unacceptable compromises

Secondly, the Land Acts will not be scrapped but only amended. Questioned on television on 23 April 1990 whether this would not merely perpetuate a situation where the country's wealth would be concentrated in white hands, de Klerk responded, 'One of the basic values in which I believe is free enterprise. Redistribution of wealth is a socialistic term. I am absolutely against that'.

Thus land acquired through the barrel of a gun will be legitimised as private property be a process of negotiation.

Thirdly, the Population Registration Act, 'a pillar of apartheid', will remain in place until a new constitutional dispensation has been arrived at. Clearly Mr de Klerk, wedded to group privilege, sees this Act as vital to identify the group for which special protection and privilege will be sought.

Fourthly, the Group Areas Act, which has been used with diabolical effect not only to enforce blatant racial discrimination but also to plunder black property, will be amended and not scrapped.

No doubt the amended version will now be used to preserve established residential patterns and living standards. According to Dr Gerrit Viljoen, the protection of property values would be one of the major objectives of the 'replacement measures'. Amendments would include those aimed at ensuring that established residential patterns and living standards, did not drop when blacks moved into neighbourhoods presently reserved for whites.

Can there be any doubt that here is another game being played out by the regime to frustrate the desire of blacks to live wherever they wish? Conversely, the writing is on the wall that, when white economic interests move into black areas in pursuit of the burgeoning spending power of our people, the black trader and small business entrepreneurs will be obliterated all in the name of upgrading the depressed black areas.

Post-Apartheid Illusions

The question that the PAC poses at this juncture is a fundamental one. Having regard for our stated policies and the responses of the ruling class to them, we boldly ask: What self-respecting organisation within the liberation movement can come to the negotiating table at this juncture?

The regime is in deep economic and social crisis. Whilst its legitimacy has been so dented that it formally rejects apartheid, it is nevertheless still powerful enough to dictate the terms to ensure an 'informal' system of white domination of the majority black population, namely, to impose a neo-colonial system, the likes of which Africa has never seen.

It is in these circumstances that the PAC rejects negotiations, for we hold to the simple truth that what has not been won on the battlefield will never be won at the negotiating table. Negotiating from a position of weakness opens the way to unacceptable compromises. We certainly do not see negotiations 'as another form of struggle' nor do we wish to engage in the futile exercise of building castles in the air about a 'post-apartheid society'.

The PAC sets itself the task of building the organisational structures of our people into a formidable fighting force that will offer the real challenge for fundamental change. We refuse to negotiate under the present conditions for to do so will make us accomplices in our own oppression.

We are for peace but not for appeasement. Our struggle for self-determination continues until victory is assured. This land must be returned to its rightful owners! **PAC**

Special Focus

Pan Africanist Visions

The Impossible Revolution?

By Ivan Mantzaris, Department of Sociology, University of Durban-Westville

While the African National Congress (ANC) and the South African government have engaged in 'talks about talks', there have been growing indications that the eclipsed Pan Africanist Congress has made some significant inroads into traditional ANC urban and rural constituencies. The scattered newspaper reports on the PAC's complete rejection of a negotiated settlement, Mantzaris argues, perpetuate major misconceptions about the ideological, political and economic principles of the PAC.

Contrary to prevailing belief, the fight against racism is one of the cornerstones of the PAC's ideology. Both in the Pan Africanist manifesto of 1959 and in 'the New Road' programme of 1975, it is indicated that the PAC belief system is based on the principle that there is only one race, the human race.

The PAC counteracts the accusations of racism made by critics by pointing out that the term, 'African' has neither racial nor ethnic connotations, but deeply rooted cultural ones. Thus when the PAC calls for 'Africa for the Africans', whites who feel and act as Africans are defined as a part of the struggle. On the contrary, not *all* blacks are seen as Africans.

These sentiments have been reiterated time and again by PAC leaders such as the late John Pokela (former chairman), Gora Ebrahim (NEC member) and Zeph Mothopeng (president). In an interview with the *Azanian News* (1990) Mothopeng cited the example of the South African 'Indian people'. He said that for the PAC there are no Indian people in South Africa, but people of eastern origin who have become Africans. When a person of a non-African origin feels that his/her allegiance is to Africa and accepts the non-racial decisions of the African people, he/she is an African.

It must be stressed thus, that the PAC's concrete ideology as understood from its documents and practice is that of non-racialism.

Political Policies

Most of the core political policies of the PAC are embodied in the Pan Africanist manifesto of 1959, but several others have been incorporated at later stages of the historical development of the PAC. Some of the crucial aspects of the PAC's political policies and visions are:

- The establishment of an Africanist democracy, socialist in its content, wherein the material, spiritual, cultural and intellectual interest of the individual will be fulfilled completely.
- The Africanist democracy will be based on an one person, one vote, universal adult suffrage and non-racial principles. A constituent assembly voted in by all the people of South Africa is the start of the historical transformation of the country.
- Azania will be a unitary state liberated from the chains of apartheid and striving for Pan Africanism, nationhood, socialism and the ultimate creation of a United States of Africa.
- There will be common ownership of the land, which will be repossessed because it was originally stolen from the indigenous people.

The Africanist democracy will be based on universal adult suffrage, socialism and common land ownership

In recent statements, the PAC has reiterated its well-documented position against a negotiated political settlement. This is not seen as a move towards the liberation of the African majority but as an attempt by the government to escape the serious economic and social problems created by apartheid. The PAC also believes that a negotiated

The PAC sees negotiations as an attempt by government to escape the socio-economic problems created by apartheid

settlement is supported by the government's imperialist allies, to co-opt the African petty bourgeoisie and elite groups into the system.

Thus a negotiated political settlement will ultimately be a victory for the apartheid regime and its imperialist allies, and the African majority will gain very little.

The PAC sees the future of 'Azania' as socialist. It vehemently distrusts liberals (especially 'white liberals') who are seen as having immense influence on other liberation movements such as the ANC, the UDF and the MDM. Such liberal groups (e.g. Idasa and sections of the Democratic Party) according to the PAC have played and are destined to play a vital role in promoting a pro-capitalist settlement.

Other important political policies of the PAC point to the end of sexual discrimination, which will be punishable by law, religious freedom which will be enshrined in the constitution, and individual and collective human rights. The constitution of the future Azania will also guarantee free education for all, free provision of housing and free health facilities for all citizens. The constitutional existence of independent trade unions will guarantee their legal status as the watchdogs of the paramount interests of the working class.

It is believed that white liberals in the MDM will play a role in promoting a pro-capitalist settlement

Armed Struggle

One of the most important political objectives of the PAC today is to isolate the South African government and its allies by internal pressure through the intensification of the armed struggle and by the international propagation of sanctions and disinvestment.

The political significance of 'people's war' is of immense importance to the PAC. The strategic objectives of armed struggle include three main phases:

- Guerilla warfare in the form of attacks on strategic targets and security personnel, and the creation of liberated zones inside South Africa from which the Azanian People's Liberation Army (APLA), the military wing of the PAC, will operate.
- Mobile warfare, which is an escalation of the conflict to include large-scale military operations against the regime's forces from the liberated zones; and
- Conventional war, which means a further escalation of the conflict.

APLA's official organ, *Azanian Combat*, has provided its readers with detailed attacks made by the PAC army against military targets and enemy personnel, but it is increasingly difficult to corroborate or substantiate such claims. However, security sources have linked the PAC's military wing to the ongoing spate of grenade attacks on black policemen on the Rand.

Economic Principles

In general terms, the three cornerstones of the PAC's economic policy are common ownership of the land and resources, a more equitable distribution of wealth and social services, and state-directed industrial development. These principles have been the basis of PAC policy since its emergence under PAC founder, Robert Sobukwe, but they have been modified lately in line with changing national and international conditions.

The PAC believes that the state should be a guarantor of a socialist and egalitarian society based on 'scientific socialist principles'. Thus the future economic system of a free Azania will guarantee that:

- the labour power of the working class will not be exploited by national and international capital;
- all major sectors of the economy and all vital services such as transport, electricity and water supply, will be controlled by the state;
- society will have its needs satisfied as a totality - individuals and firms will operate as 'social units' catering for the people and not for private profits; and,
- co-operatives will be one of the primary productive units in the restructuring of the country's economy. These will be organised in both the agricultural and industrial sectors.

The PAC's programme stresses that all these guarantees will be implemented on solid scientific and managerial bases. This will be achieved by the involvement of the 'indigenous population' at all levels of small and/or medium sized business, in co-operatives, in managerial promotions, and in the owning and running of various business units.

This whole system will initially be based on firms which are run either individually or as co-operatives. The workers will be represented at all levels in the production process and the decision-making processes of both the state and privately owned enterprises.

The state will need to promote a labour movement conscious of its working-class goals, which through the ethic of hard work and high discipline, will give a boost to the country's paralysed economy. Food production, decentralisation and development programmes will be primary aims for the PAC on the economic level.

Constituencies

The vociferous debate amongst journalists and academics on the *real* growth of the PAC from the day of its unbanning on 2 February 1990 continues. Some commentators believe that the PAC has as great a *potential* to become a mass movement as did Steve Biko's Black People's Convention. Several political and economic developments within the country point to the relevance of such a scenario.

The material conditions in the black townships such as poverty and unemployment, the youth rebellion, popular impatience and intolerance of mainstream political organisations could lead to a change in political allegiances. It is the ANC and allied bodies, after all, who support a negotiated settlement with what the PAC terms the 'settler colonialist regime'. If these discussions ('talks about talks') fail, there is a belief that the PAC will undoubtedly gain immensely.

The internal PAC leaders such as Benny Alexander (general secretary), Zeph Mothopeng (president), and Barney Desai (interim co-ordinator) have publicly claimed that the recent growth (both organisational and numerical) of the PAC internally has been phenomenal. Others do not share this optimism.

The well-publicised SAIRR/McCann 'poll' of 50 Soweto middle-class individuals and students of whom a large number identified with PAC ideals and policies, was too small a sample to measure support. However, personal observation of the author in the Cape, Natal and Transvaal points to steady but cautious recruitment successes. An ingredient lacking in earlier PAC recruitment endeavours - efforts to build up and consolidate structures on the ground is evident in the latest PAC approaches.

In the absence of independent verification and actual membership figures, the current strengths of PAC affiliates remain unknown. Nonetheless, the four main constituencies for the PAC are:

• *The working class*
By 1988, leading Africanist proponents such as Nactu General Secretary, Cunningham Ngcukana, and his group had displaced Azapo loyalists at the labour federation's annual conference. The problems facing Nactu might prove that the Africanist take-over was a tactical mistake, as Azapo die-hards such as Phandelani Nefolovhodwe (Assistant General Secretary) and Mkhize still command considerable support among the rank-and-file and in unions within Nactu. The Nactu 'take-over' might yet misfire given the fact that various ideological trends were unified within the organisation (Unity Movement, Azapo, BCMA and even Inkatha).

The internal strife within Nactu was sharpened through the participation of several unions and individuals in the Conference for a Democratic Future, convened in December 1989. The subsequent resignation of Nactu General Secretary Piroshaw Camay came at a time of worsening relations between Azapo and the PAC, both regionally and nationally. Both factions, however, appear to realise that an actual labour split along black consciousness and Africanist lines would mean the demise of the federation. This would not serve the interests of either the PAC or Azapo.

• *The youth*
Azanyu (Azanian Youth Unity) is possibly the most organised and disciplined section of the internal PAC. Operating in semi-underground organisational structures, the youth movement has survived continuous attacks from the state with several of its key leaders arrested and detained for months. In 1984 the movement claimed a membership of 16 000 (*Sowetan* 9/10/86), and at its 1988 congress it attracted 2 000 delegates from all over the country (Sowetan 21/1/88).

Azanyu has undoubtedly developed as the vanguard of the Pan Africanist movement given the tensions within Nactu. It has built strategic alliances with groups such as Qibla in Cape Town, a group of radical Muslims who have also participated in APLA's armed struggle. Several members of Qibla are presently serving prison sentences on Robben Island.

• *Students*
The Pan Africanist Student Organisation (Paso) was formed as an affiliate of the then Pan Africanist Movement (PAM), since transformed into the PAC (Internal). Paso

Some comentators believe that the PAC has great potential to become a mass movement in black politics

The four main constituencies for the PAC are alienated black workers, youth, students and community groups

Will the PAC be capable of challenging a future transitional government emerging from negotiations?

has branches at all 'black' and some 'white' universities and technikons, and concentrates on conscientising students on the virtues of Pan Africanism. Although it does not have the resources of student organisations such as Sansco, Paso has made several inroads in organising and consolidating structures in most tertiary institutions in the country, but also in African, coloured and Indian high schools (Eldorado Park, Bosmont, Mitchells Plein, Rylands etc.).

• *Diverse groups*
In this category, there is the African Organisation of Women (AOW) whose numerical strength is unknown, and the African Labour Co-ordinating Committee, which operates both *within* Nactu and some of the Cosatu affiliates.

Recruiting Drives

The PAC keeps silent on particulars of the numerical strength of the organisation. Several important indications of the movement's development have become public though.

For instance, it has been claimed that the PAC has support bases in 16 regions, with over 60 established branches and over 100 interim structures countrywide (*Weekly Mail* 5-11/4/90). The PAC reportedly has made inroads in rural areas in its former 1950s strongholds in the Transkei and Eastern Cape, and in the Orange Free State and the Transvaal (*Natal Mercury* 3/5/90).

Will the PAC be able to consolidate organisational structures and link up with other militant black groups?

With the emergence of legal public protest, the PAC has attracted members belonging to other liberation tendencies at rallies all over the country such as in Guguletu, Langa, Mitchells Plein, Pretoria, areas in the Vaal Triangle and Soweto (*Weekly Mail* 11-17/5/90). It has also moved decisively into both middle-class and working-class coloured areas such as Salt River and Mitchell's Plein in Cape Town, Stellenbosch, Ennerdale (south-east of Johannesburg), Bosmont and Riverlea; areas previously dominated by other resistance forces such as the UDF or Azapo (*Natal Mercury*, op cit).

Strategic Options

Leading PAC figures in the Transvaal and the Free State have been attacked and some killed in feuds with rival political groups. There may be more than coincidental timing in the fatal attacks on PAC leaders in the first six months of 1990 - the killing of exiled Sam Chand and his family in Gaberone - and the spate of accidents involving Jafta Masemola, Benny Alexander and others. Perhaps, after a long time, 'friend and foe' alike perceive that the PAC has developed into a threat.

Despite these setbacks the PAC still organises all over the country with a great degree of fervour. In terms of the political dynamics of South Africa today, what are the strategic and tactical alternatives for the PAC?

- Will the PAC be capable of challenging (both politically and/or militarily) a future transitional government which may be the result of negotiations?
- Will the PAC be able to consolidate its organisational structures and prepare itself for an one person, one vote election for a constituent assembly?
- Will the PAC become an integral part of the struggles between labour and capital in the interim period leading to the negotiated settlement, and thus make 'Africanism' a living ideology within the masses of the black/African working class? What is the role of Nactu in this respect?
- Will the PAC be prepared to strategise and start rebuilding bridges of communication with organisations with similar ideological foundations such as Azapo and other BCMA groupings?
- Will the PAC be able to find alternative bases for APLA in case the ANC abandons the armed struggle in its desire to find a negotiated political settlement?

These are but a few of the crucial question which need answers. So far the PAC has shown determination and commitment to its principles and strategic objectives; perhaps it is now time for greater flexibility. Revolutionary politics demand not only visionary images, but also strategic rethinking, tactical alliances, careful utilisation of human and financial resources and above all, a well thought out and planned blueprint for a new South Africa (or Azania). IPM

Avoiding the Reform Trap

Black Consciousness in the 1990s

By Strini Moodley, Publicity Secretary, Azapo

Before projecting the role of the Black Consciousness Movement (BCM) into the 1990s, Strini Moodley looks upon the origins of the ideology in the heady 1970s. In outlining the issues and principles that divide the various liberation movements today, the author explains why no group can claim to be 'the sole and authentic' representative of the people and evaluates the potential for a united front. He argues that negotiations are premature and warns the participants about becoming ensnared in a bureaucratic process of reform by committee that will defeat the more radical goals of transformation.

The Black Consciousness Movement (BCM) is the umbrella term given to all those organisations that subscribe to the ideology of Black Consciousness (BC). The torch-bearer of the BCM, today, is the Azanian People's Organisation (Azapo) which articulates the political principles and aims of the BCM. Much has been said about Azapo and the ideology of BC. Many have interpreted it as an internal wing of the Pan Africanist Congress (PAC).

Others have claimed that BC was an interim strategy designed to heighten the political consciousness of the black people. Neither of these interpretations are correct.

United Front

The emergence of the BCM dates back to 1968 when the South African Students' Organisation (Saso) was formed under the leadership of Steve Biko. It reached its high water mark by 1974, when the organisations of the BCM - at that time - called for the Viva Frelimo rallies to celebrate the victory of Frelimo in Mozambique.

By 1976, BC had infiltrated every corner of this country and 16 June has gone down as a day that radically changed the way in which black people respond to their oppression and exploitation.

Like the African National Congress (ANC) and the PAC, the BCM emerged from the material conditions that governed black peoples' lives. Therefore, the BCM exists in its own right. It emerged neither as a wing of the ANC nor of the PAC, but as an entirely independent movement.

On the surface there are many similarities amongst all three organisations. All three are fighting for the liberation of black people from oppression and exploitation.

However, the BCM has a theoretical basis - BC - which guides its programme of action towards the achievement of that liberation. Crucial to the achievement of that liberation, BC believes that black solidarity is an axiomatic and scientific response to the racism and capitalism that keeps black people in bondage.

Neither the ANC nor the PAC have articulated the ideology of BC. Neither have they chosen the Marxian tools of analysis in order to define the material problems and solution for the oppressed and exploited peoples.

However, in the context of the BCM's commitment to black solidarity, it recognises the contributions made by both the ANC and PAC and accepts that they have the democratic right to work for liberation. Therefore, the BCM believes that liberation can only be achieved if the PAC, the ANC, the BCM and all other components in the liberation struggle work towards the establishment of a common front.

Black solidarity demands that all components in the liberation struggle should work towards a common front

The ravages of inter-organisational violence have been expressed in the senseless killings in Natal's townships

Because the BCM sees race as a class determinant, white society cannot have any significant role to play within the ranks of black people. The only role white people can play is to work within their own community to prepare them for change, to eliminate their feelings of superiority and psychologically heal themselves to accept all people - irrespective of race, colour, creed or religion - as their equals.

There is an argument that there are white people who are equally committed to change; those who have made major 'sacrifices' in the struggle for liberation. The BCM accepts this but also knows that they are far and few between. They are exceptions to the rule and cannot affect the equation that the white minority ruling class are the real problem. (The results of the Umlazi by-election on 6 June are a clear indication of the thinking within white society).

Liberation Psychology

In the 1990s, BC will continue to work towards the creation of a solid united front which can confront the white minority ruling class.

Black people continue to see themselves in white terms because of the ravages of racism. They continue to judge themselves by the standards, norms and values laid down by the white ruling class. This is why the BCM demands that the entire value system as devised by the white ruling class be demolished.

Through a programme of conscientisation, BC seeks to return to black people (under the leadership of the black working class) the tools with which they can fashion their own lives. This programme is the practice of revolution. It develops self-reliance; it encourages black people to respect themselves and one another.

The continuing ravages of inter-organisational violence have been expressed in the senseless killings in the townships, not only in Natal, but throughout the country. The vicious and horrific manner in which people kill - the necklace, the gouging of eyes, bodies with more than 100 stab wounds - demonstrate clearly the psychological inferiority complex which has distorted black life.

For as long as that psychological condition persists, BC will play a role. In short until there is a total liberation and the establishment of a socialist Azania based on democratic principles, BC will act as theoretical guide post for all revolutionary forces.

The BCM is not convinced that present strategies will radically alter the lives of black people. Poverty, unemployment, starvation and disease will continue to haunt South Africa, unless there is radical change.

We must be prepared to fight on for the establishment of a socialist democracy where the material wealth in the hands of the few must be transferred to the many. Capitalism has the uncanny knack of mutating to suit changed material conditions. The BCM belives it is only the revolutionary forces that can see through the sleight of hand that is being implemented.

Premature Negotiations

Negotiations will ensnare liberation groups in endless committees to examine ways and means of reform

In today's euphoric climate of negotiations the BCM believes that the black working class is still too fractured and too weak to rush to the negotiationg table.

We believe that the only negotiations that can take place now are those between and amongst the components within the broad liberation movement. It is pointless rushing to the negotiating table when the might of the ruling class has not been sufficiently dented by the collective pressure of the working class.

The de Klerk regime speaks of 'reform'; it has engineered some superficial changes which are designed to hoodwink the world that 'apartheid' is being demolished. As far as the BCM is concerned de Klerk, with the able assistance of the West, is ensnaring the black working class into a carefully laid trap.

What the de Klerk regime seeks to do is rearrange the furniture so that the world is convinced that 'apartheid' is gone. At the same time, the regime will draw components of the liberation movement into negotiations in such a way that there will be endless committees, commissions and 'working groups' to examine ways and means by which prisoners can be freed; exiles returned; security and peace maintained; how the armed wing can integrate with the SA Defence Force, etc.

What de Klerk is doing is restoring the country to the *status quo ante* the 1948

elections. Slowly but surely, de Klerk will sap the liberation components of their power, while he strengthens his security forces and gains more and more support in the international world.

To prevent de Klerk from retaining the initiative; to instead place the initiative in the hands of the revolutionary forces, the BCM believes that all of us must come together behind closed doors. We must thrash out our differences and hit upon our similarities (which far outweigh the differences) and devise a plan to unseat the regime.

A united liberation front will have far greater success in securing the kinds of changes that the black working class seeks. The BCM believes that conditions will be most suitable for negotiations when the revolutionary forces are in a position of strength. To bargain from a position of weakness is dangerous and can lead to an entrenchment of the ruling class.

Ideally, we must work towards a position where we seek the transference of power. De Klerk and his regime must resign. White people must accept that they are individuals who cannot retain special favours. They can no longer operate as a group with power in their hands. They must succumb to the universally accepted ethic of one person, one vote in a unitary state where there shall be no whites, blacks, browns or yellows, but simply Azanians.

At the same time, the spectre of a white right-wing backlash looms large. The BCM is keenly alive to the possibility that the Conservative Party and all its neo-facist allies will wrest control from the de Klerk regime. Such a possibility will restore us to the Verwordian era and will reinforce institutionalised racism.

Building the BCM

There is always the argument that the BCM is a 'fringe' group that can be safely ignored. Pseudo-intellectuals have for years sought to invent all manner of distorted theories in order to discredit the BC.

Organisationally, the BCM spreads itself by a programme of conscientisation - a process of recruitment which enables black communities to become self-reliant. The target is not to advance the organisation but rather to advance the cause of revolution; the BCM believes that the revolution is far greater than any organisation.

Such a programme, therefore, gives black people the freedom of choice. It also calls on black people to accept their self-worth and so be able to make informed decisions about their struggle.

The BCM does not recruit to win the membership numbers game. It recruits people for revolution. Through Azapo, the BCM expresses its political strategy and has branches throughout the country.

Each branch of Azapo seeks to interact with the community in such a way that each decision taken by the community is a democratic one. The Azapo membership works within the structures of Cosatu, the UDF and within its own ranks. Under Azapo there is the student wing, the Azanian Students' Movement (Azasm), and the women's wing (Imbeleko Women's Organisation). All of these organisations operate at a national level.

Several trade unions within the National Council of Trade Unions (Nactu) and other independent unions, countrywide, have embraced black consciousness as their guiding theory. Several resource and civic-based organisations are also linked to the BCM. All of them engage in literacy projects, health projects (under the guidance of the Community Health Awareness Project - CHAP), and other community developments projects.

The BCM makes no claims about being the 'sole and authentic' liberation movement, nor does it consider itself the 'major' player. There can be no major players in the struggle for liberation. The BCM recognises that there are a plurality of views in the prosecution of the struggle. Each of these views contains good and bad points.

Because of that recognition the BCM does not place itself above one or the other components of the liberation movement. It is the interests of the revolution that should come first.

In our view, we articulate what most black people feel and what most black people want. The black people are the poor people and the revolution is about liberating the poor from hunger, disease, slave wages and political powerlessness. IPM

A united liberation front would seize the initiative from de Klerk and secure radical change

We make no claim to be the sole and authentic liberation movement, believing in tolerance of rival groups

PAC Activities & Trials, 1960 - 1989

PLACE AND DATE	ACCUSED/DETAINEES	CHARGES/ ARRESTS	SENTENCES/RELEASES
October 1989	Jeff Masemola	Life prisoner convicted of sabotage	Released with 7 other ANC life prisoners. He died in 1990 in a car accident
Cape Town, 1988	PAC members including members of the militant Muslim group ' Qibla ' - Achmed Casseim, Yusuf Patel, Mabutu Enoch Zulu, Siyabulela Ndoda Gcanga, Vincent Alson Mathunjwa, Sestiba Mohlolo and Rev Daniel Saul Nkopodi	19 charges including terrorism and sabotage	All 7 were guilty on 19 charges, including terrorism and sabotage and were sentenced to a total of 134 years
1988	PAC president Zeph Mothopeng	1979 Bethal trialist	Released
1986	Mike Matsobane and John Nkosi	1964 Poqo trialist	Released
1984	4 PAC men - Samuel Chibane, Dimake Malepe, Isaac Mthimunye and Philemon Tefu	Original sentence - life imprisonment for sabotage	Released after accepting conditional release from SA government
1984	Nkoyana Twala	PAC activities and encouraging people to leave for military training	2 years
1984	2 Bethal PAC trialists	Terrorism	Released
1983	6 PAC members	' Subversive activities of PAC ' and possession of banned literature	4 sentenced to 30 months and 2 to two years
Ciskei, 1982	T Ngobo	PAC activities	Banished from Tshantu to a Peddie village in Ciskei
Tanzania, 1981	6 PAC guerillas	Manslaughter of David Sibeko, a member of the PAC presidential council	15 years
Transkei, 23 September 1980	6 PAC members - S Mangoza, S Maponalo, Z Gusha, S Madlebe, Mr & Mrs V Mketi	Sentenced in 1978	Released
Johannesburg Regional Court, 19 June 1980	Simon Lucky Moaketsi	Terrorism Act and recruiting persons for military training	5 years
Swaziland, 1979	PAC members - Colin Tshabalala, John Manzi, Robert Mabusela, Rose Ndziba	Membership of PAC	Outcome unknown
Transkei, January 1979	5 PAC members - Sabelo Gwetu, Mack Maboya, Synod Madlebe, Tola Mketi and Mawethu Vitshima	Arrested	Outcome unknown
Maseru, February 1979	4 PAC members -Thamasonga Adams, Dladla Nonquaza, Vuyo Fetcha & Vusumuzi Biko	Murder of an informer	Outcome unknown
Transkei, March 1979	Several PAC members	Undergoing military training in Libya and China	Outcome unknown
Botswana, March, 1979	Baldwin Hlanti and John Mayongo handed over to SA authorities	Possession of false identity documents and PAC pamphlets	Outcome unknown
Soweto, May 1979	Abel Xakaza, Jerry Selebe	Convicted of unlawful possession of arms	Outcome unknown
Krugersdorp Regional Court, June 1979	Norman Vusi, Prince Mzimbulu Dube, Mthuzi Columbus Mazibuko	Terrorism and undergoing training in Libya and China under the auspices of PAC. Unlawful possession of arms	All were sentenced to 5 years imprisonment. Vusi and Mazibuko received an additional 5 years
August 1979	Churchill Luvuno	Terrorism Act for leaving the country illegally in 1976; military training, establising military cells for returning guerillas, refusal to give evidence	5 years and 9 months for the latter charges
Bethal, 18 June 1979 **PAC Terrorism Trial**	*18 PAC members - Alfred Ntshali-Tshali, Zephania Mothopeng, Moffat Zungu, Micheal Matsobane, Daniel Matsobane, Mark Shinners, John Ganya, Ben Ntoele, Johnson Nyathi, Themba Hlatswayo, Molayheyi Thlale, Julius Landingwe, (continued)*	*(continued) Micheal Khala, Goodwill Moni, Zolile Ndidwa, Jerome Kodisang, Rodney Tsoletsane, Hamilton Keke.*	All accept Alfred Ntshali-Tshali who was acquitted received the following sentences respectively : 15 years, 7, 15, 12, 12, 11, 10, 10, 8, 8, 8, 7, 7, 7, 5, 5
1978	5 persons (names not given)	Charges relating to the PAC	Sentence unknown

Compiled by IPSA Researcher Pravin Amar Singh

PLACE AND DATE	ACCUSED	CHARGES	SENTENCE/ RELEASES
East London, 1978	4 former Robben Island prisoners	Attempting to revive the PAC by establishing underground structures. attending PAC meetings	Sentence unknown
February 1977,	4 PAC members	Terrorism Act for PAC activities	All discharged
February 1977	Lawrence Mene	Terrorism Act for recruiting persons for military training , PAC membership.	Acquitted
March 1977	3 persons	Charges relating to PAC	Sentence unknown
Grahamstown Supreme Court, 1977	Walter Tshikila, Joseph, Madyo, Dumile Ndwandwa,	Tshikela pleaded guilty to being a PAC member, inciting people to leave the country . Madyo and Ndwandwa to being PAC members	Tshikela sentenced to 13 years, the others to 5 years
Victoria West, September 1969	24 persons	Spent 11 months awaiting trial on charges of sabotage and Poqo activities	Acquitted
Graaf Reinet, 1969	24 persons	Sabotage and Poqo actvities. 11 acquitted of all charges, 13 were found not guilty of sabotage, but guilty of Poqo activities	The leader, Jim Hermanus sentenced to 7 years, the rest - 2 sentenced to 2 years each, 3 to 2 years, 7 to a year each
1968	10 persons	Poqo activities	3 years
April and June 1967	2 PAC members	Murder of municipal policeman in Langa in 1962 following the Paarl riots	Death sentence
Cape Town, 1967,	3 Poqo members	Sabotage, recruitment for military training and Poqo activities	18 years for sabotage, 12 years for recruitment and Poqo activities
Cape Town, 1967	4 PAC members	Attack on police vehicles and the murder of a black policeman.	Death sentence
Grahamstown 1967	John Pokela, PAC leader	Sabotage, military recruitment, and planning to kill whites in East London	13 years
Oudtshoorn, 1967	10 PAC members	Poqo membership and/or furthering its aims	Ranging from 18 months to 3 years
1967	Everitt Kalake and Keketso Moalesi	Incitement to sabotage	7 and 5 years respectively
1967	2 Poqo members	Leaving the country illegally and undergoing military training	7 years
Mar 1965- Oct 1966	56 PAC members	PAC activities	Sentence unknown
December 1966	9 PAC men already serving sentence for their part in the Paarl riots	Murder of white shopkeeper in Wellington in 1963	Death sentence
1966	13 convicts serving sentences at Baviaanpoort	PAC membership, conspiracy to steal ammunition & overcome warders	Additional 18 months
Cape Town, 1966	3 PAC members	Conspiracy to send people abroad for training in sabotage.	20, 17 and 11 years
Cape Town, 1966	17 members	PAC activities	Ranging from 3 to 6 years
Durban, 1966	' Several ' PAC members	PAC activities	Unknown
Welkom court, 1966	4 PAC members	PAC related activities	Unknown
Grahamstown, 1966,	3 PAC members	Poqo activities involving conspiracy to blow up state and municipal installations in the Middleburg area	11 years
1965	4 PAC members	PAC activities	18 months
1964	Zephania Mothopeng	Furthering the aims of the PAC	3 years
7 October, 1964	' More than 20 Poqo members '	' Political activities and illegal presence in the country '	Unknown
1963	Jeff Masemola, John Nkosi, Samuel Chibane, Dimake Malepe, Isaac Mthimunye and Philemon Tefu	Sabotage	Life imprisonment
1960	Robert Sobukwe, PAC leader	Anti-Pass Campaign	3 years -jailed until 1967

Transition Politics

Playing by the New Rules

By Professor Simon Bekker, Director, Centre for Social and Development Studies, University of Natal

The ruling party is prepared to participate with others in the task of producing a new set of political rules

The political contest that follows will involve political actors upon the constitutional stage for the first time

The South African government faced formidable challenges from other parties on the political stage by early 1990. The ruling National Party found itself straddling a collapsing centre, challenged by extra-parliamentary movements intent on ridding the country of white minority rule, and by a resurgent Afrikaner nationalist movement.

These challenges developed within two strikingly different political cultures. Black left-wing opponents - denied access to the ballot box - operated according to rules defined by exile and resistance politics. But white right-wing opponents operated within the constitutional rules of the game defined for white politics. Their mode of mobilisation followed local level practices fashioned in the 1950s and 1960s during an earlier period of Afrikaner nationalist growth.

Although President de Klerk's address on February 2 1990 to parliament is generally acknowledged as the watershed dividing the old order from a proposed new order, his promise of a 'New South Africa' one year earlier in his first speech to parliament as the newly elected NP leader contained strikingly similar ingredients.

Indeed, a cursory analysis of the NP's September election manifesto - entitled the Five Year plan of action of the NP 1989-1994 - would uncover much of the same: a new South Africa for all South Africans, a society in which neither individuals nor groups will dominate or be dominated, and in which each person will enjoy negotiated participation in the running of the country. The message heralding change had been broadcast a number of times before, over the period of a good twelve months.

The importance of the February 1990 speech (and the release of Mr Mandela soon after) arises from the South African government's decision fundamentally to change the nature and process of political competition in the country. By unbanning the major extra-parliamentary movements the government signalled the end of the political rules of the game which had guided the political process in the eighties, and which had driven the government into an impasse.

This signal, however - important though it no doubt is - conceals the essential seed of transition which is found in what must have been a prior decision by the government. This decision involves first, a preparedness voluntarily to dissolve itself as government, and second, a preparedness to participate with other political actors in the task of producing a new set of political rules.

The establishment of these new rules (which will be encompassed within a new constitution) will be followed by a constitutionally defined political contest for power. Significantly, this will be a contest between political actors most of whom will venture upon the constitutional stage for the first time.

This momentous decision stemmed from a matrix of factors. The elements at play include not only the 'fall' of communism in Eastern Europe and the Soviet Union - where the ANC's chief patrons are located - but also the successful emergence of an independent Namibia, the rise of new and more enlightened leadership within the NP, and the positive outcome of the national elections in September 1989.

At a more speculative level, moreover, it may be that the NP leadership was acting on an acute awareness of South Africa's increasing besieged status in the international community, and of the equally besieged status of Afrikaners. Accordingly, they opted for transition in the belief that this process would culminate in a more secure and lasting future for Afrikaners in a 'New South Africa'.

Modern governments which decide to dissolve themselves do so most often from a position of weakness: under duress from foreign invasion, yielding to pressures

brought about by civil war, as a result of widespread internal dissent, or of imminent national bankcruptcy. By comparison, the South African government enters the period of transition from a position of relative strength. Not only are its state bureaucracies functional and intact, but the country's economic record, and the government's more recent economic policies are widely viewed as policies suited to present conditions.

This position of relative strength affects the process of transition politics in two related ways. In the first place, the government remains able - albeit for a limited period - to halt the process of transition through the use of state coercion. As a direct result of this ability, the government's political challengers may remain sceptical of the government's *bona fides* for a longer period than is generally expected.

Nonetheless, the ruling party is able to continue to govern the country effectively whilst simultaneously attempting actively to participate in the transition process as one of a number of competing actors. This position of relative strength, moreover, goes a long way in explaining why in South Africa the main political actors have been prepared to try to 'go it alone' without, to date at least, any requests or demands for an honest (and influential) broker to be called in from outside.

The government decision to broadcast the intention to dissolve itself in the near future resulted in immediate and widespread confusion over how politics were to be conducted. This was particularly true once new political actors emerged from exile or from underground, openly to compete with established actors and with one another for popular support in the country. Since there is by definition no agreement over procedures whereby legitimate political actors and their leaders may be identified - for this issue forms an essential part of the new constitution to be negotiated - different and often conflicting forms of mobilising and demonstrating support regularly occur.

Mass marches, huge open-air political gatherings, stayaways and high profile overseas visits all form part of this new and basic contest we have called transition politics. In an important sense, the contest is a contest over access to, and favourable treatment by, the national and international mass media, for it is largely these media which establish in the popular consciousness the scope and depth of support. Accordingly, the media is able temporarily to determine significant rules of the transitional political game.

As has been shown in a number of other countries, this phase of transition is often characterised by the granting and extension of individual rights to all citizens of the country. Thus, as is occurring in South Africa at present, individual freedoms of speech and of expression, of movement and of residence, of protest and of access to public facilities all take on the nature of highly emotive, contested arenas of struggle and demand.

The National Party's relative strength affects the process of transition politics in several ways

This process of liberalisation, in fact, becomes part of the process of transition politics in the sense that demands for equal individual (and in South Africa particularly, non-racial) treatment by the state are transformed by political movements into justifications for the scope of support they claim for their movements. Mobilisation over specific issues such as 'group areas' and 'own affairs' by disenfranchised groups becomes mobilisation of support for emancipatory political movements.

These inchoate forms of demonstrating popular support for a movement extend beyond the domains of the symbolic and of the mass media. In particular, over the past few months in South Africa, transition politics is being conducted within the state.

The public service has not acted as a neutral body carrying out the new directives of the NP. For, while some white public servants undoubtedly remain loyal to a party which has radically changed its ideology, others have remained loyal to the earlier ideology and have broken from the party. Some black public servants, on the other hand, have been recruited from a fundamentally different political culture. They have little sympathy for government ideology of either the past or the present.

Mobilisation over specific issues becomes mobilisation of support for competing movements

Accordingly, the state itself - as in wider civil society - has become a major arena of dissension as these different groups of public servants conflict with one another over the application of new policy. This same policy is deeply informed and fashioned by competing currents of influence over the form the New South Africa will take. Defiance campaigns, stayaways and strikes within the public service, and incidents within the police force attest to this dissension.

Finally, and tragically, the process of transition politics seems to interact with the cycles of widely publicised communal

At this stage of the negotiating process, the ANC and NP may have convened an informal interim coalition

violence. It is widely accepted that there is a complex set of socio-economic and community-based causes for these cycles, and that the role of the state has a profound effect on the nature of the violence.

The fact, however, that two major political actors, the ANC/MDM and the regionally-based Inkatha movement, are competing for predominance in Natal communities is widely recognised. On the rudimentary stage upon which transition politics is conducted, this political rivalry must lead to competition for pride-of-place by a wide range of means. In particular, it is probable - given the absence of other ways of measuring support - that the outcomes of confrontations become one of the ways in which popular support is demonstrated.

In what ways does this framework of analysis aid us in speculating on the probable future process of negotiations?

The two main political actors in the country, the government and the ANC, have both committed themselves to the negotiating process. It has even been argued that they have in fact reached agreement on a number of rules of government. Accordingly, it is suggested that they may be viewed as having, in fact, convened an informal interim coalition government. Both parties, however, have reverted on a number of occasions to actions in line with their pre-1990 differing 'rules of the game', rules rooted in the political cultures which operated before the launch of transition politics.

Groups to the left and right of the ANC/NP are strategically situated to gain support from critics of compromise

Thus, after February 1990, the ANC has on occasion confirmed the continuation of 'the people's war', a war waged against the government, and has repeatedly called for the continuation of the international sanctions campaign against the economy. In comparable fashion, the NP competed - in mid-1990 - in the Umlazi by-election against its two chief white competitors in the House of Assembly.

These 'outmoded' political activities point to the extreme concern each actor reveals regarding the preservation of traditional constituencies. Since it is virtually certain that a negotiated constitution will result in, and more importantly, be perceived to result in, a compromise struck between the negotiating partners (the ANC and the government in particular), both fear the consequent erosion of that support within their traditional constituencies.

Their fear is exacerbated by the presence of competing political actors - the Africanists to the left of the ANC, and the white rightwing to the right of the government - who have to date failed to endorse the proposed process of constitutional negotiations. By withholding their agreement, these actors have situated themselves strategically to acquire the support of those interest groups which become disgruntled by compromises struck at the negotiation forum.

The probable compromises, moreover, become all the more risky to the negotiating parties when debate moves to substantive matters such as policy regarding property rights, or other primary economic and service delivery issues. The high risks arise from the fact that these matters impact directly upon the community-based interests of the actors' constituencies, contituencies within which dramatically different material levels of living are found. It is of interest to note - in other countries which have passed through similar transitional phases and have subsequently formed democratic societies - that such substantive matters have often been resolved only after the new political rules of the game have been agreed upon.

The two main South African political actors have in 1990 agreed to participate in a process of constitutional negotiations. It is self-evident that the more political commitment and the more community investment in negotiated settlements emerges at different levels, in different regions and cities within the country, the better the prospect for a mutually acceptable conclusion to national negotiations. In equal measure, the sooner apartheid-related structures and constraints are eliminated, the better the prospect. Processes of negotiation at sub-national levels, together with the removal of discriminatory measures at all levels of society, constitute an integral part of the process toward a democratic society.

In short, it would seem that the most likely route through transition to a democratic outcome will probably pass the hurdle of reaching constitutional consent on procedural matters first, before policy matters on major material issues are determined. As one overseas commentator, in rather sombre terms, recently put it: 'The most that can and should be hoped for (in contemporary South Africa) is procedural consensus; agreement on rule by which substantive problems can, within a framework of government, be resolved' (Crick B. *Sunday Tribune*, 17/9/89). IPA

MINORITY RIGHTS AND POLITICAL JUSTICE

The Dilemmas of Settlement

By Professor Lawrence Schlemmer, Director, Centre for Policy Studies, Wits Graduate School Of Business Administration

Among the many problems that have to be resolved in South Africa's transition to inclusive politics, three loom very prominently:

- the need to induce insecure and potentially resistant minorities to accept majority participation;
- the need to ensure legitimacy for the new system through political arrangements which the majority perceives as fair and which provide the majority with the power to overcome its material and social disadvantage; and,
- the need to establish a system which promotes both economic confidence, growth and an improvement in opportunity and quality of life.

These three objectives, in terms of the statements of intent by not only the government but also the ANC and its allies, will be pursued simultaneously in the settlement process. Together they represent somewhat of a tall political order, because the implications of each tend to threaten the requirements of the other. Obviously the insecurities of minorities are exacerbated by the prospect of proportional justice in the new electoral system.

Majority needs, if immediately and powerfully articulated, could create fiscal stresses which will threaten economic confidence. A lack of economic confidence will be manifest mainly in the capital-owning classes which generally comprise the minorities. If the insecurities of minorities erode their keynote roles in entrepreneurship, the professions and the bureaucracy, the deployment of talent in development and growth will suffer.

These and other interacting repercussions constitute the 'problematic' of transition in South Africa. Negotiated settlements are seldom successful if the costs of negotiation and compromise outweigh the benefits. This is a manifest danger in South Africa's brittle transition. Hence a condition for a successful conclusion of the process is that no major set of interests should stand to suffer significant losses relative to what the entitlements are thought to be. Neither the governing white minority nor the major resistance movement, the ANC, are so injured or deflated by conflict as to have no alternatives other than negotiation.

The insecurities of minorities may erode their key roles in business, the professions and the bureaucracy

For these reasons the settlement process must involve rewards which outweigh costs for all major protagonists. This implies a 'win-win' settlement rather than anything approaching a zero-sum, 'win-lose' outcome. This, in turn, means that all three of the major problems stated at the outset have to be resolved positively. The tall order is inescapable.

The major dilemma built into the contradictory challenges of transition boils down to the issue of the rights of special interest groups (ethnic or cultural minotities, institutional interests like business, labour or the professions) whose claims cannot be based on numbers, versus the arithmetic of democracy; i.e. the intrinsic claims of a majority for political domination.

The Majoritarian Imperative

The settlement process must involve rewards which outweigh costs for all major protagonists

• ***South Africa's consolidated majority***
In the South African situation, for majority one should read a relatively poor, socially homogeneous aggregation of people with a compound ethnic solidarity. By the latter feature is simply meant that in the struggle and protest against white minority rule, the dominant political tradition has 'fused', for the time being, ethnic sub-identities (Zulu, Xhosa, Pede, etc) into a fairly unitary consciousness. The main point, however, is that the majority is relatively undifferentiated in terms of socio-economic interests.

A political party with a platform composed of a mix of populist, working class and subsistence-based goals will probably attract cohesive support in South Africa. It is not like, say, a Northern European national electorate in which the satisfaction of basic needs has stimulated a process of social, religious and class-status differentiation. In other words, the prospect of unified mass demands emanating from a sizable proportion of the population must be taken seriously.

It is a taken-for-granted rationalisation in majority-based movements that the essence of democracy is numbers. Unless numbers can be translated into power, democracy is qualified. This viewpoint has universal support and it tends to be confidently defended.

Parties which depend on unified majorities resort to strategies of nation-building

• ***The need for symbolic rewards***
Horowitz (1985:187, 217), among many other authors, reminds us of the salience of symbols in politics, and particularly symbols of pre-eminence and status. One must add that in a relatively poor mass electorate, the need for symbolic rewards may be relatively greater to compensate for material deprivation. In other words, the disadvantaged mass in South Africa may have a collective emotional need for the political system to reflect their importance as South Africa's primary political constituency.

This, in turn, will be seen to require the visible exercise of power on behalf of the majority and the equally visible ongoing celebration of majority victory. These political dynamics, as we know, have been translated into heads of state and cabinet ministers who need to parade as popular heroes, and to symbolic engineering like changes in place names, 'independence stadiums', public holidays and celebrations, monuments, etc. These symbols tend to alienate minorities.

• ***The maintenance of cohesion***
Notwithstanding the points made above, as in most political systems, the mass-base will in a short while begin to disaggregate into local, regional, older ethnic linguistic divisions and competing material interests among the poor. Unless the mass-leadership, as President Mugabe attempts to do in Zimbabwe, carefully balances the 'tribal' composition of very visible political structures (like Cabinets), the mass will begin to crumble. Hence one may expect a strategy frequently adopted by parties which depend on unified majorities: that of so-called 'nation-building'.

The process of the reinforcement of mass-identity has been referred to as Jocobin majoritarianism (Hanf, 1989).

This involves the symbolic suppression of differences and the use of techniques to maintain cohesion, such as centrally determined school curricula, political loyalty as a criterion of appointment or promotion in the civil service, ritual re-inforcements like the regular singing of a national anthem and the use of the majority party as a basis for social organisation - party youth movements, brigades, women's movements, etc. This form of party organisation is usually highly centralised. South Africa has seen all this before in the 'nation-building' programmes of the (white) majority party in the old dispensation.

• ***The democratic weakness of majoritarianism***
For all its play on popularity and the legitimacy of numbers, mass-based, centralised party government is not renowned for its effectiveness in addressing population needs. The imperatives of unity and solidarity mean that all policy and action guidelines have to be kept as diffuse, general and vague in their appeal as possible. The symbolic content of politics has to be emphasised above the strategic content.

This allows for what can be termed a zone of democratic 'slippage'. Under the shelter of generalised symbolic legitimacy, the bureaucracy, planners and 'apparatchik's' steal a march on the system. They are relatively free to impose their own specifics. The 'slippage' also allows in lobbies, specific (usually urban) constituencies with extra leverage, and

worst of all, corruption among politicians whose automatic claims to legitimacy create the temptations of inefficiency and self-aggrandisement. In the end the 'masses' do not get what they are promised.

A rejoinder to this is the promise that mass-democracy will contain accountability to local constituencies and that policy will be tested at the level of street and area committees, residents associations, trade unions and the like. The enormous delays and contradictory reactions which this produces, however, is likely to soon lead to a situation in which only the barest minimum of policy is put to the popular structures, or else, local party dictators enforce local acceptance of the central party-line on all issues.

Space does not allow many of the additional weaknesses of centralised mass democracy to be explored. Suffice it to say, that in South Africa's transition, the logic of numbers and the symbols of the pre-eminence of the mass are going to contend very powerfully in defining the nature of the emerging system. This pattern, however, cannot be assumed to be capable of producing effective democracy. While its weaknesses could allow various minority and special interests to acquire political leverage, this would never be guaranteed. A range of interests without leverage within the majority party could become politically alienated, and either resistant or passive.

Accountability to Variety

Minorities are one of the most intractible problems in world politics. Connor Cruise O' Brien, with sadness, has this to say: 'Human rights is a pleasing abstraction impregnated with our notion of our own benevolence. But minority rights evoke a sudden, sharp picture of "that lot" with their regrettable habits, extravagant claims, ridiculous complaints and suspect intentions ... the countries most affected by minority problems ... are not anxious to enter this area of discussion' (Ashworth, 1977).

In South Africa, today's controlling elites will be tomorrow's minorities. The issue for transition is really not the rights of individuals in the minority to civic protection - this can be addressed by individual rights clauses - but the degree to which minority interests will secure participation. It is only when minority interests can mobilise as such and elect or nominate their own representatives that one can speak of participation and accountability to minorities.

This point has to be explored briefly. After his release, Mr Nelson Mandela, at his first speech in Bloemfontein, tried to reassure the Afrikaans minority that their identity would be respected by mentioning that the ANC had always respected the white Afrikaans communist Bram Fischer. The intention may have been good but the point was missed. Afrikaners as a collectivity would never elect a marginalised socialist to represent their needs and interests. President Mugabe, in Zimbabwe, has white businessmen and farmers on his cabinet.

One has no idea of whether or not these individuals would ever be elected by Zimbabwe's white community. Representing identity can, therefore, be simply tokenism or an attempt at co-optation. The issue of minorities has to be explored in a range of questions:

• *What are South Africa's minorities?*
It is incorrect to see South Africa's minorities only in racial or ethnic terms. One might accept as a criterion, that one should identify 'political minorities' as aggregations or needs and interests not likely to be on the agenda of a majority party.

Thus there is the possibility of the following 'minorities' being relevant in South Africa in particular:

- Afrikaans-speakers with cultural commitments and a commitment to their language;
- other linguistic or ethnic minorities (e.g. Hindus, Muslims, Jews, Zulus, Vendas, etc);
- large commercial farmers, who are small in number but produce virtually all the country's food;
- corporations and companies;
- small businessmen;
- the professions;
- local communities;
- rural subsistence peasants (almost universally ignored in Africa until the World Bank and IMF resurrected their importance); and,
- the marginal under-classes (unemployed, squatters, etc).

Ultimately, in order to be represented, minorities have to be organised and want special representation. This might not be the case with all minorities in the future, but theoretically those identified above, and others, could contend for the status of 'political' minorities.

The politics of popularity and legitimacy obscure the fact that a centralised state is not renowned for efficiency

Today's controlling elites in South Africa will be tomorrows minorities

The reconciliation of minority and majority interests must involve a search for creative compromise

• *Does minority participation contradict majority needs?*
This is the critical question. Most adherents of the majoritarian principle would maintain that minority participation, or even worse, minority vetoes, will block the wishes of the majority. This has a basic logic to it but the logic is not as absolute as one may imagine. This principle of contradiction applies to the extent that the society is seen as ethnic or class groups in zero-sum conflict. Societies, however, amid interest competition, are also systems of interdependence. What is good for minorities can also be good for majorities, if the reconciliation of interests involves a constant search for creative compromises.

A simple example will suffice. It is assumed that large farmers have a conflict of interests with their labourers. If the demands of commercial farmers are made conditional upon their making contributions to community development needs among their labour forces, both categories can win. If Afrikaans cultural interests are given official representation conditional upon their organisations promoting general literacy among the poor, then one also has a 'win-win' situation.

It is a crude and historically incorrect assumption that majorities and minorities have to compete. Provided a constitution makes provision for the involvement of experts in the reconciliation of political conflict, then the quality of a government which is checked by minority interests can improve its service to the whole population.

Efforts to eliminate racial privilege may fall victim to shallow prescriptions about majority democracy

• *What are the unintended consequences of over-riding the interests of minorities?*
As Esman and Rabinowich (1988) point out, in most Third World countries (of which South Africa is part) the crucial factor in the degree to which politics serves the country is not the structure of power but the quality of administration, planning and policy-making and the degree of economic efficiency. No country in South Africa's situation can afford to alienate, through political exclusion, categories in the population which include the best skills and experience available.

If business executives, investment bankers, senior white civil servants, medical specialists and efficient commercial farmers begin to experience the feeling that their interests will be met only if it suits the majority party, then one might expect, as Hirschman (1970) would put it, 'exit' from active involvement in the system instead of 'voice' within the system. As he reminds us, individuals or interest groups which feel that they have 'power in an organisation and (are) therefore convinced that they can get it back on track, (are) likely to develop a strong affection for the organisation ...'

The constitutional accommodation of the interests of a variety of strategic and mobilised groupings can help to ensure their motivated participation in the development of the society. An interesting example of this is to be found in South Africa's Regional Services Councils, on which conservative white municipalities, as a trade-off for their over-representation, willingly participate in the expenditure of roughly 80 percent of the RSC budgets on the development of infrastructure in black communities.

A Suggestive Conclusion

The three contradictory needs of transition politics postulated in the introduction to this essay may appear incapable of reconciliation, but the points made in this brief argument are that this is not the case. It must be accepted that a future constitutional dispensation cannot protect racial privilege. Yet in our efforts to eliminate racial privilege we should not fall victim to shallow prescriptions about the ideal but often unrealised functions of majority democracy.

As much as South African politics needs to address the needs of majorities it has to ensure the motivated participation of categories of people who manage and control vital social, economic, professional and local government institutions. If the accommodation of minorities serves this purpose it will be of benefit to all.

To conclude, three principles should apply in a future constitution which accommodates minorities:
- that the minorities should not only be privileged minorities;
- that neither the majority or minorities should simply 'block' each other; but
- that conflict resolution be so employed as to turn trade-offs and compromises into creative development. IPA

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(Formed in May 1978)

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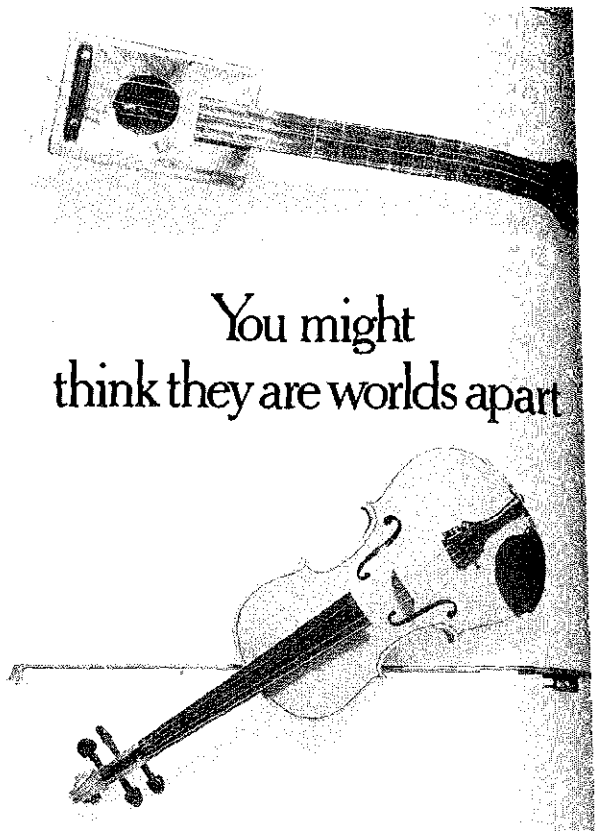

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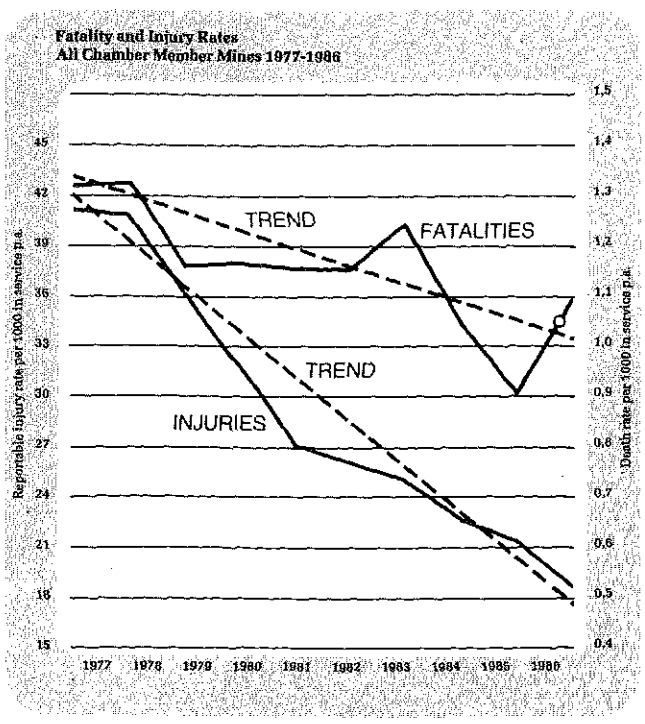

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RESCHEDULING THE REPAYMENTS

UNTIL DEBT DO US PART?

By Carolyn Jenkins, Department of Economics, University of Natal

The Second Interim Arrangements with respect to the rescheduling of South Africa's foreign debt, arrived at early in 1987, expire in June 1990. A significant proportion of the debt is due for repayment in 1990 and 1991. The co-incidence of these two events has focused attention once again on the country's vulnerability in this area, generating a buildup of anti-apartheid pressure on foreign banks not to renew any rescheduling arrangements.

A concerted campaign was, however, pre-empted by an agreement reached in October 1989 between South Africa and its major creditors. Despite the ease with which a new agreement was reached, the Third Interim Arrangements do not imply that the country has overcome its immediate debt problems. The situation remains critical for the next year as the country faces large repayments, which place the balance of payments under severe strain, necessitating continuing tight monetary policy.

Since the discovery of minerals, which attracted large amounts of foreign capital for investment both in the mining industry and in the associated infrastructure, there has been a continuous increase in South Africa's net international indebtedness, i.e., the difference between its foreign liabilities and foreign assets. Decreased indebtedness has occurred only in 1961-63, 1977-80 and after 1984.

The historical steady growth in net international indebtedness is an indication of the economy's inability to finance its investment requirements from domestic savings. During the 1960s, real gross domestic saving was nearly sufficient to finance gross domestic investment, and most foreign capital inflows were due to direct investment, largely by foreign companies. However, in the 1970s, the situation changed considerably, and the country was reliant on foreign capital and reserves to finance about 16,3% of real gross domestic investment between 1970 and 1977. Most of the pressure came from public sector final expenditure which grew considerably more rapidly in the 1970s than that of the private sector, with the result that the public sector accounted directly for some 30% of the country's domestic expenditure by 1977.

Until the early 1970s, successive Ministers of Finance had endeavoured to finance current expenditure out of current revenue (on the Revenue Account) and to finance capital expenditure out of the public debt (on the Loan Account). During the 1960s, the public authorities had been in a position to finance between 40 and 70% of their fixed investment out of current surpluses, which meant that they were not excessively dependent on the availability of either private-sector funds or foreign capital. In the early 1970s, however, not only did expenditure on the Loan Account rise sharply with the undertaking of large investment projects (Sasol, Armscor, Escom, Railways and Harbours, and housing), but current spending increased 261% in real terms between the 1968/9 and 1975/76 budgets.

In preference to financing the growing expenditures of the public sector from increased taxes or from increased surpluses of the public corporations, the state resorted to borrowing. By entering the capital market, it began to compete with the private sector for limited domestic funds, making it imperative to borrow abroad if upward pressure on interest rates and the resulting negative impact on private sector investment were to be avoided. This increased the economy's dependence on foreign capital, and by the mid-1970s, South Africa was a major international borrower, raising over US $2bn of medium and long-term loans in 1976 alone.

Growing Dependence

The tough budgets of 1976/77 and 1977/78 did most certainly reduce government spending as a proportion of gross domestic expenditure. This significant restraint could not be maintained, and from 1981 public sector spending once again increased as a proportion of GDE, reaching 30,7% in 1985. A tendency emerged for consumption spending to rise, while the growth in investment expenditure was curtailed, with the rather concerning result that the public sector began financing current spending out of loans to an increasing extent.

The private sector as a whole illustrated an increasing ability to finance its investment

TABLE 1

Distribution of foreign liabilities by type of institution as at selected year-ends (%), 1956-1988

Year	Private Sector	Central Govt.& Banking Sector	Public Corps. & Local Authorities
1956	86,6	10,4	3.0
1961	84,2	13,7	2,1
1966	84,5	13,8	1,7
1971	80,1	13,5	6,4
1976	63,3	20,5	16,2
1981	68,2	17,8	14,0
1983	63,7	22,6	13,7
1985	60,5	39,5	
1988	60,3	39,7	

Sources

C Jenkins. 'Disinvestment: Economic Implications for South Africa', monograph. Durban: Economic Research Unit, University of Natal, 1986:78.

SA Reserve Bank. *Quarterly Bulletin*, December 1989:S-72.

demands. Although in the private household sector the growth rate of personal savings declined rapidly between 1960 and 1985 (and was, in fact, on average, negative after 1977), the ability of the private business sector to finance its own capital formation improved, especially from 1978. Since then, company savings have provided more than half of the resources for gross private investment (including allowance for depreciation).

The implications of the growing dependence of the public sector on foreign capital may be seen in the changing distribution of South Africa's foreign liabilities between the private and public sectors, as shown in table one. From 1956 the ratio of the foreign liabilities of the private sector to the total declined, with a marked downward trend emerging after 1971. By 1985 the private sector share had dropped to about 60% of the total.

Foreign capital also played an important role in the financing of deficits on the current account of the balance of payments. South Africa's need for foreign capital for this purpose grew considerably in the early 1970s, when the current-account deficit as a proportion of GDP averaged 4,4% for the period 1970-77 (compared with the average of 1,1% in the 1960s). The average current-account balance for the period 1978-85 was, in fact, positive, although the cyclical fluctuations were large.

From 1970, as a result both of the financing needs of the public sector and of the large current-account deficits, the composition of foreign investment changed markedly. The ratio of direct investment to the total declined from 61,1% in 1969 to 40,9% in 1977, and, although it rose to 48,3% in 1980 with the curtailment of government spending and the corresponding current-account surplus of 1978-80, by 1985 direct investment accounted for only one third of total foreign liabilities (see table 2).

Since 1973, the growth trend for direct foreign investment has been negative (in contrast to strong positive real growth up to 1972), while negative growth in real non-direct investment occurred only in the period following internal political upheavals (1961-64 and 1977-80). It appears, then, that foreign non-direct investment in South Africa is, in the short term, particularly sensitive to the internal political situation, while foreign direct investment depends on the perceptions of long-term business prospects in this country.

Whereas long-term capital formed the major portion of capital inflows during the early and mid-1970s, compensating loans, the so-called 'liabilities related to reserves' began to play an increasingly significant role in the late 1970s and early 1980s. The increasing importance of compensating loans resulted from the combination of growing deficits on the current account and the outflow of short-term capital. To meet the shortfall on the current account, the economy relied more heavily on short-term borrowings from foreign banks and authorities between 1981 and 1984 than, for example, during the previous period which was characterised by large current-account deficits (1973-76). In this earlier period, 27,3% of the cumulative current-account deficit was financed by liabilities related to reserves, while over the period 1981-84 this figure had risen to 47,8%. This situation led to the high exposure to short-term debt.

Changed Risk

As a consequence of the changing nature of foreign debt, the risk rate of foreign liabilities also changed over the 25 years from 1961-1985. During the 1960s, South Africa attracted more risk capital, i.e., direct dividend-yielding investments. These were attracted mainly by the private sector. In the 1970s, the public sector played a more important role in attracting capital, causing a decline in the inflow of risk capital and an increase in the inflow of loan capital, i.e., interest-bearing capital.

The trend towards interest-bearing liabilities is clearly illustrated by comparing interest payments to foreigners to the total dividend outflow. This debt-service ratio increased from an average of 17% between 1965 and 1969 to 81% for the period 1980-83. This was an adverse development, because from a debt- servicing point of view it is better to attract dividend-yielding investments than interest-bearing liabilitites, particularly in the presence of a weak domestic currency. The changing nature of South Africa's foreign debt therefore added greater pressures to the overall balance of payments position.

A particular cause for concern was the fact that the increase in South Africa's debt burden was not accompanied by any such increase in investment.

In fact, real gross domestic fixed investment has declined consistently since the end of 1981. A large portion of the increase in foreign borrowing was used primarily to sustain private and public consumption levels, to some extent as a result of pressures induced by the depreciating rate of exchange.

The total outstanding debt of the country at the end of 1984 was US$ 18,9bn according to the Bank for International Settlements (1985). (The Reserve bank figure is $24,3bn, i.e. R60.1bn). In August 1985 it was between $21bn and $22bn. According to the BIS figures for the end of 1984, 67% of the outstanding $18,9bn was short-term debt with maturities up to and including one year; 6,5% was medium-term debt and 18,3% was long-term debt. (The remaining 8,2% was unallocated.)

The proportion of short-term debt to the total approximates very closely to the figures given by the Reserve Bank (refer to table 2), with short-term debt accounting for 68% of the total (although short-term debt is defined as debt having an unexpired maturity of less than one year). By the end of 1985 the proportion had risen to 72%. Total foreign debt amounted to R60 142 million, about 47,8% of GDP. The proportion of total foreign debt to GDP had risen steadily during the early 1980s (from about 20% in 1980) as the Rand depreciated. This increase, combined with the sharp increase in short-term debt as a proportion of the total (from 49% in 1980 to 72% in 1985), meant that the equivalent of almost 36% of GDP was repayable in 1985.

In addition to debt-liquidity problems, South Africa's creditworthiness rating had fallen. According to the *Institutional Investor*'s country credit ratings, South Africa fell in credit ratings from 29th to 31st in the six-month period September 1984 to March 1985, and a further two positions to 33rd during the following six months to September 1985. This fall occurred before the freezing of short-term loan repayments for four months from the end of August 1985, and was the fourth largest slide in the world over the period.

In 1985 foreign bankers, alarmed by growing violence in the country, aware of the economy's debt-liquidity problems and falling creditworthiness, and under pressure from public opinion at home, made an attempt to reduce their exposure to South Africa. The American Chase Manhattan Bank was the first to recall its loans. This precipitated similar action by other banks. In August 1985 the country, facing a $6bn bank-to-bank debt, found that average maturities were shrinking from 90 to 7 days. In order to check the weakening rand (which had depreciated by approximately 30% against the Dollar in one month) and foreigner's portfolio disinvestment ($250m in the three months to July), and unable to repay maturing debt, the authorities closed the markets from 28 August to 2 September and declared a moratorium on short-term capital repayments.

Rescheduled Debt

On 1 September 1985 the South African government announced a unilateral moratorium on principal repayments of all short-term commercial bank debt until the end of the year. This applied to about $13,6bn, almost 60% of total foreign debt. Several categories of borrowing were excluded, in public bonds, government-guaranteed loans, trade credits and IMF loans. It is estimated that of the approximately $10bn not subject to the moratorium, over $7bn was made up of insured trade credit finance (Commonwealth Committee of Foreign Ministers on Southern Africa, 1988). The moratorium related only to principal repayments; interest payments were continued, but, until an agreement could be reached, the rate on all loans was set at 0,25% above LIBOR.

Inability to reach a settlement under arbitration with representatives of 30 of the largest creditor banks by the end of 1985, resulted in South Africa's formally extending the debt repayment freeze until 31 March 1986. On 20 February 1986, the parties involved arrived at an interim agreement whereby:

- repayment in instalments would be made of principal of 5% of all debt originally maturing before 31 March 1986 (about $500m);
- a similar repayment would be made on the original maturity date of all other debt subject to the moratorium (i.e.caught in the net);
- the standstill would be extended to 30 June 1987, during which time a further interim arrangement would be negotiated;
- the interest margin payable on outstanding debt could be increased by up to one percentage point.

Some smaller creditor-banks were reluctant to accept the arrangement and moved to declare

Table 2
Direct and indirect investment as percentages of total foreign investment at selected year-ends, 1961-1988.

Year	Direct Investment	Indirect Investment
1961	52,5	47,5
1966	57,6	42,4
1969	61,1	38,9
1971	54,5	45,5
1976	41,4	58,6
1981	45,9	54,1
1983	41,8	58,2
1985	33,5	66,5
1988	37,4	63,6

Sources
Jenkins, op cit:87
SA Reserve Bank, op cit:S-72.

Table 3
Selected balance of payments items, 1980-1989 (Rm)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Balance on current account	2 818	-4 089	-3 345	-78	-2 220	5 925	7 196	6 152	2 939	4 09
Long-term capital movements	-478	542	2 423	-238	2 563	-445	-3 060	-1 698	-1 102	-1 [illegible]
Short-term capital movements not related to reserves	-1 804	419	797	290	-1 772	-8 786	-3 037	-1 371	-5 444	-4 [illegible]
Changes in liabilities related to reserves	-2	2 123	36	1 107	542	2 071	-2 283	-1 167	1 925	2 [illegible]
SDR allocation /valuation adj.	979	-543	160	-431	1 242	1 801	990	330	446	-1 [illegible]

Source
South African Reserve Bank *Quarterly Bulletin*, December 1988 and March 1990.

South African loans non-performing. Larger creditor banks purchased these loans so as to prevent a chain of default notices. A large proportion of the principal repayment due immediately was made on 15 April 1986, after the Reserve Bank swopped an undisclosed amount of gold for foreign currencies, enabling a payment of $430m. Debt outside the net due in this period was estimated to be about $3.6bn of which it was reported $2bn was paid, meaning that about $1,6bn was possibly rolled over. In February 1986 South Africa withdrew its SDR 70m deposit from the International Monetary Fund, but had to repay SDR 150m of IMF loans by November 1987.

The Second Interim Arrangements were arrived at early in 1987 when the proposals put by Dr Stals to the Technical Committee (the fourteen banks organising the the rescheduling) were accepted. These arrangements provided for :

- repayment of 3% of outstanding debt on 15 July 1987; 2% on 15 December 1987 and 15 June 1988; and 1,5% half-yearly to June 1990 (a total of $1,5bn);
- a continuation of the interest terms offered under the first agreement;
- two 'exit' options for conversion of debt caught inside the net; and
- further negotiation in 1990.

The 'exit' options allow creditors to take debt out of the net, although this debt still qualifies for calculation of the percentage repayments. The first option involves the conversion of debt to long-term (10-year) loans, with no repayment to be made between June 1990 and June 1992, but the full debt to be repaid in ten half-yearly installments thereafter.

The second option allows creditors to convert their loans into financial rand investments, i.e., into South African equities which may be sold, but repatriation of proceeds must take place via the financial rand. This option is obviously more desirable to the South African authorities, because it involved no loss of foreign exchange; it is equally obviously less attractive to major creditors, because of the substantial losses that would be incurred from the large discount on the financial rand (with respect to the commercial rand).

The debt position to the end of the period covered by the Second Interim Arrangements (June 1990) can be briefly summarised (figures do not always add up, because of exchange rate fluctuations). At the time of the crisis, total debt stood at $23,7bn, of which $13,6bn was caught in the net. At the end of 1988, the total debt was approximately $21,2bn (although at dollar parity with 1985, the amount would be about $18bn). Net foreign debt repayments of almost $6bn were made between 1985 and 1988. Of this amount, $4,5bn was outside the net and included bearer bonds and notes, IMF repayments, and Reserve Bank and ordinary credits.

The debt outstanding under the net at the expiry of the First Interim Arrangements amounted to $12,6bn. By June 1989 it had been reduced to between $8 and $9bn. Two outstanding payments of about $189m (i.e. 1,5% of $12,6bn) were made in December 1989 and June 1990. Most of the $5,6bn reduction in frozen debt is not due to repayment. Repayments have been modest: 5% initially, then 3 and 2 and 1,5% thereafter. The largest reduction, about $3,6bn has been debt taken out of the net by conversion to 10 year loans. By nationality of bank, the breakdown is about $800m of US bank debt, $500m of UK bank debt; with the remainder being debt owned by European and Japanese banks.

The conversion to financial rand investments accounts for about $300m, and has usually been done by smaller creditors. A large reduction, amounting to close on $1bn, has been achieved by exchange rate movements, particularly a strengthening of the Dollar against the yen, French franc and German mark (any strengthening of the Dollar generates a decrease in the Dollar value of the debt).

Of debt outside the net, some $1bn to $1,7bn will have to be repaid in 1989. A detailed breakdown of debt outside the net is not available. However, the Exchequer and Audit Act requires the annual

...ification of the government-backed portion of ... debt, most of which is outside the debt frozen ... the moratorium. The most recent available ... figures published in the *Government Gazette* at the ... end of September 1989 show the government's ... foreign currency commitments to the year 2001 as ... at 31 March 1989.

The outstanding principal totals about $8bn, converted at average exchange rates for March 1989. Of this some $1,2bn was to be repaid by the end of 1989. Of the loans traced by the UN Centre Against Apartheid to this country between 1982 and 1984, those due to expire in 1988 or 1989, consisted mainly of five-year public and private bonds. These were made to such South African entities as the Republic of South Africa, Escom, Iscor, SATS, the Department of Posts and Telecommunications, Safmarine, Premier Group Holdings, the City of Cape Town and the Rand Water Board.

1990-1991 Repayments

Before the conclusion of the latest debt agreement, foreign debt repayments due in 1990 and 1991 were extremely severe: the country was reportedly due to repay almost $12bn, equivalent to roughly half of export earnings and nine times the current-account surplus recorded in 1988. The authorities admitted that payment was impossible.

A breakdown of private-sector loans maturing in this period is virtually unknowable. The figures published in the *Government Gazette* show that the maturing government-backed portion of the debt is about $2,1bn (or around R4 500m) in 1990 and $2,5bn (or around R5 300m) in 1991, converted at average exchange rates for March 1989. Principal repayments due by the public authorities in 1992 drop again to $0,9bn, a comparable figure to what was owing in 1988 and 1989.

Given that the authorities are making every effort to repay government-backed debt, the 1990-91 'debt bulge' will cause a severe strain on the economy. It is precisely for this reason that there will be no principle repayments between 1990 and 1992 on frozen debt which was converted to 10-year loans to get it out of the net under the Second Interim Arrangements.

The sensitivity of the 1989-90 negotiations regarding the further rescheduling of outstanding debt is evident. With $12bn falling due concurrently with the expiry of the Second Interim Arrangements, and the authorities having a public-sector 'debt bulge' to deal with, private-sector loans needed to be either rolled over or subjected to an extended moratorium, while repayments of frozen debt were likely to be resisted.

Third Arrangements

On 18 October 1989 the details of a new agreement between South Africa and the major creditor banks were revealed. The Third Interim Arrangements extend from 1 July 1990 to 31 December 1993, over which time South Africa will repay $1,5bn (20,5% of the $8bn still inside the standstill net). With about $2bn falling due outside the net in the first half of 1990, it was agreed that a small instalment of $100m (1,5% of principal inside the net) be paid in December 1990. Other provisions include:

- seven further instalments of 2,5% in February 1991, 3% half-yearly to August 1993, and 1,5% in December 1993;
- an interest margin one percentage point higher than applicable base lending rates; and
- a revised provision for the conversion of loans inside the net to longer-term (ten-year) loans outside the net.

The revision means that converted loans will be treated as debt inside the net until December 1993. From 1 January 1994 until seven and a half years

TABLE 4 : SOUTH AFRICA'S FOREIGN DEBT

End of	1981	1982	1983	1984	1985	1986	1987	1988
LONG-TERM DEBT [1]	7 508	10 564	9 947	15 426	16 869	13 697	-	-
Public Authorities	1 595	2 949	2 727	5 173	6 513	4 558	-	-
Public Corporations	3 141	4 268	4 980	6 056	6 352	6 086	-	-
Banking Sector	158	237	213	318	388	160	-	-
Non-Bank Private Sector	2 614	3 110	2 027	3 879	3 616	2 893	-	-
SHORT-TERM DEBT [2]	10 573	13 725	19 169	32 804	43 273	35 816	-	-
Public Authorities	309	1 156	2 045	2 927	4 628	4 766	-	-
Public Corporations	1 343	1 256	1 241	1 616	2 760	3 258	-	-
Banking Sector	2 858	2 184	3 549	6 193	9 689	5 502	-	-
Non-Bank Private Sector	6 063	9 129	12 334	22 068	26 196	22 290	-	-
TOTAL FOREIGN DEBT	18 081	24 289	29 116	48 230	60 142	49 513	43 593	50 380
TOTAL FOREIGN DEBT (US$M)	18 889	22 609	23 954	24 294	23 473	22 593	22 618	21 185

Footnotes
1 With an unexpired maturity of one year and longer.
2 With an unexpired maturity of less than one year.

after the original date of conversion, there would be no redemption, since South Africa faces substantial liabilities until 1998 and wishes to postpone repayment on converted debt to that year. The balance of these loans would be redeemable in six half-yearly instalments over the final two and a half years.

The new arrangements, essentially an extension of the previous agreement, will also be applied to all foreign non-bank creditors holding part of the affected debt, as well as to banks not directly involved in the negotiations.

Financing Outflows

The balance of payments is still under severe strain. It is crucial that a large surplus be maintained on the current account in order to service the foreign debt. In anticipation of the large repayments of short-term debt due in 1985, the authorities implemented policies which turned the 1984 current-account deficit of R2 220m into a large surplus. This was still insufficient, and the monetary authorities borrowed R2 671m in order to provide the necessary foreign exchange. Interest payments on loans were also very high: in 1985, the payment of interest on non-direct investment amounted to R4 114m.

A series of disinvestment transactions by several large companies in 1986 and 1987 generated large outflows of long-term direct investment. Considerable sums of short-term capital also left the country during these years, although not nearly to the same extent as in 1985. Substantial current-account surpluses were sufficient not only to cover these outflows, but also to allow significant reductions in liabilities related to reserves. Interest payments on loans in these two years remained high, although were lower in real terms than in 1985 (R4 237m and R3 295m respectively).

The precariousness of the situation is evident from the flows recorded for 1988 (see table 3). A current-account suplus of R2 939m was achieved, but this was nowhere nearly able to finance the marked increase in short-term capital outflows, coupled with sustained long-term outflows. It was necessary for the authorities again to increase the liabilities related to reserves by R1 925m. During 1988 gross gold and foreign reserves declined by R1 236m, amounting at the end of December to only R6 704m ($2,9bn).

The situation is still critical, with total capital outflows between 1990 and 1993 of $8,4bn (or R22,3bn at current exchange rates). Of this, $1,7bn is repayment due in terms of the Third Interim Arrangements. The balance is made up of debt maturing outside the net, maturing three-year conversions of debt previously in the net and other outflows. The outflow for 1990 alone is forecast at $2,4bn, which will require a current-account surplus of more than R6m if foreign currency reserves are not to be further depleted. An average current-account surplus of R5,6bn is needed over the next four years, requiring restrictive measures to curb imports and domestic expenditure.

The substantial sums due, particularly outside the net are therefore cause for concern. There are few places where the authorities can raise finance if banks refuse to roll over the debt maturing outside the net. South Africa has already drawn fully on its reserve with the International Monetary Fund. A Stand-By Arrangement was provided in 1982 under which SDR 150m was drawn, but this was finally repaid by the end of 1987.

The IMF came under criticism for lending to South Africa at the time, and since South Africa has no representation on any board or committee with the IMF, and, further, since the Fund's Executive Board has noted that the practice of apartheid reduces the economy's capacity to function efficiently, it is extremely unlikely that further drawings from the Fund would be possible. South Africa did not even apply for an IMF loan in 1985. The country's access to the World Bank is similarly constrained.

Because of its commitment to secrecy and neutrality, the Bank for International Settlements must undoubtedly be a useful intermediary. There is obviously no information available on the banking activities performed by the BIS for the Reserve Bank, but it probably holds gold, and makes short-term advances (which must be fully collateralised). It is believed that Swiss, French, Belgian and West German banks are willing to lend new money to South Africa. The Swiss banks have arranged gold swops, which enable the authorities to raise foreign exchange using gold reserves as collateral.

Loans reportedly have been raised with West German, Swiss and Belgian banks by the public corporations, particularly Escom, which is borrowing substantially abroad, although there are reports that this consists largely of medium- to long-term trade finance. Legislation and political pressure have reduced the proportion of business done with US, Canadian, UK and Japanese banks. Anti-apartheid groups in Europe have generally been far weaker than in Britain and North America, and, if anything, foreign perceptions are improving in response to reform initiatives.

As circumstances stand at present, creditor banks are rolling over debt, and some new loans are being raised usually for the financing of trade. Continued vigilance by the authorities with respect to the balance of payments, the restraint on domestic spending and the stability of the Rand should be anticipated through most of the 1990s. IPM

THE INFORMAL SECTOR

Shadow Boxing over Size

By Dr Servaas van der Berg, Department of Economics, University of Stellenbosch

In the debate about the size of the informal sector, widely contradictory claims are made about its contribution to employment, income and poverty levels in South Africa. Servaas van der Bergh identifies the hidden agendas behind the guesstimates, in an important sequel to our special focus on 'the second economy' where eight contributors analysed its successes and limitations (Indicator SA Vol7/No2: April 1990). The findings of the seminal CSS survey released in March 1990 are also interpreted here, providing the first accurate estimates of unrecorded economic activity.

'The only certainty about the "shadow", or unofficial, economy is that it can never be precisely measured' (Smith & Wied-Nebbeling, 1986).

Much of the debate about the 'real' size of the informal sector in South Africa has been driven by competing ideologies. At the risk of generalising, one can reduce the debate to two extreme positions.

Firstly, there is the Marxist view which holds that the informal sector is of little consequence and is only a means to hide poverty or not to address its consequences. For instance, it is argued that '(the informal) sector has no independent existence since it is generated and its size dictated by the structure on which it is created. It is the inseparable and inescapable margin of capitalist accumulation in South Africa' (Erwin, 1978:63).

The unpopularity of the informal sector in radical circles may be precisely because it is perceived to be a way of 'helping the poor without any major threat to the rich ... and is in this way a potential compromise between pressures for redistribution ... and the desire for stability on the part of the economic and political elites' (Bromley, as quoted by Nattrass, 1990:220).

The Marxist view is espoused by some trade unionists, parts of the black resistance movements, and some radical academics, whose view that the informal sector does not make any positive economic contribution sometimes gives rise to extremely high 'unemployment' figures for South Africa, e.g. as high as 4,8 to 6,5 million people (Sarakinsky & Keenan, 1986:21-22). For such analysts the important issue is identified as 'how and why the capitalist system cannot find work for all.'

The Marxist view is that the informal sector is of little consequence or a means to hide poverty

Secondly, there is the free market view which holds that the informal sector in South Africa is very large, and that official data therefore overstate poverty. Supporters of such a view believe that entrepreneurship amongst blacks is vastly underestimated and that such entrepreneurship would, if the state reduced its role in the economy, lead to even more rapid economic growth along free market lines. Their estimates of the size of the informal economy range form unsubstantiated guesses to an attempt at quantification that deserves more serious reply (Kantor, 1989).

The free marketeers wish to offer some explanation for persisting in the belief that South African capitalism does not generate unemployment, in a period when formal sector employment has stagnated and the potential labour force has been growing rapidly. If the informal sector is as large as Kantor estimates and has grown from zero in 1980 to 15 to 41% of GDP in 1987, as his calculations imply, then the performance of the South African economy in the 1980s is completely understated by present national accounts.

The free market view holds that a large informal sector springs from black entrepreneurs and deregulation

Kantor's estimates of the increase in informal activity in the period 1980-87 implies a GDP growth rate of 3,1 to 6,2% per annum, remarkable rates when compared to the recorded 1,1%. Moreover, it implies that all ratios usually calculated in relation to GDP or national income are considerable overestimates, e.g. the share of exports and imports, government expenditure and government consumption,

TABLE 1
The size of the informal sector
As estimated by the Central Statistical Service for October 1989

	Coloureds	Indians	Africans	Total excluding whites
Numbers involved ('000s)				
Full-time	56	30	654	740
for own account	27	14	304	345
employees	29	16	350	395
Part-time	61	25	1 901	1 987
in formal employment	23	10	667	699
looking for formal job	4	2	227	232
housewives and scholars	34	13	1 007	1 055
TOTAL	**117**	**55**	**2 555**	**2 727**
Male				
Cities	82	42	1 013	1 137
Towns	25	8	456	489
Rural	11	4	1 086	1 101
In Homelands (Rural & Towns)	-	-	1 034	1 034
Informal labour force as percentage of:				
Economically active	9,7%	16,7%	32,9%	29,3%
Population	3,7%	5,9%	12,0%	10,7%
Monthly value added:				
Total	R46m	R37m	R1 253m	R1 336m
Per worker	R389	R665	R491	R490
Annual per capita income (Rand):				
Recorded activities*	R3 453	R4 987	R1 399	..
Unrecorded	R172	R471	R706	R631
TOTAL	R3 625	R5 458	R2 105	..
% underrecorded	5%	9%	50%	..

* Based on own estimates that include the TBVC homelands. The validity of further comparison depends on the spatial distribution of recorded and unrecorded activities.

More pragmatic approaches indicate that a moderate informal sector can play a role in reducing urban poverty

investment and savings, and capital intensity (although levels of savings and investment may arguably then also be underestimated).

If the informal sector is indeed relatively large compared to recorded economic activity, then all national accounts figures are suspect - even inflation rates, for there is no certainty that price levels in the unrecorded sector behave like those in the recorded sectors.

Pandora's Box

Figures can be used and abused, especially if they can also be created at will, as was long possible with regard to the informal sector. Leon Louw of the Free Market Foundation recently declared the debate about the informal sector at an end. After long propagating the myth of a substantial informal sector and thus undermining the national accounts, he now says that 'Stressing the size of the sector was relevant when we were trying to persuade government to deregulate. The intention has never been to discredit the national accounts' (Steyn, 1990).

But a Pandora's box once opened cannot be shut that easily, and the debate will continue long after Mr Louw has decided to close the debate. The relative size of government is clearly partly dependent on the accuracy of national accounts. Louw spawned various estimates of national accounts based on a fictitiously large informal sector. But now he feels that 'the need to prove the importance of the informal sector has diminished' (Steyn, 1990) because the government accepts deregulation, and he thus accepts the official national accounts figures. Perhaps, now the battle for deregulation has been won, he must prove that the government share in the economy is too large!

Most economists have been somewhat more careful than either the unadulterated Marxist or free marketeer positions. More pragmatic approaches to measurement indicate that the informal sector, although relatively moderate in size, has a major role to play in reducing the incidence of extreme poverty, especially in urban areas. That is precisely why the term 'the informal sector' was coined, to describe the survival activities of the urban unemployed (Hemmer & Mannel, 1985).

On the one hand, if the Marxist perspective is correct South African unemployment and poverty are so large that any government, present or future, would face an insurmountable gap between needs and public resources to address these. If the informal sector is indeed as insignificant as radicals argue, it points to an absence of entrepreneurship amongst blacks. This is belied by writings from within the radical camp, however, that have shown substantial 'petty-commodity' production and other informal activities in the social and economic history of the Witwatersrand, though often curtailed by the state and local authorities.

On the other hand, if the free marketeer view is correct there is, ironically, great scope for the state to increase tax ratios without the danger of South Africa becoming an overtaxed economy; then there is reason for much optimism about South African economic growth; and then poverty reduction and improved income distribution is a mere matter of waiting for further growth along free market lines. In such circumstances, policy attention to matters such as employment and poverty, as advocated *inter alia* by Thomas (1990), becomes superfluous.

These are matters of consequence, and in order to obtain greater clarity, social scientists cannot avoid grappling with the data and the definitions.

The CSS Survey

In October 1989, the Central Statistical Service (CSS) for the first time undertook a survey of informal sector activity within the framework of the Current Population Survey amongst coloureds, Indians and blacks (excluding the TBVC homelands). It was preceded by a pilot survey amongst blacks in the PWV-region only (CSS, 1989).

Such a survey as part of the Current Population Survey was long recommended by economists, and its publication in March 1990 must therefore be widely welcomed. It is apparent that the CSS figures were broadly consistent with other relatively moderate estimates of informal sector activity. Insofar as people are prepared to give accurate answers to such questions, the CSS study, based on a national survey, is likely to yield the most accurate estimate of unrecorded activity.

Table one shows that this report makes available a wealth of information. Based on my own income estimates (1987), for instance, it appears that the effect of informal sector activity is to increase black per capita income by 50%, thus considerably reducing the racial income gap. Black compared to white per capita income (R16 531) rises from 8,5 to 12,7% when provision is made for unrecorded activity.

The first national CSS survey of the informal sector has confirmed moderate estimates of unrecorded economic activity

The implied assumption is that there is no white informal sector or underground activity - a heroic assumption. Yet the important point remains that black per capita income is about one-half larger than recorded in national accounts (and presumably also income and expenditure) figures.

Moreover, informal activity does not make a comparable contribution to increasing the recorded per capita incomes of the better-off coloured and Indian groups, *inter alia* because of the lower activity rates of these groups in the informal sector.

The CSS survey also presents figures on labour force participation (total employment) on a geographical basis for individual development regions, individual provinces (excluding homelands), self-governing homelands (aggregate) and is broken down into city/town/rural categories, as well as by occupation. Figures relating to value added are, however, not broken down by region, but only by occupational group, which is unfortunate.

Informal sector activity increases black per capita income by 50%, reducing the racial income gap

Whereas detailed tabulations are given on a geographical occupational, gender and income group basis for the 2,3 million own account workers, there is only an occupational breakdown and average wage figure (R342) presented for the 395 000 employees (see table 1). Their average wage compares poorly with average net earnings of R542 of workers for own account, yet half the workers for own account earn less than the average wage of employees.

Yet a true comparison is difficult, for employees are all full-time workers in the informal sector, whereas no distinction is made between the 345 000 full-time and the 1 987 000 part-time workers for own account. It would have been useful to have separate information for the two groups: some part-time participants (e.g. the almost 700 000 in formal employment) may spend so little time in the informal sector, that their earnings cannot be compared to those of full-time workers for own account.

TABLE 2
Occupational distribution of informal economic activity
As estimated by the Central Statistical Service for October 1989

	TRADE & HAWKING	SERVICES	CRAFTS	HOME CRAFTS	TRANS-PORT	SCAVEN-GING	ACCOMO-DATION	OTHER	TOTAL
Monthly value added (R-million)									
Total	R429m	R43m	R367m	R92m	R291m	R17m	R5m	R91m	R1 336m
Black	R405m	R37m	R332m	R87m	R281m	R17m	R5m	R90m	R1 253m
Employees in the informal sector ('000):									
Total	128	5	132	12	69	2	2	44	395
Number of workers for own account ('000):									
Total	837	244	470	315	92	161	19	193	2 332
Black	802	220	431	300	88	158	17	188	2 205
Percentage males amongst workers for own account:									
Black	42%	48%	89%	10%	96%	72%	55%	58%	53%
Average monthly income of workers for own account (R):									
Coloured	460	161	614	357	1 776	77	118	192	426
Indian	756	1 046	927	281	2 022	500	303	437	785
Black	489	166	717	295	2 827	107	259	466	534
Proportion of workers for own account earning less than R450 per month:									
Coloured	66%	99%	61%	67%	35%	100%	100%	78%	74%
Indian	55%	76%	44%	86%	13%	0%	87%	53%	56%
Black	68%	92%	58%	76%	26%	93%	85%	67%	69%

About 40% of black participants in the informal sector reside in the self-governing homelands

About 40% of black participants in the informal sector are resident in the self-governing homelands (about three-quarters of them non-urban), where one would expect income-earning opportunities in the informal sector to be curtailed by limited purchasing power. Only 40% are active in cities, where one would expect most informal activity since the abolition of influx control.

Further interesting information relates to the breakdown of informal activity by type of activity/occupation. One may argue about the classification of some occupations (the distinction between services, trade and hawkers, crafts, and home crafts is particularly problematical), but it nevertheless remains useful to have such figures on a standardised basis. Some of these figures, including income figures for own account workers, are presented in table two.

A puzzle is posed by the preponderance of males, as the informal sector is usually dominantly a female phenomenon. It is unfortunate that total employment figures (own account and employees) are not broken down by gender; perhaps employees are mainly female.

The data show the higher earnings in transport and crafts where the role of capital employed and skills is presumably larger and entry more difficult. Yet it is unfortunate that there is no information on the educational profile, and how that relates to occupation and income. Are the predominantly male, high-income occupations also those in which human capital in the sense of formal education is most concentrated? Here again, the failure to distinguish between full-time and part-time workers for own account reduces the usefulness of the data, for the distribution of full-time and part-time workers for own account over the various occupations remain unknown.

Other potentially interesting statistics that are not provided and could relatively easily have been obtained in the survey include the age profile of participants; the time spent in informal activity (that could tell us about the extent of underemployment by the time criterion); and how long participants have been engaging in informal

activity. Yet one should not be greedy, and the publication of this material has already provided us with much food for thought.

Confirmed Estimates

How accurate are these figures? There is unfortunately little information to gauge that, other than that it appears to confirm moderate estimates of aggregate informal activity. Some of the income figures appear somewhat dubious (e.g. the more than 9 000 blacks obtaining a monthly income from crafts exceeding R6 000). In the case of coloureds and Indians, the breakdown into twenty income ranges and nine occupations creates a matrix with many empty cells, resulting from the limited sample engaged in informal activity (already a subsample of the total Current Population Survey sample) that also affects confidence levels.

Moreover, the CSS does not specify the method employed to generate this information, apart from that it is based on survey results within the framework of the Current Population Survey. Nothing is said about the survey questions or the training of the enumerators; those that have been involved in field surveys of this type know how difficult it is to obtain accurate information. There is also no information on the accuracy of the global population data used to raise these figures.

Necessarily, perfecting such a survey takes time. It is understandable that the CSS pilot survey came up with far smaller estimates of informal activity in the PWV-region than the present survey; in the pilot survey, informal sector participation was estimated to be 35% smaller, and unrecorded value 55% smaller than in the full survey. Yet it also needs to be asked whether the informal sector has now fully been brought into the net. It is unlikely, but again the degree of underestimation is uncertain.

The CSS survey again placed emphasis on another problem area in South African labour data, viz. the size of the labour force. According to the survey results, more than a million black housewives and scholars not regarded as part of the labour force are engaged in informal economic activity. Should they be reclassified as economically active, the size of the black labour force would be 15% larger. That is a very large margin of error, and the question needs further attention.

South African labour, national accounts and income statistics have long burdened under the lack of clarity on the size of the informal sector, a difficulty increased by dubious speculation on its size. This first national survey (if one for the moment disregards the TBVC-states) about informal economic activity amongst all groups but whites has been very useful in presenting us with data to fill lacunae in these areas of research, even though its results should surprise no-one, for most estimates of the size of the informal sector have been of the same order of magnitude.

Despite minor reservations, this survey undoubtedly presents us with the best information yet on the extent of informal economic activity. The information now has to be weighed, interpreted and analysed further, and many social scientists are grateful for the opportunity. If these surveys are to be continued on a regular basis, much of the teething problems could probably be eliminated with comparatively little effort.

That would still leave some more fundamental issues unresolved about the institutional maze in which South African statistics have got lost.

The exclusion of the TBVC homelands makes a mockery of some figures at the level of development regions, and makes the utilisation of these along with other available statistics for purposes of analysis cumbersome and frustrating, if not outright confusing. But that is an issue that lies outside the field of competence of the Central Statistical Service. IPM

Extracts from a paper on the informal sector delivered at the Socio-Economic Statistics symposium, convened by the Economic Research Unit, University of Natal (Durban), 3-4 May 1990

The CSS pilot survey of informal activity in the PWV region found lower participation rates

More than a million black housewives and scholars outside of the labour force are engaged in the informal sector

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RETROSPECT

Towards the end of 1988 the South African economy reached a turning point in the business cycle. During 1989 growth in GDP tapered off, concluding the year with a negative rate of increase in the last quarter which amounted to a seasonally adjusted and annualised rate of 1,5%. As a result positive growth at a little more that 2% was maintained for the economy during 1989 as compared to the 3,5% of 1988.

Although the Dollar price of gold declined during 1989 from US $437 to $381 for the year the Rand price actually increased from R992 to R999. By allowing the Rand to depreciate gold mines were insulated from the decline in world prices. Nevertheless, the terms of trade declined by 5% during 1989. This meant that the purchasing power of exports declined and real income in South Africa would have been accordingly diminished.

In addition, the level of interest rates rose in accordance with the desire to temper the rate of inflation in the country. A prime interest rate of 20% at the end of 1989 set the scene for a further dampening of economic activity for 1990. A decline in value added in agriculture in the last quarter of 1989 also exacerbated the decline in GDP.

The components of real gross domestic expenditure continued to decrease in the last quarter of 1989, which reflected the effects of restrictive monetary and fiscal policies. Although domestic absorption was restricted during 1989, the positive real growth in the economy was attributed partly to continued strength in merchandise export performance.

The labour market reacted in a somewhat contradictory fashion to these trends in GDP, with declines in unemployment in the third quarter and October 1989. More recent data suggests, however, that unemployment is once again on a slightly upward trend, and the recent closure of three Frame Group factories will add to the unemployment growth in 1990. Wage increases, both nominal and real, accelerated during the downswing.

These cost increases in the form of higher wages and interest rates, combined with the decrease in economic activity, would have placed pressure on firms to survive the current economic downswing. We foresee a substantial increase in the number of bankruptcies in 1990.

From the year 1988 to the year 1989 inflation as measured by the consumer price index increased from 12,9 to 14,7%. A large part of the increase in inflation can be attributed to the depreciation of the Rand which occurred during 1988 and the first half of 1989. Nevertheless, inflation is an ongoing process in South Africa. As elsewhere, it has been validated by increases in the money supply which occurred during 1987, 1988 and early 1989.

The current account of the balance of payments strengthened to an annualised level of R5,9bn by the end of 1989. The lower rates of increase in domestic absorption led to a marked decline in merchandise imports, while merchandise exports increased 17% by volume in 1989. The corresponding outflow of capital which had fallen in the third quarter of 1989 increased in the fourth quarter. More than half of the outflow was used to finance foreign assets held by South African residents. Gross gold and foreign reserves increased during the first nine months of 1989 but decreased in the last three months of 1989, only to recover in the first three months of 1990.

The effective exchange rate of the Rand mirrored these changes in the balance of payments. The rate weakened through the first nine months of 1989, yet strengthened towards the end of 1989 as the price of gold rose to above $400. During 1990 the effective exchange rate has remained fairly steady despite a continued slide downwards in the price of gold.

Despite the tightening of monetary policy, the Reserve Bank is of the opinion that the economy reached a soft landing for a number of reasons. These included the rise in agricultural output in 1989, bouyant export performance, greater confidence in the economy on the part of business and consumers and rising real wages.

PROSPECT

The recent precipitous slide in the price of gold to US$353 an ounce has come at a time which will speed the economic downswing to a probable hard landing. The current rand price of R940 will put many marginal mines in danger of closing. The 70% drop in the price of gold since February will also result in a loss of foreign earnings of R3bn, placing pressure on the balance of payments.

Gold watchers and predictors of the gold price are not sanguine about an increase in the price in the near future. In fact many are expecting it to slide further to $300 an ounce. Only major political unrest and lower real interest rates are likely to reverse the present bear market. However, the closure of mines would have some effect in changing expectations as to a future rise in the price.

Alongside the bad news of a low gold price is the slowdown in the pace of world economic activity from 3% in 1989 to an expected 2.0 and .25% for 1990. It is noteworthy that the performance of merchandise exports in South Africa has been sustained in the face of slower world demand. Of course, the real depreciation of the Rand would have helped to promote the demand for these exports in 1989 and 1990.

It has been estimated by the International Monetary Fund that world economic growth should increase marginally to about 3% in 1991. This slowdown reflects the restrictive monetary policies which have been implemented in most industrial countries to deal with pressure on capacity and rising inflation. Higher trends in inflation in industrial countries now appear to be contained and the rate of inflation is now predicted to decline this year as well as in 1991.

All these factors would lead us to expect that growth in South Africa for 1990 will not exceed 1%. Furthermore, we see little prospect for a change in the value of the Rand. It is more than likely that if the gold price continues to slide the exchange rate will depreciate further. This depreciation has implications for the rate of inflation through its effects on the prices of imported commodities. Therefore, despite the tightening of monetary policy, there is little prospect for a substantial decline in the rate of inflation.

POST-APARTHEID POLICY

The political initiatives announced by the State President in February 1990 have brought about the prospect of a constitution in which all South Africans will have democratic representation. With the attainment of this political objective will come the end of attempts by the international community to isolate South Africa socially and economically.

The new post-apartheid era will offer the prospect of economic reform in which the South African economy may be able to regenerate its once outstanding growth record. However, although neither the ANC nor the PAC have released fully detailed proposals for economic policy some of their statements have been enough to raise serious questions in the minds of potential investors. For instance, the PAC has favoured the 'localisation' of ownership of resources to minimise the role of international financial capital, and many ANC spokesmen seem to favour the nationalisation of major industries.

The success of the post-apartheid society in South Africa will be largely determined by its ability to generate economic growth and employment. The redistribution of income and wealth from a static pie will not go very far towards solving South Africa's problems of stagnant incomes and employment. The economic strategy which is needed to improve welfare for the whole society is one which can generate economic gains for the poor, while not eroding living standards for the rest of the population, i.e. a redistribution with growth strategy. Among other approaches (see below), this strategy would requires a high rate of investment in the private sector.

Threats of nationalisation or localisation will have the effect of depressing the fragile state of business confidence, and of killing off investment proposals. The South African economy needs new foreign investment badly and also needs the transfer of technology and skills that accompany it to develop its international competitiveness. A firm commitment by the ANC against intervention in private ownership in the post apartheid South Africa would go a long way towards stimulating new investment even before the political details become finalised.

There have also been proposals to break up the conglomerates, to restructure the operation of the financial sector, and breakdown the concentration of economic power. Such actions, however, would

not increase competition in the industrial sectors where often the small South African market and economies of scale cause substantial concentration to occur. An alternative view of the conglomerates is that they are a very efficient channel for the financing of industry and that they should be used constructively for encouraging investments.

One possibility might be to encourage them to stimulate subcontracting to small business, using their financial muscle to finance such ventures. The post-apartheid government might even require the conglomerate to allocate a proportion of their equity to this goal. Such a strategy would encourage small business and be good for income distribution while having a beneficial effect on employment because of differences in wages between the formal and less formal sectors in industry.

A redistribution with growth strategy would also require:

- the removal of all unnecessary regulations which dampen business opportunities, including those health and safety standards which are totally inappropriate to South Africa's level of development;
- massive investments in education and the training of the workforce;
- the development of standards of industrial and wage discipline which preclude the political tactics which the unions have developed in their struggle against apartheid, e.g. stayaways, ongoing industrial sabotage, and political collective bargaining;
- the stimulation of agricultural output - while land may be redistributed, this cannot be done to the detriment of agricultural production. Black peasant farming must be encouraged, while the marketing system must be mobilised to stimulating production;
- strict control of government expenditure - services will have to be redistributed, and parts of the white and black civil service must inevitably suffer falling real incomes as their patronage is removed. Rapid real growth in government expenditure will erode the possibility of long term economic growth;

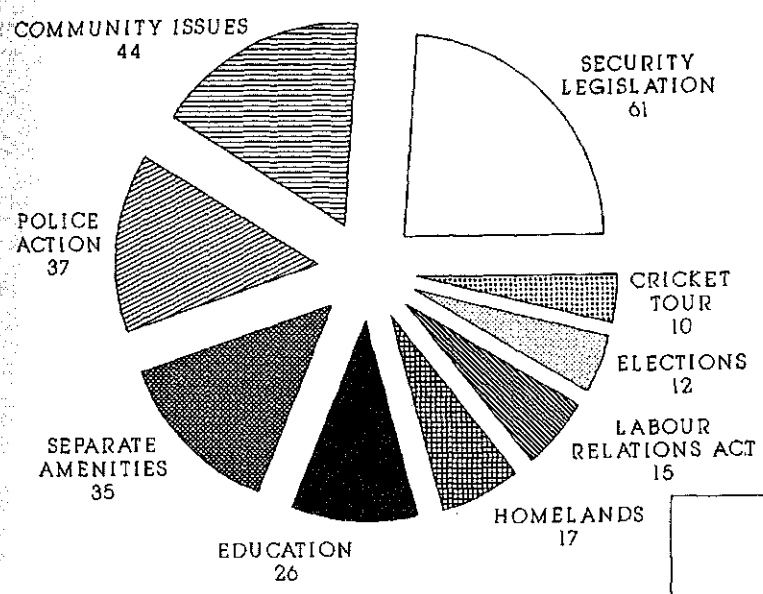
The termination of pressures to repay foreign debt, a low return inflow of foreign capital, and a return of domestic investor confidence, driven by the conglomerate groups and other business groupings, can provide the investible funds necessary for economic growth to occur. The opportunities for investment will lie in export markets which will open as sanctions pressures are removed, and in a domestic market which grows under the stimulation of expanding investment and production.

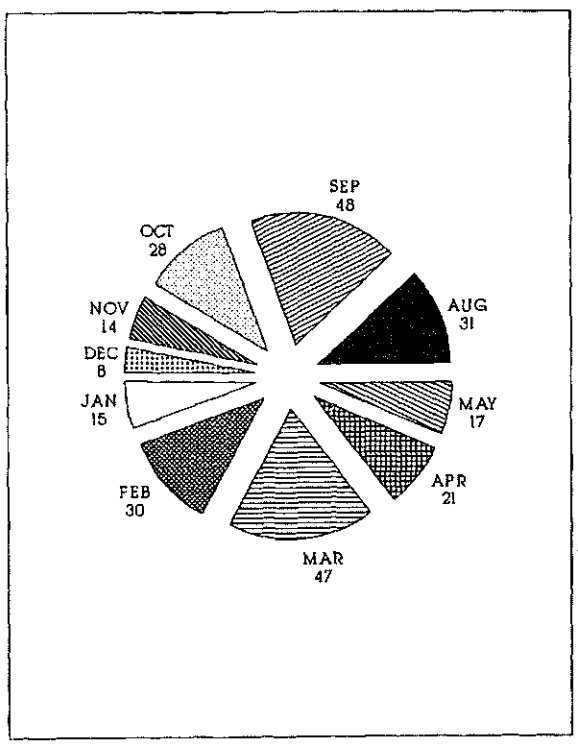
The dream of achieving a political democracy is close to being achieved. Turning that democratic society into an economic success requires economic policies which, on the one hand, are tailored to South Africa's particular institutional structure, and on the other hand, are based on pragmatism rather than on ideology. Discussing such new directions now constitute the major challenge facing the society. IPM

RURAL & REGIONAL MONITOR

Conflict Catalysts in South Africa

Breakdown of Protest Actions, August 1989 - May 1990





NOTE

Based on the chronology of protest activity by IPSA researcher David Jarvis, entitled 'A Diary of Defiance', published in *Indicator SA* Vol7/No2 (Autumn 1990), Political Monitor:22-28. Data updated for March-May 1990 from five detailed published chronologies on mass protest marches, picket protests, anti-apartheid amenities, youth/student protests and anti-LRA/labour campaigns.

The Fall of Centralism?

Popular Mobilisation for Post-Apartheid Development

By Catherine Cross, Frik de Beer, Peter Stewart and Linda Cornwell

Most of South Africa's long history of development failures stems from a centralised autocratic approach to development not far off recent practice in Eastern Europe. No South African government has yet grappled with development for all the country's people. Nor has the progressive opposition yet formulated coherent policy alternatives.

To meet our needs, South Africans need to learn more about development, but the only available educational apparatus is thoroughly inadequate. What university-level teaching of development is now available tends to treat the enterprise as one to be manipulated by the state bureaucracy. In this provocative critique the authors suggest a contemporary cure for the ills that beset the development path to economic success.

Development is pre-eminently a political process, and nowhere more so than in this country. Looked at the other way around, all of politics may ultimately be a development study. The relation of a regime's continued popularity to the national economic performance is well known.

The goal of South African political activity is not only political equality, but a decent life for all. In this sense events here are part of a broader social movement, the march of the Third World toward a decent living standard.

If a successful development path for South Africa is not found in the near future, chaos on the political scene is probable. We urgently need a development debate that takes in all communities and can lead to new policies that are both equitable and effective. We are not now well equipped to conduct one.

One reason is that the key role of popular initiatives and mobilisation has hardly been recognised in this country so far: but in terms of the international debate it is here that hopes of development and economic success will stand or fall. This approach has not been prominent in the debate between big business and the ANC-Cosatu camp, and we offer it for consideration. We will also try to show why the question of development teaching is crucial to the chances for future development in this country, and therefore an important component of future political equilibrium.

Recent Lessons

A number of far-reaching events on the world scene have led to a shake-out of development theory. Most recent, and not yet fully assimilated by development debates, is the dramatic collapse of the Stalinist model of development in Eastern Europe under the force of popular pressure. This was a model where party structures directed the 'civil society' and virtually the whole economy was run on a centralised, 'command' model.

The dramatic collapse of the Stalinist model of development under the force of popular pressure has led to a big rethink

The drama of these events will lead to much rethinking in radical circles in the Third World about the role of markets and the question of political pluralism. However, events in the Third World itself have been extremely important in reshaping development debates. The export-led rise of the newly industrialising countries (NICs) on the Pacific rim has provided a successful capitalist model for post-World War II industrialisation.

Interestingly, this East Asian phenomenon does not play straight into the hands of radical free-marketeers; rather it leads to discussions of appropriate state facilitation of the market, as well as the particular socio-economic features of these countries which have led to a production-oriented population.

Other recent events and trends are more negative. The underfed one billion are still with us, despite a plethora of development efforts. The astronomical debts of countries

Recent history has shown that justice and acceptable levels of equity are integral to development

of the South reflect both on internal stagnation and on the farce of 'aid' from the industrialised countries. The crisis in most African countries south of the Sahara is also of major concern.

From capitalist Zaire to Marxist-Leninist Ethiopia, the way ahead seems to be chaotic and gloomy. Issues of institutional weakness lead to questions of how the state can appropriately relate to the actual economic activity of the ordinary people. This has not dispensed with questions of dependency and the international economic order; debt, the IMF and world prices are issues which will become more urgent.

Another burning issue is freedom and democracy in development. As in Eastern Europe, concern over the issue of democracy is rife all over the capitalist Third World - in Taiwan, the Ivory Coast, Chile, and South Africa, and in poorer countries.

In Eastern Europe, the issue is that of freeing the civil society; in much of the Third World, it is second to the agenda of including working classes and other marginalised groups in a state that at present represents only the economic elite of the country.

Recent history has shown that justice and acceptable levels of equity are integral to development. Without these, civil society and particularly its subordinate classes can see but not touch those things which represent to the citizen his/her proper and productive place in the modern world. Otherwise we face gross instability, violent resistance, and repression, as has occurred in Argentina, South Africa and South Korea. The Shah's Iran is also a cautionary tale for developers.

Viable development is more likely to come from popular initiatives than from bureaucratic ones

Finally, the ecological crisis is leading to a rapidly expanding concern for ecologically-sustainable development.

What is emerging, then, is a clear perspective that ideas about development must be more political and more practical. Approaches to development today clearly must be holistic, and for conventional development thinking in South Africa this means taking aboard far more critical socio-political reflection.

At the same time, what works in development is becoming clearer. While well-run small projects can have great value, no one will now claim that development is achieved primarily through projects. Similarly, management skills and the efficiency of administration are crucial issues; but viable development is more likely to come from popular initiatives than from bureaucratic initiatives.

Freeing Civil Society

Most of development is not rooted in government policy initiatives. Government policy has significant influence over the development process, but neither does it wholly create the environment for development nor can it determine what actually happens on the ground. Instead, the forces that produce development are created in the civil society at large, and take their form in terms of what the civil society regularly does and what it tolerates and what it supports.

In the last years of the twentieth century, the events in Eastern Europe are finally showing the international development community the full scope of the limits on what the state is really able to do when it tries to intervene in the development process. Governments are very able to frustrate what people are trying to do for themselves, but they are rarely able to generate real economic activity.

The enterprise of development, and any teaching of development that can sustain it, will need to explore the linkages between what ordinary people do and the larger development process. In South Africa, where popular energies have been crippled by the political system, this is doubly critical. The tremendous potential for development in this country is blocked or turned aside into destructive channels by the structural barriers which apartheid has erected throughout the national economy and society. But more is needed than the overturning of these barriers. We will also need to engage the popular level.

Worldwide, most of government 'development work' has involved trying to get people to do something different, which suits the state but usually does not suit the people. Failure then follows from this technicist approach, which carefully avoids looking at or even acknowledging the real constraints on popular activities at local level.

South Africa's misconceived 'development' policies are a premier case in point. From the removal of urban communities to rural 'betterment', there is probably no other country in the world

where the state has so deliberately and consistently moved to frustrate and nullify the economic energies of the majority of its people. The fury and despair that result are obstacles that deflect both popular development initiatives and the enterprise of development education.

Development that emerges out of popular processes at the ground level comes in a number of forms. In addition to the people who qualify as entrepreneurs, and collectively comprise 'progressive classes' or 'productive social fractions', development-related popular initiatives come in a number of forms. Not all of these activities are specifically economic: many, especially in a context where the state has been at war with the popular level, will be wholly or partly political:

- broad social struggles that intersect development issues, such as the present campaign for a living wage;
- oppositional initiatives, such as attempts to replace 'bantu education' with people's education;
- counter-policy activities such as boycotts, which are intended to exert force directly in order to get greater control over the arena of development policy;
- self-help groups working directly with development activities and issues, such as local organisations of the poor and disadvantaged;
- voluntary development groups such as NGOs, which attempt to contribute to the general public good as well as to advance members' specific concerns;
- syndicates and other interest groups formed specifically to promote their own narrow interests;
- 'brokers' or intermediaries who put concerned people at local or regional level in touch with power structures or economic centers, in return for payments or some stake in the action.

But groups or movements that are broadly aware of what they are trying to achieve do not exhaust the list of popular initiatives. The force of popular action is not always conscious - there are also unaware movements, made up of the accumulated activities of vast numbers of individuals separately behaving in similar ways that affect development.

Taken all together, the activity of these social fractions is what can be described as popular mobilisation for development. How successfully such forces can engage with the development process depends very much on the environment and resources with which they operate.

One popular movement which has taken a strong and effective grip on the development process as a whole is the environmental coalition in the United States, which musters 12 000 000 signed-up members. Using a regular tactic of spotlighting catchy issues to rally public support and then pressuring allies in the legislature to pass regulatory laws, this elite movement has been able to exert tremendous force in relation to both government and business activity.

The realities of popular mobilisation for South Africa are different, and may be more clearly etched in the tragic circumstances of the Katlehong taxi wars. The rise of the black taxi industry has not only created important development-related popular organisations such as SABTA, but has also shown clearly that in the deformed and disadvantaged institutional environment of apartheid, the potential for negative backlash is considerable.

The Katlehong violence has involved conflict between at least five emergent popular organisations at local and national level. Flaring from the appearance of a new local-based taxi syndicate in the Katlehong community, violence grew out of the threat to the business interests of the incumbent, non-local, taxi group. It spread quickly, with kombi-loads of taxi men attacking local students and comrades who sided with the local syndicate, and politicised rapidly when national liberation groups intervened to try to control the conflict.

The warning for the development scene is clear: as apartheid ends and state control weakens in the black communities, the suppressed intensity of concern over popular issues is releasing energies for which there are no effective institutional channels of control as yet. With community level groups often suspended between their desire to be of legitimate service to their communities and the pressure of local antagonisms, the emergence of popular movements carries both positive and negative potential for development.

In South Africa today there is an urgent need to promote sympathetic understanding of the unpredictable potentials of the mass mobilisation now gathering force. Here, development education needs to be in the front-line. Whether this is possible under the present university dispensation is doubtful.

Events in Eastern Europe show the limits of state involvement in the development process

The South African state has deflected popular initiatives and education in development

Development Education

What needs to be done in development teaching derives from current development needs

What needs to be done in development teaching derives from what needs to be done about development in the country. In accord with our earlier arguments, here are some points of departure:

- All thinking about development in South Africa must aim at a politically and economically viable transition period.
- Apartheid development and apartheid development thinking must stop. This includes any efforts that assist the homelands strategy or reinforce segregation.
- The whole population must have full political and economic rights. The way the economy is regulated must change drastically and such changes must be made through democratic structures and a democratic government.
- There must be constant debates between development 'experts' and democratic forums.
- The debate on the roles of markets, of state facilitation of planning, and regulation of the economy must be carried a lot further.
- Development thinking must push for popular initiatives (including politicised ones) to be identified, and supported or if necessary regulated.

Where does this leave development teaching?

Interdisciplinary development education should play a key role in the change process

If future development in a new South Africa is to be freed from central control, what kind of development education is going to be needed? Almost certainly not the kind that is now available.

While everybody (even some right-wing movements) is preparing for a post-apartheid South Africa, the field of study that should be playing a crucial role in facilitating this process is being curtailed, to a greater or lesser extent, within South African universities. 'Development Studies' has never enjoyed real acceptance at universities in this country. It now seems even more than ever in danger in the few institutions where it is permitted to be taught as an undergraduate major.

Development is by its nature a multi-disciplinary field. It takes its content and draws its personnel from a number of disciplines including economics, sociology, political science, anthropology, public administration, geography and history. Regrettably, this kind of field is not seen as fitting into the accepted structure of university departments in South Africa. The dominant social theories taught in the established university disciplines are quite relatively abstract and academic - they tend to fall short of coping with the real-world events that accompany the transition of Third World nations into modern structure and organisation.

The point we are making here is that the established disciplinary boundaries are holding South African universities back from playing the role they desperately need to play in the rebirth of a country undergoing fundamental changes. University departments working in the development arena need to be able to follow the process wherever it leads, without being told that they are theoretically directionless and have to stick within accepted academic boundaries.

The integration of fields of study at traditional universities is not easy. The tendency in South Africa seems to be towards discouraging enterprises of a multi-disciplinary nature other than perhaps in institutes. At present, 'development studies' is permitted to exist as a separate teaching department and a full undergraduate major at only one or two 'white' universities.

Consequently, the study of development is not freely available in this country at university level. Students wanting to study development are restricted to taking a more narrowly defined major called 'development administration' at one or two other universities. Almost the only remaining way to study development in South Africa is to take courses from among various social and economic or professional departments. The remaining alternative is to obtain an undergraduate degree before proceeding to an institute which is allowed to give a graduate development course.

The fact that 'development studies' is usually biased towards 'development administration' gives development teaching a slant that is particularly inappropriate here and now. Development administration represents the older, outmoded shape of the discipline. In the late 1940s and 1950s, the realisation that the needs of government in the poor countries were not the same as those in the First World brought together a number of American academics in what became known as the Development Administration school. They came from various disciplines, but modernisation was the dominant paradigm.

Following the successful rebuilding of the post-war European economies, American academics from this school saw big government as the most important tool for the achievement of economic growth and social justice. That is, new societies were to be achieved by administrative, essentially central measures, and by implication without much consultation or involvement of the people themselves.

The approach was elitist, with a small, well-educated and Western-orientated group expected to act as agents for modernisation. Their efforts were to bring about a universal conversion to Western thought and values. This stress on changing popular thinking to line up with First World models had the advantage of placing the blame for any failures on popular backwardness rather than on wrong policies or structural barriers. It also turned attention decisively away from political action, treating it as interference in the process rather than as the heart and core of development.

To a considerable extent, it would seem that it is for these reasons that development studies was acceptable to South African curriculums only when formulated as an administrative, top-down discipline. The approach is self-perpetuating and is deeply embedded in the South African bureaucracy, as well as in the teaching of university subjects such as development administration and public administration.

The focus has therefore been on equipping students to be development administrators. The results can be seen in the way in which the former 'homelands' have been administered - very little development results from the work of officials. In the public service generally the stress has been on efficiency and on meeting centrally fixed targets, rather than on openness or incentives. The effective emphasis has been on keeping the popular level disengaged in every way, and in particular politically. South Africans can no longer afford to have this approach uncritically taught and perpetuated. The needs of the new society will be wholly different.

Alternative Approaches

The argument often encountered of education as the key to development causes us to also give attention to broader issues of teaching for development. This belief in the power of education assumes that the inhabitants of the countries concerned lack some quality which, if furnished, would provide the key to all problems. It could be argued, therefore, that ANY teaching would be conducive to development.

Yet as we have seen in South Africa, education merely fortifies the status quo. It still acts to underpin the political system, and maintains and reinforces the inequalities institutionalised by decades of apartheid. In South Africa's past, education has been used to create a distorted society, deliberately atomized racially and linguistically. But education can, and should, be used to turn this heterogeneous society into a real democracy.

Education can help render local and regional identities obsolete, building a national identity

Education can help render local and regional identities obsolete in the face of a new national awareness. If we are to use education as an effective instrument of national integration, however, the South African system has to undergo major changes which must reflect popularly expressed visions of an ideal society: there must be a single department of education; all schools must be fully integrated; and, optimally, have a single medium of instruction.

In official circles education is not even thought of as part of a class struggle, redistributing opportunities for equal access to occupations at all levels. Yet attempts to keep education going during the recent disturbances, and calls for people's education indicate a broader awareness of the potential uses of education as a tool to bring about greater equity.

Education redistributes opportunities for equal access to occupations at all levels

Because of the tendency to use traditional teaching methods, the mere 'banking' of knowledge in the minds of students continues. The methods and aims of the current educational system - not just development teaching, but schooling and university education in general - has to change if development-oriented minds are to prosper. Minds should be geared to the search for wisdom and understanding, and filled with problem-solving skills rather than dulled by passive acceptance of givens.

If we are to achieve this it means moving away from the currently accepted practices and methods in development teaching. Development should not be restricted to university teaching as currently practised. Teaching 'development' at all levels and in all educational institutions - formal and nonformal - should become a priority. The content of this teaching must be relevant and contemporary, including those topics addressed earlier.

To promote development, university teaching must be more informed by grassroots perceptions

Current adult education programmes at certain major universities constitute a new trend to be supported and encouraged - rather than tolerated as outward signs of social responsibility. A revised subsidy programme, committed to upgrading the qualifications of adults who missed out on the full benefits of formal schooling, could do much to alleviate existing inequalities.

Research and teaching at universities should analyse development-related concepts and practices. They should aim to establish the relationship of 'development' to society as a whole. Essentially, however, university teaching must be more informed by grassroots perceptions and knowledge. The information and wisdom thus obtained could then be disseminated through the mass media. South Africa should follow the example of successful radio study groups elsewhere in Africa, including Tanzania and Botswana, to reach a wide audience.

The wider communication of knowledge increases mutual understanding among different societal organisations, formal institutions and popular representatives. It also raises popular consciousness and helps substitute a critical awareness of the world for naive and fatalistic acceptance. This helps people to identify for themselves the root causes of poverty and inequality and to see them as something to be altered. Development teaching should not simply teach people about theories and approaches to development, but should be action-oriented to foster the realisation that people can alter their lives.

Development education should be action-orientated so that people can alter their lives

Teachers of development have much to learn from the methods advocated by the progressive educational philosophers, who argued that the ways in which teaching is done is intimately related to the reasons why teaching takes place and the content of what is taught. Methods that encourage problem-solving techniques are essential in any attempt to bring about a true democracy and to foster critical consciousness. The latter aims will only be achieved if people are encouraged to seize the initiative, and if this initiative reflects their own desires and aspirations as individual human beings.

Brokers of Ideas

A member of the East German New Forum has recently commented that no popular initiative is effective until it moves from the intellectual fringe community into mainstream thought. The principle applies well to development. Development agendas in this country crucially need debate, and a higher profile, but any debate needs to be informed with what is now internationally known about development.

The critical role of universities and particularly of university development departments here is also as brokers of ideas between the state and the popular level. The legitimate public research function is vital here, and not only to enter into dialogue with community organisations, but also as a conduit for ideas in dialogue with government and business. Overall, we should be trying to help formulate alternatives and promote workable development solutions.

But the argument we are making is that development education is not an elitist enterprise restricted to the university level - on the contrary, the popular level is the crucial one. University-based development education should interpret itself widely, and make every effort to reach the mainstream of both black and white civil society.

Still, development education desperately needs its university base in order to operate successfully in the interests of the larger society. The state of university teaching in development is still fragmented and insecure. It is imperative that development training in South Africa now should be offered as widely as possible. At the same time it is vital that these departments turn their curriculums toward the future - and that South Africa's universities recognise and accept the importance of this multi-disciplinary field.

Even after the East European changes, the Far Eastern example makes it clear that the active role of the state in underpinning development cannot be discarded or ignored. The state has vital responsibility in social spending, in democratising the market and in long-range planning, and will remain in charge of the economic arena. What will be needed is the right relation between the state and popular initiatives.

Beyond a need for structural change, what this relation will be cannot be prescribed from here. A clear vision of the coming state role will have to emerge from debate - meaning from the traffic of development ideas between the people, the state and the universities. And if the South African state and people are to obtain a grounding in development, then the mobilisation of ideas through development teaching is in need of urgent review. IDM

The New Form of Evaluation

By Professor Simon Bekker, Director, Centre for Social & Development Studies, University of Natal

The last fifteen years have seen the proliferation of change agencies in South Africa: state subsidised welfare bodies, community development organisations with external funding, corporate social responsibility institutions and programmes, and the like. Their emergence and contemporary abundance can largely be explained by three factors.

First, the recognition by government that change driven by the motor of urban-industrial development was unavoidable.

Second, the recognition again by government that it could not, solely through its bureaucracies, meet on its own the new needs being created by this national process of change. Priorities had to be identified; and this meant, increasingly, that planning and service delivery required community participation. Given both the scale of the challenges as well as rising material constraints, state and community - so the state argued - had to interact to redress socio-economic grievances.

Third, an increasing number of community leaders have taken matters into their own hands. The state is perceived by many organisations to fall short - if not fail dismally - in its responsibility to deliver equitably a range of essential services. As a result, a large number of community-run service delivery projects have been launched outside the ambit of the state - quintessentially by non-government organisations (NGOs).

State Role

It is thought-provoking to reflect that this multiplication of NGOs in South Africa differs dramatically from the contemporary experience of most other African countries where development and change agencies have largely been overtly state-controlled (or at least under continuing explicit state influence). The existence of these NGOs points to a healthy injection of private sector activity and experience into virtually all regions of the country.

The multiplication of NGOs in South Africa differs from the state control of projects found in Africa

Simultaneously, as competition for development funds increases, the need for information on how effective such programmes are, will escalate.

By their very nature (and their funding bases), however, NGO projects have tended to be narrow both in focus and in scope. It has been the South African state which has continued, in the main, to provide the public services on which we all rely, such as education, medical services, pensions, roads, harbours, dams and other facilities.

In the midst of the present political ferment in the country, the state itself will increasingly become a major arena of

Dissenting public servants compete over the application of contemporary development policy

dissension. Different groups of public servants will compete with one another over the application of contemporary development policy and experts and interest groups will debate guidelines for new state policy.

Accordingly, it is inevitable that the issue of state involvement in development and in service delivery on scale will come sharply to the fore. This, in turn, will bring to the fore two questions: first, how well have state-run development programmes been doing? and second, how can the need for policy innovation - an integral part of the changing policy environment - be reconciled with the need for accountability (and for continuing service delivery)?

Changed Context

One way to address these emergent questions is for each responsible organisation to launch 'a systematic effort to document what has occurred, and why, in a given programme' - in short, to launch a programme evaluation. To meet the requirements of the changing policy environment, moreover, such an exercise should be applied more broadly than on the basis of accountability only. A programme evaluation should cover both the innovative components and the institutional context of the programme.

The management of change requires each organisation to evaluate its development aims

A survey aimed at assessing South African expertise regarding programme evaluation of development interventions was conducted in the late eighties. It highlighted a number of shortcomings in the country:

- Most expertise was lodged either in South African universities, or in private organisations with extensive international contacts.
- Most evaluation exercise were one-off events, and tended to be simple accountability reports for the donor or commissioning organisation.
- Most exercises, moreover, tended to focus narrowly on a specific development dimension rather than being multi-disciplinary in approach.
- In particular, little attention was paid to the social dimension of most development projects.

The two following articles - by Gavin Maasdorp on state funded projects, and by Francie Lund on community projects - point to growing knowledge and expanding expertise in this field.

Common Obstacles

As South Africa enters the unchartered nineties, the need for more such knowledge and expertise on programme evaluations rapidly will be felt. In analysing this need, it is useful to list the six major obstacles to programme evaluation which are most frequently raised internationally.

The first four obstacles may be viewed as constraints located within the implementing organisation itself:

- the lack of a supportive and well-articulated policy for evaluation itself;
- the cost and timing of evaluation which - lip service paid by the organisations notwithstanding - often turns out to be prohibitive;
- inadequacies regarding the institutional capability within the organisation for management and decision-making of evaluation outcomes;
- threats to project management;
- the potential lack of incentives for evaluation - for both evaluators and for those being evaluated. (Evaluations are sometimes 'shows' set in motion to make an organistion look good, or are underpinned by hidden agendas);
- there also are a number of cultural factors which hinder effective evaluation, e.g. the disregard of customary behaviour and values during the introduction of technological change into a community. (Evaluators themselves, equally, need to guard against bringing their own values to bear upon situations in which other values operate.)

The nineties herald a process of transition for South Africa from an authoritarian white minority form of government to a new and hopefully more democratic form of government. The better all South Africans are able to manage this process of change, the smoother the transition will take place, and the higher the chances will be of a more democratic outcome.

The management of change includes as an integral and essential part the ability and willingness to assess, regularly and sensitively, how effectively each participating organisation is achieving its development aims, and to adjust actions in the light of these assessments. In short, the ability and willingness systematically to conduct programme evaluations and to learn from them. IPA

EVALUATING STATE FUNDED PROJECTS

By Professor Gavin Maasdorp, Director, Economic Research Unit, University of Natal, Durban

The author reports on a recent visit to several projects located in South Africa's homeland areas with a team from the Development Bank of Southern Africa (DBSA). The fieldtrip was intended to draw up a preliminary assessment of the present status of the projects, and to determine whether they were ready for 'ex-post evaluation'.

Most physical infrastructure projects in developing countries typically are funded by way of multilateral and bilateral aid.

The aid agencies themselves insist on feasibility studies in order to determine the net social benefits of projects; the technique used is that of cost-benefit analysis and this may be supplemented where necessary by environmental impact analysis. However, satisfying the donor agency that a project is socially desirable is no guarantee that the project in fact will generate the benefits expected by the feasibility study. Many things can go wrong, and most aid agencies now also undertake ex-post evaluations of projects.

Electricity & Telecommunications

The DBSA development projects in the homelands visited by the author were of three types - electricity, telecommunications and roads. As public utilities, electricity and telecommunications exhibit certain common features for evaluation purposes:

• *Consumer Demand*
In the projects examined, consumer demand had been growing rapidly. In one case, for instance, demand for electricity had been rising at 14 percent per annum (three times the forecast rate). Existing electricity transmission lines were inadequate, and telephone capacity was oversubscribed.

Because these utilities had not previously been widely available in the communities concerned, however, it was difficult to forecast demand accurately. According to officials, many people applied for services only when construction of the new sub-station or telephone exchange had been completed, rather than in advance. The question of hidden demand complicated planning.
As part of any evaluation, therefore, a comparison of forecast and realised growth should be made in an attempt to assess more accurately a factor for hidden demand which could be used by development planners.

• *User Charges*
Since both electricity and telecommunications should be net revenue earners for government, it is important to recover costs by way of user charges. This raises the question of tariff levels and affordability.

Our fieldtrip revealed that information was lacking on the ability of private households to pay for these services. This was especially so in relatively low-income urban areas (such as those which had originated as resettlement sites) and amongst rural communities. In the former, many households apparently received remittances from absentee workers which enabled them to afford electricity and telephones, and new lines were taken up quickly.

The default rate, exemplified by suspensions, had in one area been reduced from 33 percent to 10 percent merely by improving the billing system, but statistics generally were poor. In setting telephone tariffs, rural subscribers were cross-subsidised by those in urban areas. Whilst this mitigates the urban bias so often inherent in the provision of services - the more so since it is difficult to install automatic exchanges in rural areas - cross-subsidisation is generally regarded as undesirable in public finance today. Direct subsidies are to be preferred, and project evaluation should consider the question of tariff levels.

However, technical problems in producing an innovative and appropriate form of electricity in poorer communities and rural areas appear to have been overcome, and this should increase affordability. Since electricity is a key component in improving the quality of life in any community, such technological adaptations are to be welcomed.

• *Institutional Factors*
It is one thing to provide electricity or telephones, but quite another to administer and maintain the system. The capacity of homeland electricity and telecommunications corporations to do this is a critical factor in the success or failure of a project. Factors such as coordination between government departments and technical training of staff, require investigation in an evaluation. It appears that the corporations themselves are well aware of these issues and that the standard of services offered has thus far been maintained.

• *Policy Changes*
In some of the areas visited, the main consumer demand emanated from industrial users. The future of these industries, and hence the future viability of the projects under consideration, depended critically on the coordinated regional development strategy. Industries had received handsome incentives to locate in what would normally be considered remote areas; now, with the regional industrial development programme under review, any termination of the incentives could dramatically alter things. The likelihood of greater unionisation of workers in these areas would also erode another major factor which had attracted industry.

In telecommunications, the independent homelands now have international 'gateway' exchanges through which all their calls to the rest of the world, including South Africa, are to be routed. This is more costly than a normal exchange but, with growing talk about the future reunification of South Africa, these gateway exchanges could prove to be a costly political legacy.

A general impression was that the public utility projects visited were necessary and indeed were yielding net social benefits. In some cases it was too early in a project's life to undertake a full-scale evaluation. And in one project, where electricity was essential in order to power the overhead sprinklers in a large irrigation scheme, it clearly had to be evaluated as part of a wider project embracing agricultural development.

Road Projects

Because a cost-benefit analysis is easier to apply in road projects than to electricity and telecommunications, project evaluation also is more straightforward in some cases.

The major benefits from road improvements accrue to users in the form of reduced vehicle operating costs (VOCs). It is these costs, together with traffic volumes and costs of construction and maintenance, which are the major determinants of the rate of return in feasibility studies.

In evaluating a road project, therefore, it would be necessary to examine traffic volumes 'before and after' and compare these with the forecasts of the feasibility study. Actual costs of construction would be compared with contract costs to establish whether there had been any overruns which might have affected the viability of the project. In one instance, unfavourable geological conditions had led to severe subsidence after construction, and high rehabilitation costs had been incurred. Although traffic volumes were fulfilling expectations, the evaluation would have to recalculate the rate of return.

Some roads might have been over-designed in relation to traffic, and in one case the tarring of the road did not appear warranted merely by traffic volumes. The evaluation would have to recalculate the rate of return, and this then would reveal whether the provision of a good gravel road would not have been a more economic alternative. The maintenance capacity of the relevant roads department would also have to be assessed: failure to maintain a road adequately literally means the erosion of a capital asset. This is one activity which can be (and in some countries has been) successfully contracted out on tender.

Other quantifiable benefits relate to time savings and reduced accident costs. Both these aspects should be covered in an evaluation but vehicle accident records are often inadequate. Various unquantifiable benefits also arise. All-weather surfaces facilitate the marketing of crops and the movement of people - to rural and urban schools, hospitals and clinics, and to towns for employment, shopping and recreational purposes. Another observed development has been the relocation of homesteads and stores to the roadside, whether it be a new route or merely tarring on an existing alignment.

In one peri-urban area, the tarring of a road which was long overdue judging by traffic counts, undoubtedly made life easier for pedestrians and cyclists (two groups whose interests are so often overlooked) and, by eliminating dust, must also have proved a boon to residents. Perhaps, too, positive health effects (such as a lower incidence of respiratory ailments) might be detected in a project evaluation.

Monitoring Funding

Under the aegis of the Development Bank of Southern Africa, evaluation is just beginning to be part of the project cycle in South Africa. It is a welcome step and a necessary part of a process which should alleviate the fears of donors (whether public or private) by providing a further check that funds are being devoted to projects which are socially desirable and which are well executed and maintained. **IPIA**

EVALUATING NGO PROJECTS

By Francie Lund, Senior Research Fellow,
Centre for Social & Development Studies, University of Natal

There are discernible shifts in the role of evaluation of community-based and alternative educational organisations. The focus of this article is on those externally (local or international) funded organisations which are trying in a difficult environment, to explore innovative ways of overcoming the historical backlog of dues owed to poorer groups in South African society.

The key actors in evaluations are the project or programme staff, the beneficiaries of the organisation's activities (community participants, trainees, students) and the donors. The overriding concern of evaluations is accountability, and this term may be understood in quite different ways by the different actors.

Ten years ago, evaluations were commonly undertaken after a development project had failed, and served as an analysis of the processes leading to failure. More recently, there has been a phase (which still continues) of evaluation as a form of crisis intervention. An organisation will call for an evaluation rather than make difficult decisions on its own, about firing a senior staff member, for example, or to deal with factionalism within the project. The evaluator may become a kind of surrogate authority, a 'hitman' whom different interest groups try to influence to direct the fire away from themselves.

A positive development is that evaluations have increasingly become a normal, routine part of the life of organisations. They are planned and budgeted for in advance, whether self-motivated by the organisation, or through pressure from donors. There is a healthy interest, too, in the idea of structured self-evaluation, where the dividing lines between planning, organisational development and evaluation collapse, and the organisation learns to manage itself better.

Special Criteria?

The difficulties of assessing the impact of purposive social or educational intervention are internationally accepted. A question which appears to have become more overt on the local evaluation agenda is, to what extent is South Africa a special case, requiring different judgment criteria? How far is the development context in which local projects work unique?

The way in which urban and rural settlements have been politically shaped and communities dislocated, the collapse of the black educational system, the effects of the State of Emergency on the ability of organisations merely to survive, let alone run coherent programmes - these have to be acknowledged as specific constraints, and allowed to appear on the audit sheet.

Evaluations have increasingly become a normal, routine part of the life of NGOs

At the same time, they cannot be used too generously to 'explain away' deficiencies and failures to produce organisational and service goods. The extent of poverty, the exclusion of women from decision-making positions in organisations, corrupt local authority structures, the use of community organisations for the furtherance of personal and political ambition - all these factors influence the ability of projects to achieve their goals. In this regard, South Africa is simply one more country in the world which has these characteristics. There is a growing awareness that evaluation studies will need to be more precise about what is and what is not unique to the local situation.

Two recent developments might contribute towards a less parochial perspective.

Special South African circumstances cannot explain some failures to produce the goods

Firstly, there is greater contact now between projects in different countries in the Southern African region, with organisations visiting peer projects in for example Zimbabwe, Botswana and Zambia. This greater exposure will give a broader basis from which to make judgments about progress and effectiveness, in terms of what are uniquely South African problems, and which are shared, regional Southern African problems.

Secondly, some recent evaluation studies have been directed by people from outside the country who were politically acceptable to the local progressive organisations they worked with, and who had international experience of project work which they could refer to by example.

There is a shortage of people skilled in evaluation and available to undertake these exercises

There are signs of a greater concern with developing concrete criteria for assessing project performance. In the cases I know of, the focus on hard indicators has been organisation-led, rather than or as well as being donor-driven. The evaluative questions have shifted:

- from, 'Did people attend the course and say they found it useful and enjoyable?', to, 'Where do we look for evidence that the insights and skills we thought we were imparting are being used in participants' organisations?';
- from, 'Are our goals relevant and do staff like working here?', to, 'Are our services actually reaching the people we intend them to reach, and is this giving people material opportunities to control their own lives and environments marginally better?'.

Problem Areas

Although there have been positive developments, problems remain. For instance, there is a shortage of people who are both skilled in evaluation and available to undertake these time-consuming exercises. Until recently, there has been little applied training in evaluation. UCT's Centre for Adult Education now offers a course at Master's level; the University of the Witwatersrand's Centre for Continuing Education conducted a national in-service training course for eighteen months, which ended in January 1989.

The current challenge lies in influencing state policy and in gaining a new allocation of resources

These are welcome developments which will contribute to building a pool of experienced people, at the same time as generating interest in different forms of evaluation. One of the key recommendations of the evaluation of the Wits course itself, however, was that courses in themselves are not enough - there needs to be an apprenticeship or mentor system built into evaluations.

Despite the high political currency of 'community participation', evaluations still typically fall down on incorporating users' views and experiences, and in assessing the material gains to the users of their interaction with the project. Users, whether trainees or co-operative members or seamstresses, are manifestly the object of the community development and education activities. Evaluations need to structure in increased (and rigorous, not phoney) attempts to ascertain the effects of the projects, in intended and unintended ways, on users and others in the project environment.

Perhaps by their very nature, evaluation studies are not disseminated widely. Innovative alternative projects have operated under state harrassment and surveillance; in this situation, evaluations easily become inward-looking secret discussions behind closed doors. This means that valuable lessons are not shared.

Report after report, for example, exhorts donors to introduce more realistic time-frames into their funding activities - there are no 'quick fixes' in educational processes or in strengthening organisational capacity. Yet one sees little evidence of a receptive, responsive corporate ear. Likewise, many creative ideas for better management, for conflict resolution and for committee restructuring which have come out of evaluations, remain private to the commissioning organisations. Each evaluation deals with, and indeed mediates the relationship between, one project, one set of beneficiaries, and one funder. This mitigates against collective organisational learning and growth.

Given the rapidly changing political scenario, one can expect to see a strengthening of the shift to requests, from organisations as well as from donors, to more macro-scale, policy-oriented evaluation studies. It is possible that projects will move away from building relatively small, expensive alternative 'models' for replication at some future date. The challenge will lie in going to scale (distance education, rural access, cooperative projects that really do generate incomes), and in influencing the state in terms of policy or distribution and allocation of resources (commonly known as 'winning gains from the state').

One group of organisations, working in the educational field, has designed an ambitious evaluation model. At the top is a panel of advisers (political scientist, economist, rural development practitioner) to inform the organisation of the implications of changing state policy on their arena of work; regional co-ordinators work with an in-house evaluation team; interviews will be done with service users and with community and labour leaders. It will be time-consuming and expensive. However, the organisations and the donor are responding to the changing political context and the educational crisis by committing themselves to a fundamental re-think about appropriate policy and goals.

URBAN MONITOR

The Non-Charterist Groups

Africanist

Pan Africanist Congress ***(PAC)***
Pan Africanist Movement ***(PAC Internal)***
Pan African Students Organisation ***(Paso)***
African Organisation of Women ***(AOW)***
Azanian National Youth Unity ***(Azanyu)***
Poqo ***(Military wing - 1960s)***
Azanian People's Liberation Army (formally Poqo) ***(Apla)***

New Unity Movement

African People's Democratic Union of SA ***(Apdusa)***
Federation of Cape Civic Associations

Black Consciousness

Black Consciousness Movement of Azania ***(BCMA, exiled)***
Azanian National Liberation Army ***(Azanla)***

National Forum

Cape Action League ***(CAL)***
Azanian People's Organisation ***(Azapo)***
Azanian Students Movement ***(Azasm)***
Azanian Youth Organisation ***(Azanyo)***
Imbeleko Women's Organisation
Community Health Awareness Programme ***(Chap)***

National Council of Trade Unions

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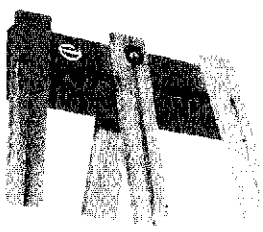

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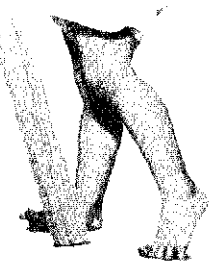

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Special Focus

MOBILISATION BEFORE ORGANISATION?

The revival of civic protest

By Jeremy Seekings, Research Unit for Sociology of Development, University of Stellenbosch

In the first six months of 1990 there has been a revival of township politics and civic protest in South Africa. While this resurgence has been overshadowed by national political developments, it will continue to be an important factor in the unfolding of South Africa's political future. An Indicator SA correspondent explains how events at township-level impose pressures, offer opportunities and set constraints on national politics.

Swapo's electoral experience in Namibia should serve as a warning to any national political movement not to neglect their membership and grassroots base. Township politics in South Africa now invite comparison with the turbulent period of the early and mid 1980s. But the changing political and developmental context makes township politics in the 1990s a more complex matter than it was in the 1980s.

The nationwide State of Emergencies from June 1986 suppressed most mass protest and crippled organisation in the townships. Most civic grievances persisted, but acting on them seemed a foolhardy exercise. The forms of protest which continued (especially rent boycotts and worker/pupil stayaways) were ones which involved reduced individual vulnerability. Even after Emergency detainees were released, many distanced themselves from their former organisational activities, understandably concentrating on family and social concerns.

Since early 1989, however, there has been a noticeable revival of popular protest. This organisational resurgence should probably be traced back to the successful hunger strikes by detainees between January/February 1989, and more importantly, to the more recent campaigns against the Labour Relations Amendment Act, in defiance of social apartheid, and in opposition to the tricameral elections.

The government's tolerance of political activity since President de Klerk's landmark speech of 2 February 1990 has also facilitated the resurgence of township resistance.

The extent of township political revival has been remarkable. In the long-militant Eastern Cape and Border regions, and in the industrial heartland of the PWV, a plethora of civic associations and youth congresses have been formed or imbued with a new impetus and direction. ANC/UDF structures have begun operating again and there have been rallies and marches, stayaways and consumer boycotts. This revival has included townships formerly seen as relatively quiescent or disorganised, and has even extended to the townships of Bophuthatswana, the Ciskei, QwaQwa and Venda.

There has also been a marked, if less well reported, political revival in more remote regions, including the Orange Free State, the Eastern and the Northern Transvaal. Bloody conflict in Khutsong (Carletonville) and Ikageng (Potchefstroom) demonstrated the revival of defiance and protest in the Western Transvaal also. The police shooting of protestors at Sebokeng (Vaal Triangle) on 26 March 1990, killing 17 and injuring 400, led to the initial cancellation of ANC/government talks.

The government's new tolerance of political activity has facilitated the resurgence of township resistance

The resurgence of civic politics has been partially due to the return of the ANC to legal internal activity. Local protests have reflected enthusiasm and support for Mandela and the ANC leadership, and the prospect of constitutional change.

But a major impetus to the revival of protest has also come from local grievances which have remained acute. In Ermelo in the Eastern Transvaal, for example, protests have concerned electricity in the township. In Thokoza on the East Rand, protests have

The revival of civic politics is also partially due to the return of the ANC to legal internal activity

focused on housing and harassment of squatters. In Atteridgeville (outside Pretoria), rents have been the major issue, and in Bloemfontein, buses were boycotted.

The struggles of the early 1980s were for the most part immediately concerned with such local grievances. Rent or busfare increases, housing shortages and inadequate municipal services, the appalling education system, and an undemocratic and corrupt system of local government were experienced in townships across the country. These protest triggers were, however, underlaid by national political disenfranchisement. As conflict became more generalised, and the issue of power more immediate through state repression, so local and national concerns became increasingly bound up together.

Township politics in 1990 again concern both national and local struggles. As in the mid 1980s, this combination of issues is likely to be generally fruitful but sometimes uneasy. These tensions underlie current debates about the organisational structures and party-political affiliations of civic or residents associations. While such issues were important in the 1980s, they have become much more so with important changes in the township context: firstly, with the freeing of national political activity and the unprecedented legal 'space' that is opening up for political parties, and secondly, with the fragmentation of township 'communities'.

Considerable tensions underlie current debates about organisational structures and political affiliations of civics

Changing Context

In the mid 1980s most, but not all township civic organisations were affiliated to the United Democratic Front. The UDF was, as its name implied, an umbrella body, taking up national campaigns and providing some national and regional coordination. Affiliates remained autonomous in terms of almost all of their local activities. The UDF was never, despite state assertions, just a political party or a front for one.

Increased state tolerance and the unbanning of the ANC, PAC and SACP, has raised the very thorny issue of future relations between these political parties and the disparate township organisations. The ANC has prioritised the rebuilding of mass-based internal structures. While the organisational independence of the trade union movement is assured, there does not as yet seem to be any certainty as to whether the new ANC structures will incorporate or coexist with civic organisations.

The general impression given by the ANC and from within the Mass Democratic Movement is that ANC branches must coexist with other structures. The exceptions are the youth and women's congresses, which have indicated a preference for affiliating directly to the ANC. In April, the SA Youth Congress (Sayco) passed a resolution to initiate a merger with ANC Youth section and thereby re-establish a mass-based ANC Youth League.

ANC NEC member Jackie Selebi has spoken of how 'the structures of the ANC inside the country will take a mass form', but there will be a separation of roles between them and the mass-based civic associations:

> *'We think that the civic associations and some such structures dealing with local matters - water, electricity and such matters - must remain. Some members of the ANC will also be members of the civic associations because they live in a particular township. So there will certainly be some sort of relationship between different civic associations and members of the ANC on the ground. ... In the ANC they will deal with broader political issues, but when it comes to local issues like drainage and water, that will be left to the civic association. Of course, with the ANC making its contribution through its members who are part and parcel of the civic.'* (*New Nation*, 23/02/90)

Cosatu's assistant general secretary, Sydney Mafumadi, has suggested a similar relationship:

> *'I think that there are still things that our structures could continue doing, not necessarily as part of the ANC, but as civics, student organisations, etc. I think, if we are serious about the notion of people's power, we cannot straight-jacket that into one organisation - even if it is a political organisation.'* (*New Nation*, 02/03/90)

The political loyalties of some Cosatu affiliate union members lie with the SACP, not the ANC (and some even lie with Inkatha). The separation of ANC/civic roles is a matter of both practicality and political advisability. Appreciation of this probably underlies Cosatu's recent calls for a national organisation of civic associations, one that would presumably be distinct from party-political affiliation. This might prevent the proliferation of alternative and competing party-linked civic bodies.

The prospect of both an internally-based ANC and a national organisation of civic associations raises the question of the future of the UDF itself. The UDF is unambiguously aligned to the ANC, and some of its affiliates (youth organisations, for example) will probably merge completely with ANC branches. But the UDF's role is different to a political party's, and many of its affiliates cannot be simply incorporated into ANC branches. Some senior UDF officials are believed to be opposed to its collapse into the ANC, but it is difficult to see what role there is for a politically partisan 'front'-type organisation (and the perceived partisanship of the UDF is irreversible).

Either the UDF must relapse into a front for the ANC (a significantly different role to the primary one it has played in the past), or it must convert itself into a non-partisan (albeit predominantly Congress-aligned) umbrella organisation for affiliates such as civic associations. Alternatively, it could be transformed into a national civic organisation (shedding most other affiliates to the ANC directly). These questions were discussed at a UDF National Workshop in April, but will be resolved only after further discussion with and within the ANC. The future relationship between the internal and exile movements might be formalised at the ANC's National Consultative Conference on 16 December 1990.

Township Conditions

The revival of local-level organisation in 1990 is taking place not only under new political conditions, but also under township conditions dissimilar to those of the early 1980s.

Some of the earlier demands of civic protesters have been partly met. There has been accelerated state investment in township infrastructure and housing (although both of these remain woefully inadequate), which has facilitated considerable private sector and self-help investment also. The state has abandoned its former strong commitment to making the townships financially self-sufficient. Furthermore, the issue of high rents and service charges - which precipitated much of the protest and conflict of 1984-85 - has been partially resolved in the short-term by rent boycotts (i.e. nonpayment of increases or all rents) in several townships.

Some of these developments have, ironically, made civic organisation a more difficult task. In general terms, there has been an increasing fragmentation of the 'community' in many townships. In 1984-85 there was a remarkable consensus around and broad active participation in protest, especially over the rent issue. The most pressing issues today are often more localised, affecting particular sections or constituencies in a township rather than the whole area.

Researcher Andrew Boraine has argued that state strategy has been aimed at creating 'divisions between middle-class home-owners in new elite suburbs and working-class residents of council housing and backyard shacks, as well as a separation between formal black townships (the new insiders) and the burgeoning peri-urban shack settlements (the outsiders)' (*SA Review 5*, 1989). Upgrading, he believes, has been 'deliberatively selective', producing emerging lines of cleavage in the townships.

The squatter and backyard shack issue has become a serious organisational problem. During the early and mid 1980s' protests, backyard shack residents marched alongside their landlords, who were themselves usually council tenants. Since then, backyard shack rents have risen sharply, and this has generated particular tension where the 'landlords' (themselves often council tenants) have been boycotting rents and service charges.

According to one civic leader, 'A class of petty bourgeois is being developed in Alex in the form of home-owners and stand-owners. These people in turn exploit their tenants. They charge high rentals and people are not happy with this situation' (*Work in Progress*, No59:3). Moss Mayekiso worries that 'stand-owners and the tenants will not see eye-to-eye in rent boycotts' (ibid).

The relaxation of state control over squatting has allowed the proliferation of separate squatter settlements (see following survey) - such as (on the Rand) Orange and Weiler's Farms, Mshenguville in Soweto, Etwatwa in Daveyton, and areas around Thokoza - raising new issues for township politics.

Political Linkages

There have been two approaches to local political activity in the past, both starting from the reticence of many township residents about political participation:

There is no certainty yet as to whether the new ANC structures will incorporate or co-exist with civics

Cosatu has called for a national organisation of civic associations distinct from party political affiliation

The fragmentation of the community prevents broad active participation in protest

- The first approach focuses on the need for grassroots organisation and the building of structures which represent residents and their immediate concerns, before engaging in higher profile campaigns (particularly over national issues).
- The second approach is based on the belief that people need to be mobilised before they can get organised over local issues, and that the best way of doing this is through taking up national issues from the outset.

The problem with focusing on 'mobilisation before organisation' is that the latter phase may never be reached. The ANC's 1990 New Year message pointed out that 'the truth is that many of these [organisations] continue to show obvious weaknesses in terms of how membership is organised, the uneven level of consciousness, the strength and cohesion of leadership structures and their accountability to the membership as well as the contact of these formations with the masses of the people' (*South,* 15/03/90). And UDF general secretary, Popo Molefe, recently noted that 'while there is a lot of enthusiasm, our structures are not as organised as they were, our coordination is not as effective as it used to be' (*Work in Progress*, No64).

The building of organisational discipline may marginalise the involvment of youth in township protest

The unbanning of the ANC has led, in many townships, to activists seeking to rebuild civic organisations as branches of the ANC. This approach, unfortunately, is often understood as involving simply the mobilisation of local people in support of the ANC's national demands. Such an approach has brought tension with other activists, who have sought, both during and since the repression of 1986-89, to carefully rebuild grassroots organisation.

Among those committed to building painstaking grassroots organisation is Numsa general secretary and Alexandra civic leader, Moss Mayekiso. On returning to the township after his acquittal on charges of treason, he emphasised the need to rebuild organisation slowly and carefully, 'to crawl before we can walk'. He and his co-accused were critical of their own activity in 1985-86, describing the pre-repression structures as 'loose and rudimentary', and calling for 'more discipline and planning before we embark on any action' in future (*Work in Progress*, No59).

Released treason trialists Popo Molefe, Terror Lekota (UDF publicity secretary) and Moss Chikane are also prominent in efforts to rebuild responsively democratic structures. The growing diversity of local grievances in the townships makes this a daunting task.

A key feature of the turmoil of the mid 1980s was the role of the so-called 'youth'. The 'youth' is a remarkable category, so frequently used but rarely with any precise indication of who it refers to. In practice it has generally been used to refer to young (or youngish) people who have engaged in violent protest, although of course not all participants in violence have been young and not all young people participated in violence.

Most of the youth were never members of township organisations in a meaningful sense, and their enthusiasm exceeded their discipline. In the late 1980s they drifted completely out of political circles. This has recently been attributed, by Sayco president, Peter Mokaba, to the lack of political education (*New Nation,* 19/01/90).

What will happen to the youth now that township politics (and especially policing) is becoming a more disciplined matter? Will they become politically marginal, in contrast to their centrality in the mid 1980s? Will large numbers of young people participate in local organisation (especially party branches) in a more-or-less disciplined manner?

Violence, except where seen to be provoked by the police or continued township councils, will get little backing from the UDF and ANC. Their leaders have repeatedly stressed that, while continued anger is understandable, there is no role for indiscipline and violence in those organisations. Township violence is even condemned as reactionary or criminal.

There are fears that the anger and militancy of the so-called 'youth' might lead to a rejection of negotiations and compromise, inclining them towards support for the PAC or the Africanist Movement. In the late 1950s the PAC was more successful than the ANC in cultivating the support of urban 'tsotsis'. In the 1990s, however, such support could well be politically counter-productive for either movement, alienating other important constituencies.

At long last, township violence might become a social and law and order problem, and not a political one. IPIA

New Formulas

BLAs and Anti-Squatter Legislation

By Peter Gill, Researcher & Urban Geographer

The principle legislation affecting informal settlers and shackdwellers is the Prevention of Illegal Squatting Act, No 52 of 1951, as amended in 1989. Primary local authorities, more particularly, Black Local Authorities (BLAs) are now the main agents for the implementation of the legislation for managing informal settlements in the urban areas of South Africa.

Any explanation of homelessness should begin with an understanding of the formal legislative framework and the less obvious processes in each township as the township administrations respond differently to informal settlement. Drawing on a recent survey of 31 townships in the PWV region, the author shows how the squatter option for each local authority is determined by a number of factors within the broader ambit of the enabling squatter legislation.

Besides the Free Settlement Areas Bill and the Free Settlement Areas Local Government Bill, recent legislative initiatives by the government - embodied in the Prevention of Illegal Squatting Amendment Bill, the Slums Bill and the Group Areas Amendment Bill - have highlighted the crisis of state urban management policies affecting the racial zoning of human settlement.

The Group Areas Bill was subsequently withdrawn; the Slums Bill has not yet been enacted, but the Prevention of Illegal Squatting Bill was enacted in February 1989, after the Presidents Council had approved the legislation without the concurrence of the House of Representatives and Delegates.

Prior to July 1986, the pass laws were the government's chief instrument for preventing illegal squatting within the townships of the Pretoria-Witwatersrand-Vereeniging (PWV) complex. The pass laws had limited success in preventing informal settlement and were repealed for that very reason, but in the post-influx control era other control instruments were even less effective (Hendler, 1987). Virtually all BLAs in the PWV initially opposed the erection of shacks and actively sought to remove them. However, faced with their own inability to deliver conventional housing, coupled with the persistence of informal settlers, many BLAs had to revise their position on the issue - contrary to the expressed objectives of the state (Mashabela, 1988).

The Prevention of Illegal Squatting Act, as amended in 1989, therefore represents, in part, an attempt by the state to 'regain control', not only over the informal settlement process, but over the actions of local authorities as well. A central feature of the Act is the provision to override the authority of a local authority should it fail to perform a function, and to charge any expense thereby incurred to the local authority. This implicitly coerces the local authority to respond to the demands of the central state, irrespective of interests and realities at the local level.

The government has, as expressed in the legislation, made a distinction between shackdwellers who illegally occupy land (squatters) and shackdwellers who occupy informal housing. In other words, the distinction surrounding squatting is no longer formal or informal structures, but rather whether or not shack accommodation is legally condoned (which, in turn depends on racial zoning of such informal housing.) Provision is made for strict coercive financial and punitive measures on offenders. The prohibition of illegal squatting presumed in the

legislation shifts the burden of proof onto offenders, with the discretion of the courts revoked, as the Act provides for the obligatory ejectment of offenders. Furthermore, by means of a committee, a local authority is empowered to extend its control over squatting in areas beyond its jurisdiction.

The amended Act also provides for legally promulgated emergency camps deemed to be transit camps and facilitates the upgrading and development of areas (section 6A), as promulgated by the government, for informal settlement into conventional townships where squatters can procure legal ownership of sites.

Administrative Policy

The Urban Foundation estimates that there are between 1,6 and 2,4 million informal settlers in the PWV; the majority in the backyards and - to a lesser extent - in the camps of the townships, and in freestanding squatter settlements on land zoned for other race groups. The townships are, however, vital to the pattern of informal settlement in the PWV complex. There is no focal point of informal settlement, no urban sprawl, but rather a filling in of the gaps, particularly within the townships.

To assess the impact of the recent anti-squatting policies within the 31 townships of the PWV complex, a survey of the 25 BLAs was conducted in August 1989, six months after the introduction of the revised squatting legislation. Six of the 31 townships, namely; Boipatong, Bophelong, Sebokeng, Sharpeville, Refengkgotso and Zamdela are currently administered by one local authority, i.e. the Lekoa Town Council.

The survey established that there were 104 173 squatters (in the squatter camps and the backyards) in the black municipal areas of:

- Central Witwatersrand (Soweto, Dobsonville, Diepmeadow, and Alexandra);
- West Rand (Kasigo/Munsieville, Mohlakeng, Bekkersdal, Khutsong and Kokosi); and
- the Vaal Triangle (Sharpeville, Boipatong, Bophelong, Sebokeng and Evaton)

(Based on estimates from the BLAs: see data base).

The permanence, consolidation or mere survival of informal settlement within the township is often dependent upon the administrative staff (particularly the town clerk) and the councils of the BLAs. The attitudes of the local authorities are important in understanding the extent to which informal settlements secure access in the urban areas. Results of the aforementioned survey indicate that the administrative staff, both black and white, viewed informal settlement as objectionable, but there is a mutual understanding that the local authorities are contending with extremely difficult circumstances.

Administrative staff invariably emphasise the fact that, since the abolition of influx control, the ability of the local authorities to control informal settlement has been founded in the principle of control rather than development, and informal settlement is seen as a threat to that control. If informal settlement cannot be prevented, the next best considered alternative is to limit, 'discourage' and control the phenomenon.

Within a period of relative stability, since the violent unrest in the PWV townships between 1984 and 1986, the October 1988 municipal elections facilitated the re-emergence of councils in determining the access of the homeless to shelter, especially informal shack shelter. Councils are firmly committed to the notions of prestige township development, however, rather than to the aspirations and accommodation of informal settlers. The squatters are considered a burden on the councils in that they consume expensive resources such as water and electricity, and utilise township facilities without paying for the services rendered.

Furthermore, the councils realise that their financial legitimacy is extremely vulnerable, in that they have limited financial resources and are under considerable pressure from the Transvaal Provincial Administration (TPA) to balance their annual budgets and repay rent and service arrears. Councils are therefore unlikely to respond to the plight of squatter communities which are located on land which has significant potential to generate income from service levies of high-income housing developments.

Control Mechanisms

Peculiar differences in the history, geography and local political dynamics of each township have had a significant impact on the degree of control the local authorities exercise over informal settlement. Since the abolition of influx control, squatter movement has been characterised by either rural to urban migration, with informal settlement as the initial form of accessible shelter in the urban areas, and/or intra-urban movement, often from areas of high density and scarce housing to other townships and informal settlements where economic and social conditions are perceived to be better.

While some local authorities have, thus far avoided the emergence of backyard shacks or squatter camps or both (Wattville); no township has avoided significant levels of overcrowding - the homelessness (informal settlement) of the 'hidden kind'. Local authorities accept the presence of the homeless 'hidden' within formal structures rather than having shacks which mar the aesthetic appearance of the township. This, however, does not detract from the severe latent homelessness existing in every township.

DATA BASE

TABLE 1
Informal Settlement in the PWV Complex
BLA Survey Estimates

Authority	Backyard Shacks			Squatter Camps		
	Approx No.	est % of sites shacked	average No. per site	Name of settlement	stated status	est No. of shacks
Alexandra	--	90%	1-12	no details		
Atteridgeville	3 500	60-80%	3	--	--	--
Bekkersdal	2 800	100%	2	no details		
Botleng	1 000	100%	8	no name	emergency	638
Daveyton	11 439	--	2	--	--	--
Diepmeadow	7 570	--	1-3	no name	unofficial	56
Dobsonville	4 092	52%	3	--	--	--
Duduza	3 000	75%	3	no name	transit	1 000
Evaton	15 000	100%	10	--	--	--
Impumelelo	300	100%	1-2	--	--	--
Katlehong	20 000	70%	1-5	Crossroads	unofficial	1 900
Kwa Thema	100	8%	1	no name	unofficial	40
LEKOA:						
Boipatong	1 561	--	1-3	--	--	--
Bophelong	935	--	1-3	--	--	--
Refengkgotso	420	--	1-3	no name	emergency	303
Sebokeng	5 023	--	1-3	--	--	--
Sharpeville	3 140	--	1-3	--	--	--
Zamdela	308	--	1-3	no name	unofficial	48
Mamelodi	14 000	80%	2-4	--	--	--
Mohlakeng	2 500	50%	2	--	--	--
Ratanda	2 600	60%-65%	2-5	--	--	--
Refilwe	291	--	1-4	--	--	--
SOWETO:	25 329	--	6-8			
				Mshenguville	illegal	3 265
				Chicken Farm	illegal	2 082
				Fred Clark	emergency	360
				Dlamini I	emergency	284
				Dlamini II	emergency	346
				Chiawelo	emergency	358
				Tladi	emergency	524
				Naledi I	emergency	298
				Protea South	unofficial	409
Tembisa	800	2%	1-3	--	--	--
Tokoza	45 000	100%	4-7	Pola park	unofficial	3 500
Tsakane	4 000	45%	2-3	--	--	--
Vosloorus	200	--	1	--	--	--
Wattville	--	--	--	--	--	--

NOTES
1 The numbers and terminology are presented in the same terms that they were expressed by the survey respondents. It should, however, be emphasised that legally promulgated 'emergency' camps are legally 'transit' camps, and that several unofficial/illegal squatter camps were in the process of being declared transit camps at the time of the research.
2 Of the 25 Black Local Authorities (BLAs) in the PWV complex, only two refused to respond to the questionnaire, namely; the Kasigo Town Council and the Zithobeni Village Council.
3 Data collection from BLAs is extremely difficult. The problem is not only the accessibility of information, but also its reliability as public officials are either themselves unsure or tend to disguise the real situation.
4 The term 'no details' refers to known squatter camp activity within the township which the respondent declined to mention.

Despite strenuous attempts, some councils have not been able to avoid even the limited occurrence of backyard shack settlement (Impumelo, Kwa Themba, Refilwe and Vosloorus). Several local authorities have tolerated backyard shacks but have vehemently rejected the emergence of squatter camps. Many local authorities find themselves dealing with circumstances that are essentially beyond their control in terms of the scale and scope of informal settlement. Alternatively, many local authorities eradicated squatter camps in their infancy, but once a camp exists, the pressure of homelessness makes it difficult for the authorities to control and almost impossible to eradicate each site.

Policy as formulated by the BLAs is conducted within the limited legislative framework as outlined by the policy of central state. The enabling legislation at the disposal of the local authority effectively curtails any proactive measures which could be adopted at the local level as the administrator is empowered to override the authority of the local authority should it fail to

Table 2
Informal Settlement in the PWV Complex
BLA Levies and Services

Township		Backyard Shacks levy/shack	Squatter Camps levy/shack
Alexandra	**	--	no details
Atteridgeville	*	R12 (lodgers fee)	--
Bekkersdal	**	R17	no details
Botleng	**	R6	R23.50
Daveyton	*	R25	--
Diepmeadow	**	R6 (proposed R18)	R16.80
Dobsonville	*	--	--
Duduza	**	R3 (lodgers fee)	R30
Evaton	*	R38	--
Impumelelo	*	R15	--
Katlehong	**	R10 (proposed increase)	--
Kwa Thema	**	--	--
Mamelodi	**	--	--
Mohlakeng	*	R20	--
Ratanda	*	R15 (pending)	--
Refilwe	*	--	--
Soweto	**	pending	no details
Tembisa	*	--	--
Tokoza	**	R20	R50
Tsakane	*	--	--
Vosloorus	*	--	--
Wattville	--	--	--
Boipatong	*	R25 (pending)	--
Bophelong	*	R25 (pending)	--
Refengkgotso	**	R25 (pending)	R39.90
Sebokeng	*	R25 (pending)	--
Sharpeville	*	R25 (pending)	--
Zamdela	**	R25 (pending)	R37.41

KEY
* townships with backyards shacks only
** townships with backyard shacks and squatter settlements
NOTES
1 The term 'no details' refers to the inability to establish whether or not a levy was being imposed.
2 Many of the councils still operate on the lodgers fee which was introduced for tenants and which is now charged on backyard shackdwellers as well.

implement the objectives of the central government. Local authorities are, nevertheless, responding differently to informal settlement depending on the circumstances in each township.

Policies administered by the local authorities reflect the crisis of homelessness within the townships, as most BLAs have opted to control informal settlement rather than to implement the anti-squatting legislation *in toto*. This does not, however, detract from the fact that the local authorities are adopting the ethic of 'Orderly Squatting', embodied in the principles of 'Orderly Urbanisation'. The control measures adopted by the local authorities are similar in character, but vary in the degree to which they are implemented and differ depending on the form of squatter activity.

The policies and controls exercised by BLAs toward backyard shacks range from total prohibition to virtual consent. In some townships (Vosloorus and Refilwe), the expressed desire is to relocate the backyard shackdwellers to alternative (conventional) accommodation. The councils, however, realise that the shortage of land and housing necessitates some backyard settlement, but the emphasis is on controlling and formalising the phenomenon.

BLA Practices

Local authorities with burgeoning backyard shack populations have always sought to control measures in light of the 'Orderly Squatting' ethic. In Diepmeadow, for example, backyard shacks used to be on a permit system. In a bid to exercise greater control over backyard squatting the council recently resolved to register the shacks and limit them to two per site, in accordance with the local authority bylaws. Regular inspections are undertaken and 'if any contraventions are found the registered site-holder is approached'.

A second example is in Daveyton where prior to July 1989, the local authority had no control measures for backyard shackdwellers, but subsequently resolved to implement a 'new formula' whereby the site-holder would be limited to the number of backyard shacks, as surveyed by the council. The survey numbered and registered the occupants of the shacks. Regular inspections are undertaken to ensure the maintenance of the *status quo*. A similar strategy can be identified in several other townships such as Mamelodi, Katlehong and Tokoza.

The practice of the local authorities highlight two key features. Firstly, the onus of responsibility has shifted onto the site-holder who is liable for any irregularities, thereby allowing the local authorities to effectively - yet indirectly - control backyard settlement, without being seen as the source of denial for the homeless. Secondly, the local authorities seek to limit the number of shacks per site or to maintain the backyard shack population at an existing defined level by using the municipal police to monitor the decree of the council.

If the control mechanisms are strictly enforced, the backyards as a shelter option for the poor could increasingly become a restricted and selective option. Conceivably, such a situation could stimulate the growth of existing squatter camps in the townships and the growth of unauthorised settlement elsewhere, such as the squatter farm at Tamboekiesfontein, located near Heidelberg. For the shackdwellers currently in the backyards, the potential for exploitation by the site-holders is greatly increased due to the security against their removal from approved backyard accommodation, relative to the insecurity of other forms of squatting.

Squatter camps accommodate fewer squatters than do the backyards, but the control measures adopted by the local authorities toward the former

appear more stringent. In many townships squatter camps have never emerged either because of a lack of land or because of strict prohibition by the local authority. In those townships where squatter camps have developed, the local authorities utilise terminology loosely (unofficial/illegal, emergency, controlled) to describe the status of the squatter camps and policy is set accordingly.

The aforementioned survey revealed a confusion surrounding the legal status of the various squatter camps, as emergency camps are now deemed to be transit camps in accordance with the latest legislation, but are still being referred to as emergency camps. The relevance of such a distinction is that the mass relocation of squatters necessitates that the camps are given transit camp status in order to facilitate the removal to section 6A settlement areas. The camps denoted as illegal/unauthorised are those camps which were not legally declared emergency camps under the Prevention of Illegal Squatting Act, No 52 of 1951, prior to its amendment in February 1989.

The implication of such a legal distinction is that the local authorities have to lawfully change the status of so called illegal/unauthorised squatter settlements if they wish to relocate them. Subsequently, the councils of both Katlehong and Tokoza had their respective illegal/unauthorised squatter camps of Crossroads (Katlehong) and Pola Park/Dunusa gazetted as transit camps.

Although the control measures for backyard shacks and squatter settlements differ in style, there is a similar motive. Implicitly, the aim is to restrict the process of informal settlement and to achieve its eradication.

Squatter Charges

Associated with the state's recent attempts to regulate, control and 'reduce' informal settlement are the costs imposed on informal settlers, who are forced to pay the councils for their *de facto* recognition.

In most townships there is either an existing or pending monthly levy, charged to the site-holder, for each *unauthorised* backyard shack. This cost - over and above the shackdwellers rent to the landlord - is invariably passed onto the already hard-pressed shackdweller, reportedly with an associated increase in rent. To date, conditions in the backyards have increasingly become intolerable as landlords have overcrowded backyards to generate additional revenue. Many informal settlers have left the backyards in favour of the squatter camps which are ostensibly economically and socially more desirable, despite the diminished security against removal.

The possible consequences of such imposed costs for the homeless are extremely burdensome. Firstly, the councils are charging the site-holder for unauthorised shacks because it is illegal to 'tax' residents who are considered illegal/unauthorised. Such a situation is tantamount to 'taxation without representation' (Black Sash, 1989). Secondly, if the local authorities are adamant about restricting backyard shack settlement, then those who remain could be forced to pay further increased rentals to replenish the loss of income experienced by the landlords if coerced into limiting settlement in the backyards.

Combined with the socially unacceptable conditions of the backyards, the economic factors could conceivably accelerate the flow of squatters toward squatter camp settlement. As it is, the local authorities tightly constrain the growth of the squatter camps and sometimes impose high financial costs on squatters for rental and rudimentary services to discourage such settlement.

With informal settlers unable to gain access to, or afford residence in the backyards or find places in the legally accepted squatter settlements, there could be an increasing tendency towards unauthorised illegal settlement which is considered even more undesirable by both central and local governments.

In other words, the cost imposed on informal settlers by local authorities curtails the resolution of the housing problem since the poor are increasingly unable to acquire housing in the context of a process of progressive impoverishment.

Negotiated Resettlement

At the interface between the first and third tiers of government, the Transvaal Provincial Administration (TPA) has overall responsibility for informal settlement and constantly monitors squatting in the townships. Indications are that initiatives for implementing the latest legislation - on a selective basis - are firmly under the directives of the TPA with the local authorities administering state controlled strategies.

Under the guidance of the TPA, local authorities engage in an undeclared policy of forced removals. Public officials, however, prefer to use terminology such as 'relocate' or 'resettle'. In Katlehong and Tokoza the expressed priority of the local authorities is to 'relocate' the squatters from the Pola Park/Dunusa (Tokoza) and Crossroads (Katlehong) squatter camps to Rietfontein a section 6A township, located approximately 10km south of Katlehong.

The Katlehong/Tokoza example aptly demonstrates the concept of 'negotiated resettlement' (Black Sash, 1989). The bulldozers

characteristic of the 1970s have been replaced with more subtle methods of removal. The 'negotiated resettlement' strategy has four main components.

Firstly, the legitimisation for removal of squatters is that the land on which they are squatting is unsuitable for physical development or is designated for other race groups, and that squatters are simply being relocated to land which is developable and allocated for black residence. The town secretary of Katlehong argued that the squatters from Crossroads (Katlehong) are located within the flood plain of the Natalspruit River and that it is in their own interests to relocate to the section 6A township.

Secondly, squatter camps earmarked for removal are neglected in the provision of services, but are forced to pay exorbitant monthly rents, thereby acting as a disincentive to remain, especially when there is a cheaper alternative, in terms of a Section 6A township, being offered elsewhere. In July 1989, the rent of the Pola Park/Dunusa squatter camp at Tokoza was increased to R50 per month for basic rudimentary services.

Thirdly, the carrot-and-stick removal strategy relies on the lack of unity within the squatter community as divisions develop between those who choose to relocate and those who wish to remain. For those squatters who wish to 'relocate' the TPA provides 'free' (Crossroads) or subsidised (Pola Park/Dunusa) transportation. According to the town secretary of Katlehong, the squatters were initially reluctant to relocate, but then moved 'willingly', at a rate of ten families per day, as the people came to realise the 'benefits'(sic).

The 'negotiated resettlement' concept has a fourth crucial element, that is, intimidation by ceiled threats of forceful demolition and removal. The underlying intention is to convince people to 'relocate' on their own initiative, rather than to become the victims of demolition.

Public announcements by provincial officials and parliamentarians suggest that the government may not use the severe negative aspects of the Prevention of Illegal Squatting Act, until sufficient section 6A townships have been established. At present the government has only made three section 6A settlements available in the PWV complex for the 'relocation' of squatters, namely:

- Orange Farm (for squatters from Weilers Farm, Alexandra/Sandton, Soweto and various minor settlements located south of Johannesburg);
- Wildebeesfontein/Evaton North (1 000 stands have been allocated primarily for the squatters from the Mshenguville squatter camp in Soweto); and
- Rietfontein (which has been earmarked for the resettlement from Katlehong, Tokoza and the shackdwellers in the squatter farm at Tamboekiesfontein).

Selective Application

While the local authorities and the central government are united in their resolution to eradicate squatter activity, there is not a concurrence by the local authorities as to the manner by which such a goal is to be achieved.

Most local authorities do not offer the option of a section 6A township for the 'relocation' of their squatters. At present, all 6A township settlements are under the jurisdiction of the TPA. It is, however, anticipated that they will be incorporated within the jurisdiction of the neighbouring townships, but indications are that many of the local authorities do not want such squatter settlements within or adjacent to the townships. The notion of 'legal' controlled squatting is shunned as promoting, rather than resolving the problem.

Clearly, there is significant controversy at the local level surrounding the implementation of squatting legislation. The legislation is not being uniformly implemented by local authorities as a blanket policy, but is rather applied on a selective basis as the local authorities adhere to the directives of the TPA in accordance with the crisis response evident in the state's undeclared relocation programme. The term 'relocation', however, belies the fact that we are essentially identifying a process of removals of those squatters whose residence contradicts the government's urban settlement strategy.

Local authorities, on the other hand, are divided in opinion on the merits and demerits of the state's anti-squatting policy. Most local authorities have responded differently to shackdwellers and a local option has developed in each township in terms of the nature and manner in which control measures are being implemented. Implicit in such actions, however, are the increasing hardships imposed on the informal settlers as local government institutions seek to regulate and formalise the informal. Such initiatives exacerbate homelessness and poverty rather than encourage the resolution of the housing crisis.

In the state's attempts to 'regain control' over the informal settlement process, it seems ironical that the state has potentially laid down the framework whereby it could experience a loss of control over the informal settlement process on a scale hitherto unknown, as desperate homeless groups increasingly contravene the legalities in their bid to seek access to shelter. IPWA

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An Imaginary Cohort

Graduates of the 1980s

By Dr Andries Lategan of the The Urban Foundation, assisted by researcher Michael O'Donovan

In an innovative overview, Dr Lategan presents the output of the four statutory education systems (African, coloured, Indian and white) as the hypothetical history of an imaginary cohort of 1 000 children entering school in 1988.

The gloomy prognosis for African matric results in 1989, based on the morbid symptoms discerned by Dr Ken Hartshorne in his annual *Indicator SA* review of the 1987-88 results (1989:81), was unfortunately borne out but too well by the provisional 1989 African matric results released by the Department of Education and Training (1990:71).

Of the candidates whose results were released in December 1989, only 74 249 (or 42%) had passed, with about 32% gaining senior certificate and about 10% matriculation exemption. This is a significant drop from the respective percentages of over 57, about 41 and over 16 pertaining to the 1988 results.

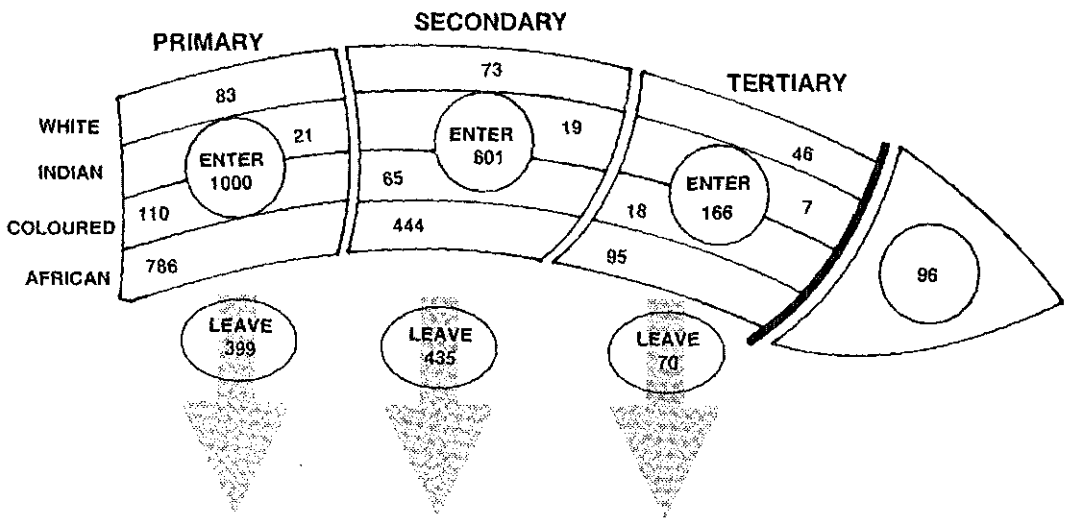
With a lost first semester in 1990, the storm clouds over black schools seem to have an even darker hue at the start of the last decade of the century. In contrast, the edges of the clouds are lightened by improved prospects for the radical re-assessment of education in its social, economic and political context that Dr Hartshorne considers as essential to avoid plunging into further disaster (1989:85).

To maintain perspective at such a time, a comparative overview of the outflow of the racially divided education systems in South Africa at all levels, averaged over three years at the end of the previous decade, is presented below.

Transition Probabilities

Table one traces the outflow at various points of the educational system in terms of the progress of an imaginary cohort of 1 000 South African children (excluding the TBVC homelands: Transkei, Bophuthatswana, Venda, Ciskei) through the education system from entering Sub A to leaving a tertiary institution with a qualification.

PROGRESSION OF 1000 PUPILS (1986 - 1988 DATA)



346 Functionally illiterate; 116 Unskilled; 330 Semi-skilled; 112 Skilled
96 *Tertiary* qualifications; 2 Science degrees; 1 Engineering degree;
3 Commercial degrees; 14 Technikon diplomas

TABLE 1
COMPARATIVE PROGRESS THROUGH FOUR SEGREGATED EDUCATIONAL SYSTEMS (EXCL TBVC HOMELANDS)
Outflow derived from 1986-1988 averages (see text)

	White	Indian	Coloured	African	Total
Enter Sub A	83	21	110	786	1 000
Enter Sub B	79	21	99	636	835
Enter Std 1	77	21	93	619	810
Enter Std 2	76	21	88	550	735
Enter Std 3	75	21	86	550	732
Enter Std 4	74	21	81	479	654
Enter Std 5	73	20	76	444	612
Enter Std 6	73	19	65	444	601
Enter Std 7	71	18	62	387	538
Enter Std 8	68	18	48	354	488
Enter Std 9	62	16	38	290	406
Enter Std 10	57	13	25	251	346
EXIT AT STAGE ONE: The 'Functionally Illiterate' Class					
Exit during primary phase	10	2	45	342	399
Leave before Std 4	9	1	29	307	346
Leave between Std 4-6 (unskilled)	3	2	19	92	116
EXIT AT STAGE TWO: The 'Semi-Skilled' Class					
Exit during secondary phase	27	12	47	349	435
Leave between Std 7-9 (semi-skilled)	19	6	44	261	330
EXIT AT STAGE THREE: The 'Skilled' Matriculant					
Pass Std 10	52	12	18	126	208
Enter job market with Std 10	26	8	7	71	112
Obtain matric exemption	23	5	4	34	66
EXIT AT STAGE FOUR: Enrolment at Tertiary Level					
Enter tertiary institution	46	7	18	95	166
Enter university	19	4	6	36	65
Enter technikon	11	2	2	7	22
Enter teacher training college	10	1	10	51	72
Enter technical college	6	0	0	1	7
EXIT AT STAGE FIVE: The Graduation Breakdown					
Exit without qualification	20	3	7	40	70
Exit with qualification	26	4	11	55	96
• with engineering degree	?	?	?	?	1
• with science degree	1	0	0	1	2
• with commercial degree	1	0	0	2	3
• with technikon diploma	7	1	1	5	14

TABLE 2
TRANSITION PROBABILITIES BETWEEN SCHOOL STANDARDS BY SEGREGATED EDUCATIONAL SYSTEM (EXCL TBVC HOMELANDS)
Derived from average enrolments 1983-86 and 1985-88 (see text)

	WHITE		INDIAN		COLOURED		AFRICAN	
	1983-86	1985-88	1983-86	1985-88	1983-86	1985-88	1983-86	1985-88
Sub A to Sub B	0,953	0,945	0,999	0,983	0,917	0,907	0,813	0,809
St 1	0,986	0,980	1,000	0,992	0,949	0,939	0,966	0,973
St 2	0,993	0,991	0,990	0,991	0,943	0,946	0,864	0,888
St 3	0,988	0,988	1,000	1,000	0,966	0,975	0,982	1,000
St 4	0,990	0,986	0,972	0,975	0,940	0,947	0,859	0,871
St 5	0,982	0,980	0,964	0,962	0,919	0,936	0,936	0,928
St 6	1,000	1,000	0,986	1,000	0,832	0,855	0,890	1,000
St 7	0,976	0,975	0,940	0,947	0,925	0,955	0,858	0,871
St 8	0,954	0,960	0,978	0,981	0,773	0,774	0,965	0,915
St 9	0,902	0,916	0,871	0,872	0,817	0,794	0,635	0,819
St 10	0,902	0,924	0,865	0,835	0,650	0,658	0,852	0,866

SOURCE
Calculated from enrolment data for 1983 to 1988 provided by the Research Institute for Education Planning, University of the Orange Free State.

TABLE 3
EXIT FROM SECONDARY AND ENTRY IN TERTIARY EDUCATION
AVERAGE RATES BY RACE GROUP, 1985-1988

	WHITE	INDIAN	COLOURED	AFRICAN
Std 10 pass rate as % of candidates	91,6	90,7	71,6	50,3
Matric exemption as % of candidates	40,5	36,0	17,0	13,7
% of Std 10 passes entering				
Universities	37,5	29,5	32,8	28,7
Technikon	20,3	16,1	10,1	6,0
Teacher training colleges	18,5	10,6	53,6	40,3
Technical colleges	10,8	1,8	2,3	0,8

SOURCE
Calculated from data supplied by officials of the Department of National Education.

Table two contains the transition probabilities that were used to calculate the school outflow in table one. These are the averages for 1986 to 1988 of the nominal fractions of enrolments in the previous standard that enrolled in a particular standard the next year. For example, the transition probabilities to standard four are the averages of the ratios of the standard four enrolment in 1986, 1987 and 1988 to the standard three enrolment in 1985, 1986 and 1987, respectively.

The rates have been smoothed in the sense that values were not allowed to exceed 1. In this way 'period' (as opposed to 'cohort') transition probabilities are obtained. By averaging over three successive years (1986-1988), spurious events in a particular year are filtered out, so that more enduring trends may become clearer when different periods are compared.

It should further be noted that repeaters were not removed from enrolment data, so that table two presents nominal transition probabilities, which masks the fact that the actual transition rates are lower.

However, by applying these nominal rates successively to an imaginary group of 1 000 children entering school in 1988, table one gives a picture of the actual outflow out of the school system at various points, if the average rates observed over the period 1985 to 1988 were to remain static over the next decade.

As table two shows that there have indeed been rapid changes in the rates applying to Africans between the periods 1983-1986 and 1985-1988, the progress through the school system depicted in table one is not a forecast, but an analysis of the features of the frozen situation pertaining in 1985-1988.

The distribution over the statutory population groups of the imaginary cohort entering school in 1988 is in proportion to the actual 'Sub A' intake in that year.

To find the portion of our imaginary cohort that enters tertiary (or post-secondary) institutions, the pass and entry rates of tables two and three were applied to each population group. The final outflow of qualified persons from these institutions was obtained by applying the average pass rates of table four to all population groups.

TABLE 4
TERTIARY PASS RATES 1980 ENTRANTS

	Percentage of 1st year entrants receiving degree/diploma/certificate
Universities (1)	42
Technikons (1)	64
Teacher training colleges (1)	67
Technical colleges (2)	64

FOOTNOTES
1 Stoker DJ et al. 'Ondersoek na differensiele toelatingsvereistes tot tersiere onderwysinrigtings'. HSRC Report WS-32. Pretoria: HSRC, 1985.
2 It is assumed that technical colleges have the same pass rate as technikons for post-secondary certificates.

TABLE 5
PERCENTAGE OF DEGREES IN SELECTED CESM CATEGORIES
CESM (Classification of Educational Subject Matter), as defined in DNE report SAPSE-300

	% OF TOTAL DEGREES CONFERRED	
	1986	**1987**
Engineering and Engineering Technology	3,45	3,17
Business, Commerce and Management Sciences	11,19	11,28
Life and Physical Sciences	7,74	7,42

SOURCES
1 Department of National Education. 'Education in the RSA 1986'. Report NATED 02-215 (89/02): Table A.37.
2 Department of National Education. 'Education in the RSA 1987'. Report NATED 02-215 (90/02): Table A.37.

Four Themes

Four themes are thrust forward by table one and its supporting tables:

• Despite the marked improvement in African transition rates, especially in secondary school, the drop-out of almost 20% of African children during their first school year remains as a glaring indicator of educational inequality (see Taylor, 1989, for an extended discussion of this phenomenon).

• Educational transition rates for white and Indian children may be regarded as mature, with those for coloured and African children still developing between the periods 1983-86 and 1985-88. There is no discernable change in the survival rates for whites, Indians and (more surprisingly) coloureds. There is considerable improvement in the case of Africans, especially at the secondary level. The 1986-88 rates for Africans coincide closely with those experienced by whites in 1950 (Malherbe 1977:251-314).

• South Africa's inexorable demographic trends highlight the increasing contribution of Africans at all education levels. Table one shows that the number of African matriculation exemptions and university entrants will probably exceed the combined total of the other population groups by the end of the century. As the 1986-88 African transition rates could be expected to continue to improve, this point could probably be reached even earlier.

• However, the high rate of illiteracy and low output of commercial, technical, scientific and engineering qualifications evident in table one clearly shows that the South African education system is not delivering the outputs necessary to develop and sustain a modern economy.

Other issues

Although table two gives transition probabilities for two time periods, the educational progress of table one was not traced for both periods because the data to compile table three for 1983-1986 were not readily available.

The TBVC homelands were excluded for the same reason. This is a regrettable omission for several reasons.

Firstly, South Africa and the TBVC homelands remain economically integrated, and recent political developments indicate a real possibility that at least some of these areas will be re-incorporated in South Africa.

Secondly, using available data on TBVC schools, and assuming as a first approximation that table three data apply to the TBVC population, the corresponding reworked table one shows marked differences with the current one (e.g much worse 'Sub A' to 'Sub B' transition rates, fewer matriculants and entrants into tertiary institutions). IPM

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INDUSTRIAL MONITOR

National Council of Trade Unions

(Formed in October 1986)

National Executive Committee

President	**James Mndaweni**
Vice President	**Patricia de Lille**
General Secretary	**Cunningham Ngcukana**
First Assistant General Secretary	**Mahlomola Skhosana**
Second Assistant General Secretary	**Mike Matsobane**
Treasurer	**Boaz Mashele**

Membership

	1986	1990
Black Allied Mining & Construction Workers Union	75 000	6 400
Black Domestic Workers Union	540	6 000
Brushes & Cleaners Workers Union	3 000	4 800
Black Universities Workers Association	unknown	985
Building, Construction & Allied Workers Union	22 000	35 000
Banking, Insurance, Finance & Allied Workers	unknown	1 000
Federated Miners Union	unknown	7 334
Food & Beverage Workers Union	17 000	18 000
Hotel, Liquor, Catering & Allied Workers Union	4 500	3 700
National Union of Farmworkers	5 000	2 000
National Union of Furniture & Allied Workers of SA	unknown	20 000
National Union of Public Service Workers	5 000	4 000
National Union of Wine, Spirit & Allied Workers	5 000	5 785
Natal Liquor & Catering Trade Union	unknown	6 730
Media Workers Association of SA	unknown	10 000
Metal & Electrical Workers Union of SA	non existent	30 000
SA Chemical Workers Union	35 000	45 000
SA Laundry, Dry Cleaning & Dyeing Workers Union	5 000	2 800
SA Black Municipal Workers Union	unknown	5 000
Steel, Engineering & Allied Workers Union	20 000	20 000
Textile Workers Union	5 000	8 000
Transport & Allied Workers Union	10 000	11 000
United African Motor & Allied Workers Union	8 000	3 300
Vukani Guards & Allied Workers Union	5 000	3 000
TOTAL	**225 040**	**259 834**

BC After Azactu
&
Nactu AD

Oupa Ngwenya, Centre for Labour and Community Research, Johannesburg

The sectarianism that has effectively prevented the emergence of unity among black political organisations has not left the black labour movement unscathed. In this contribution to our special focus on non-ANC alliances, Oupa Ngwenya reviews the changing fortunes of the black consciousness movement in its attempts to develop leadership and union organisation among black workers between mid-1970 to the present. In evaluating the potential for reconciliation with the congress-aligned Cosatu labour federation, Ngwenya comments on current divisions within Nactu and the unifying role of the LRA dispute.

The statutory recognition and growth of black trade unions in South Africa in the 1980s cannot be understood outside of the momentous growth of the Black Consciousness Movement (BCM) in the 1970s and the unity it fostered among the black working class. The BCM inspired black workers to form trade unions and to develop the ability to lead their own struggle.

From the ashes of 1976, the state was faced with the options of trying to survive amidst industrial chaos or reckoning with the power of black workers by extending trade union rights to them. While works and liaison committees initiated by management have given way to bona fide trade union formations, the goal of black and white worker unity remained unattainable in the 1980s, however.

White workers continue to enjoy privileges and advantages denied to black workers, having access to a system of political power it is in their self-interest to defend. Thus, even with the Wiehahn labour reforms, economic domination has proved to be inextricably related to political domination.

The interaction of politics and economics is as interwoven as are the industrial struggles on the factory floor and the community struggles in the townships. In these circumstances, the black trade union movement in South Africa is bound to infuse the political aspirations of the oppressed black workers.

The progammes of the black consciousness movement have helped to instill a radical outlook among black workers, setting them on a non-collaborationist and non-ethnic liberatory path. From this resolve emerged the principle of black working class leadership which found organisational expression in the Council of Unions of South Africa (Cusa) and the Azanian Confederation of Trade Unions (Azactu). These labour federations merged in October 1986 to from the present National Council of Trade Unions (Nactu).

The interaction of politics and economics is as interwoven as are factory floor and community struggles

Black Leadership

The impact of black experience on the factory floor was to drive the Consultative Committee of Black Unions - an alliance of a number of unions established in 1973 - towards the formation of the Council of Unions of Trade Unions (Cusa) in 1980. By 1986 Cusa comprised trade unions representing 150 000 members, after having lost one of its largest affiliates, the National Union of Mineworkers (Num), to the Congress of the South African Trade Unions (Cosatu) in November 1985.

No liberation movement can claim to be the sole and authentic representative of the black working class

The formation of Cosatu in 1985 did not win the support of Cusa largely because of Cusa's opposition to whites holding senior positions. This Cusa position was an expression of the BCM's basic principle of black working class leadership.

The other component of Nactu, the Azanian Confederation of Trade Unions (Azactu), formed in August 1984, had a membership of 75 000 at the time of the merger with Cusa. Spearheaded by black consciousness exponents such as Phandelani Nefolovhodwe, Zithulele Cindi and Monwabisi Vika, Azactu declared its complete rejection of the capitalist system.

Azactu enumerated the following objectives:

- the unity of black workers is paramount in efforts directed at the eradication of all forms of oppression, exploitation and discrimination;
- it is the inalienable right of all worker organisations to organise themselves into a solid structure that will be capable of defending the rights of workers;
- there is a need to come together to co-ordinate resources as a means towards the fulfilment of black worker objectives;
- joint action should be taken on matters of common interest;
- the spirit of solidarity and unity should be encouraged within the black working class; and
- there is a need to develop and maintain authentic black working class leadership.

Common black experience of exploitation does not respect Nactu/Cosatu sectarian boundaries

The similarity in Cusa and Azactu's objectives brought the two federations to the point of merger in October 1986. The congress merger made Nactu a 420 126 member federation. The principles of the new federation were worker control, black working class leadership, non-affiliation to political organisations, financial accountability, and independent action of unions within the federation.

Union Unity

The Black Consciousness Movement (BCM) approach to trade union unity is non-sectarian and non-partisan. It acknowledges that the struggle has been long and protracted, with the result that it was bound to produce more organisations at every twist and turn of events. Each of these organisations draws its membership from the community of the oppressed and the exploited people who undoubtedly have common experiences.

The people may belong to different organisations, but together constitute components of the broad liberation movement - where none can claim a superior right of being 'the sole and authentic representative' of the oppressed people to the eclipse of the rest. The objective requirement of unity from the BCM's viewpoint, therefore, demands that unity should not be abused in promotion of a faithful party-line or with intent to further sectional interests.

As a liberation movement in its own right, the BCM had sought to take its integral position within the broad liberation movement. The mixed reactions which greeted it on inception have continued to rage up to the present.

The responses from the PAC and the ANC to the BCM are equally interesting. From the PAC side came the view that the BCM was an unnecessary duplication of itself, whereas the congress alliance alleged that the BCM had completed its cycle of relevance and had no further cause to exist. For both the PAC and the ANC, the BCM had became a problematic third force which did not deserve any standing either with the United Nations (UN) or the Organisation of African Unity (OAU).

But the irrepressible power of the BCM demonstrated that it did not need the approval of the UN or the OAU in order to gain the acceptance of black people. Furthermore, black experience does not respect the Nactu/Cosatu boundaries in the quest for black solidarity.

The racist designs which allow capital to take maximum advantage of black labour have the same effect on any worker whether he/she is in Cosatu or in Nactu (and worse when unorganised). Their continued absence in the decision-making processes governing black workers' lives is manifested in terms of neglect in the townships where they live, in the hospitals where they receive health care, in the schools where they send their children, and in the inadequate provision made for them when they reach pensionable age.

Whatever value judgements were pronounced on the BCM, the impression that prevails in the minds of black workers is that black experience is indeed a verifiable material basis for the construction of their principled solidarity. The absence of white workers in this desired solidarity is the result of their privileged position and access to power -

whose system it is in their self-interest to vote for at election time. In this regard, Steve Biko observed that white people use their logic in between elections and their fear at election time.

Non-Racialism Resists

In the South African context, the BCM saw the futility of preaching to white workers to descend from their position of privilege and find common cause with black workers. A community of interests between the two has remained foundless. All attempts at worker unity have had to contend with the foregoing observation.

For instance, Cosatu's forerunner, the Federation of South African Trade Unions (Fosatu) which had declared its membership to be open to all, remained predominantly black although the union was committed to a non-racial policy. Similarly, Cusa, whose constitution provided for white membership had no white workers as members at that time. For its part, Azactu was unashamed in its view that in the present circumstances, white workers are reactionary and cannot be mobilised for any meaningful change in South Africa.

The last attempt at unity was in June 1985, where Fosatu, Cusa, UDF-aligned unions and the Commercial, Catering and Allied Workers Union of SA (Ccawusa) were present. This meeting did not deliver the desired single trade union federation for South Africa.

Cusa withdrew due to the lack of commitment to the development of black working class leadership. It believed the prospects of whites holding senior positions to be at variance with its policy document which articulated that, 'A black worker has nothing in common with a white worker who is a citizen'.

Azactu found it objectionable being asked to accept the proposed federation's constitution as it had played no participatory role in the formulation of this document. It also expressed opposition to the principle of non-racial membership.

Num disaffiliated from Cusa to join forces with Fosatu, the UDF-aligned unions and Ccawusa, for the formation of Cosatu in November 1985. Cusa and Azactu's world outlook proved synonymous, and both joined forces to form Nactu in October 1986.

The reasons which kept Cosatu and Nactu apart were further complicated by a Cosatu policy decision 'not to share a platform with other federations' and that 'if the Cusa-Azactu unions want unity they must join Cosatu', (*Weekly Mail* 09/10/86). The prospects of co-operation between Cosatu and Nactu became dimmer with Cosatu's adoption of the Freedom Charter at its July 1987 congress.

Party Politics

The temptation to harness the trade union movement to the hurly-burly of party politics also surfaced within Nactu. The clenched fist, black power salute and the black working class principle of the BCM clashed with the open palm salute and the African working class principle of the Africanists.

At the Nactu congress in September 1988, black consciousness exponents in the Nactu leadership, Stewart Moletsane and Phandelani Nefelovhodwe, lost their posts, and were replaced by Patricia De Lille (as vice-president) and Cunningham Ngcukana (as first assistant) under the then Nactu general secretary, Piroshaw Camay.

The labour federation's two principles of non-affiliation to political organisations and the independent action of unions within the federation did not escape the dramatic shake-up in the Nactu leadership.

In the view of some labour commentators, the 1988 Nactu congress elections which removed black consciousness adherents from executive positions signified two developments:

- that the Africanists were on the ascedency
- that this meant a removal of the obstacles in the way of the desired co-operation between Nactu and Cosatu.

The events which followed contradicted this interpretation, however .

Firstly the expressed opposition by Nactu to its affiliates attending the First Workers Summit called by Cosatu for 5 March 1989 proved that Nactu had lost the kind of prudent leadership which took care to strike a balance between the objective issues of joint trade union concerns and the subjective issues of political allegiances of its affiliates.

Secondly, the official withdrawal of Nactu from the First Workers Summit in the face

Black Consciousness believes it is futile to preach non-racialism to white workers who enjoy white privileges

Prudent union leadership should distinguish between joint worker concerns and separate political allegiances

The LRA dispute brought about organisational cooperation between Nactu and Cosatu, and worker unity

of the open resolve by eleven of its affiliates to attend the self-same summit did not account well for the perceived Africanist ascendency in Nactu.

Thirdly, the BCM's appreciation of the need for workers to confer on the cumulative threats posed by the Labour Relations Amendment Act (LRA) proved that it (the BCM), was a catalyst to the trade union movement as a whole. The gains made by the black working class as a whole since 1979 deserved the overall co-operation of all trade union formations in order to protect their new rights.

While it is true that Cosatu has taken an open political stance, the decision by Nactu to deny workers to confer on issues of mutual concern was politically incorrect. The press release of the eleven unions which attended the First Workers Summit resolutely stated:

> *'We unashamedly proclaim our steadfast belief in the maximum unity of black workers. We are prepared to do all in our power to protect the interests of black workers from any counter-revolutionary actions. The state and capital have gone into their laager and we see this period as demanding the same from us'.*
> (*City Press* 03/03/90)

LRA Lobby

The principle of independent action of unions within the federation will be tested at the next Nactu congress

Opposition to the LRA did not only bring about organisational co-operation between Nactu, Cosatu, the unaffiliated unions and all organised workers. The perceived alliance of the state and capital also impressed a greater awareness upon the workers that their shared concerns and united actions outweighed the issues that kept them apart.

The worker power demonstrated in the industrial mass actions of 6-8 June and September 1989, voted for at the First and Second Workers Summits, brought pressure to bear on employer organisations to re-open negotiations with the trade union federations and to reach an amicable agreement on the amended LRA. The resultant agreement signed by Cosatu, Nactu and Saccola was finally gazetted on 23 May 1990, making a final deadline for submission to the Minister of Manpower by 6 June 1990.

It now remains to be seen whether the bill will be enacted in its current form as other parties besides the signatories of the agreement are still to be consulted. But at this stage the indications are that there will be a revised Labour Relations Act by 1991.

Indeed, government instructions in early 1990 to the National Manpower Commission (NMC) to reassess the LRA indicate a preparedness to consider a new labour dispensation altogether. According to NMC spokesperson, Clive Thompson, the following potential areas of substantial change have been identified:

- race discrimination in job recruitment may be banned;
- union registration could be reduced to a simple process of certification similar to that of the Company Act;
- lock-outs, strikes, victimisation and breach of industrial council agreements may no longer be crimes;
- strikes may be restricted to economic disputes and banned in rights disputes;
- industrial court hearings could be reduced to an initial hearing and appeal;
- trade union rights could be extended to farm, domestic and public sector workers, with curbs remaining on strike action in these sectors.

The implementation of these far-reaching changes in the country's labour laws are said to be dependent on the creation of a favourable political climate. But the overwhelming view is that a new labour dispensation is inevitable in the near future in the light of the South African government's desire to be readmitted to the International Labour Organisation as part of a process of reintegration among the community of nations.

Whatever the eventual outcome of the protracted LRA dispute, it will give Nactu an opportunity to evaluate its previous positions at its forthcoming congress in September 1990. As for the eleven unions which attended the Conference for A Democratic Future (CDF) in December 1989 against the advice of the federation, they may still face disciplinary action at congress. If the said charge is raised at congress against these unions, their fate will depend on how the principle of independent action of unions within the federation is interpreted.

Other important issues for debate at the Nactu congress will centre around the inexplicable resignation in early 1990 of its general secretary, Piroshaw Camay, and the apparent shift by Nactu from its principle of party-political non-affiliation to political organisation and mobilisation. IPM

Special Report

NACTU IN TURMOIL

The Africanist Challenge

By Cassandra Moodley, Weekly Mail Reporter

The National Council of Trade Unions (Nactu) continues to claim, at an official level, its adherence to the principle of independence from political organisations. Nactu general secretary, Cunningham Ngcukana, has said: 'The working class has to be independent from political organisations to guarantee worker rights and secure worker gains even after liberation'.

The formal alliance between the Congress of South African Trade Unions, the African National Congress and the recently unbanned South African Communist Party, has also put the question of trade union independence glaringly under the spotlight. (The parties in the Cosatu/ANC/SACP alliance claim independence.)

Nactu has not been left untouched by such talk. Neither has it remained wholly ideologically independent, or so recent events would seem to indicate. Specifically, the Nactu federation is said to have an Africanist leaning similar to the principles of the Pan Africanist Congress.

There are rifts within Nactu between those affiliates that subscribe to the Black Consciousness (BC) philosophy and those that are Africanist. Twelve affiliates, including the South African Chemical Workers Union (Sacwu) and the Black Allied Construction and Mining Workers Union (Bamcwu) are known to have Africanist leanings. Ten out of 25 affiliates are definitely BC in persuasion.

Unlike the other major federation, Cosatu, Nactu does not affiliate to the ANC freedom charter. This decision is in line with the principle of political independence forged at its launch in 1986.

Nactu was conceived out of the merger of the BC-aligned Azanian Confederation of Trade Unions (Azactu) and the politically independent Council of Unions of South Africa (Cusa). Both labour federations ceased to be party to the talks which led to the formation of the Congress of South African Trade Unions in 1986.

Ideological rifts in Nactu became publicly apparent at its last congress in August 1988. Observers talked about an 'Africanist takeover' in the leadership. This was evidenced, for instance, in the heated debates over the change in the federation's definition of the working class - from 'black' to 'African'. While BC adherents define the oppressed as 'black', the PAC adherents talk in terms of 'African' oppression.

Ngcukana, a founding member of the PAC (Internal), also assumed the post of Nactu assistant general secretary at the 1988 congress, ousting Phandelani Nefolovwhodwe, the present general secretary of the BC flagship, the Azanian People's Organisation (Azapo).

Recent Rifts

More recently, political splits within Nactu became more glaring with the First Workers' Summit of March 1989, the Conference for a Democratic Future last December and the subsequent resignations of five Nactu officials.

Eleven unions, known to have BC leanings, received a warning from the federation when they defied the Nactu resolve not to attend the summit - which was supposed to have been a consultation of the major federations, Nactu and Cosatu, and independent unions. Again in December, eight Nactu affiliates rebelled against a last minute Nactu decision to withdraw from the conference of anti-apartheid organisations.

Nactu's Ngcukana responded by warning one of the unions, Bamcwu, that according to a constitutional clause they would be suspended or expelled for 'disparaging

The formal alliance of the ANC, SACP and Cosatu has put trade union independence under the spotlight

Political affiliations within Nactu have caused rifts between Africanist and BC supporters

Ideological divisions have hampered Nactu's attempt to consolidate one union per sector

Nactu's image'. As yet any such action against Bamcwu has not been made public.

On their part, the rebel unions were quite clear that there are ideological differences in the labour federation. Sipho Radebe, a representative of the National Union of Public Service Workers, admitted a 'split in thinking and approach'. At the time of the CDF controversy he said, 'It is an open secret that the contending forces in Nactu are the unions with BC leanings and the mushrooming Africanist-oriented affiliates.'

Even more explicit was the former general secretary of Nactu, Piroshaw Camay. He said the federation was not serious about worker unity, hence his resignation. He added that 'decisions were not being made within Nactu forums - they were being made in political caucuses. And the will and decisions of these caucuses were being imposed on the Nactu structures'. (It is implicit that these caucuses are Africanist.)

The resignation of four other Nactu officials earlier in 1990 also points to an unhappiness with political lines being pushed in the federation. One official said in his letter of resignation that individuals in the union were judged on political affiliation rather than merit. The official is not an Africanist supporter.

On the ground, the Africanist and BC tensions are evident at worker meetings. At the recent Nactu rally at Shareworld, Johannesburg, there was a strong PAC presence in the hall and workers talked 'PAC language'. During the proceedings a worker reminded the officials chairing the meeting to implement the federations' principle of political independence and to ask any ANC representatives to come up to the stage to give an input. Nobody stepped forward.

The forthcoming Nactu congress will be advised to implement its principle of political non-affiliation in labour issues

Adverse Impact

The question is, has all this had an adverse effect on the practical functioning of Nactu as a labour movement? Certainly, last year it seemed that the 'ideological war' would cause an actual split in the federation.

The Nactu unions which did attend the CDF said that the eleventh hour ruling that affiliates should not attend the conference in fact overturned a National Council (the highest decisionmaking body) decision taken in November, and was not representative of worker feelings. At the time the unions planned to question the Nactu officialdom on procedures in the federation.

However, despite fragile unity, even the rebel unions said they would try to avoid a split. But even today there are rumours that Bamcwu, the rebel union, does face suspension over its attendance of the CDF. This has not been officially confirmed.

Nactu also cannot dictate terms from a position of strength. When Camay left the federation, he said membership figures stood at 150 000. Ngcukana has claimed the figure is now 271 000. Whichever claim is correct, it represents a considerable drop from the estimate of 350 000 members at Nactu's inception, the figure produced at its last congress in August 1988.

Camay said the loss of members was because unions were 'not servicing members effectively, not recruiting new members, and members were voting with their feet'. Nobody would dispute the fact that the political splits have not helped the problems of dwindling membership.

The Africanist/BC division has also been detrimental to the movement's attempts to consolidate one union for each sector. The Steel, Engineering and Allied Workers Union has resisted the merger of other electrical and engineering unions in Nactu into the Metal and Electrical Workers Union. Observers also say that there is growing evidence that Cosatu unions are winning over Nactu membership, especially in the food and metal sector.

Nactu's next congress is scheduled for around August/September this year. Ideological tensions are expected to come to a head there considering the dramatic changes that occurred at the last congress in 1988.

Camay, who was responsible for forging Nactu's extensive funding contacts, has conceded the possibility of donors withdrawing their funds from Nactu in view of its 'undemocratic practices'. 'Donors are interested in building democratic federations but cannot direct the political direction of an organisation'.

Ideological battles are primarily responsible for the state of affairs within Nactu. The forthcoming congress would do well to take note of the consequences of the last congress, and resolve to implement its principle of political non-affiliation to avoid the promotion of party-political lines when it comes to labour matters. IPM

Corporate Social Responsibility

Lost Cause or Winning Strategy?

By Interface Africa, Johannesburg

Although corporate social responsibility (CSR) has been the subject of considerable research over the past decade, no previous systematic attempt has been made to include the broad range of extra-parliamentary groups in debate. This omission motivated Interface Africa, a public affairs consultancy working for corporate and community/political clients for the mutual benefit of both, to undertake its recently completed research into the field.

Political and community leaders, trade unions, church groups, cultural organisations and development specialists across a broad political spectrum were interviewed in a nine month investigation into corporate social responsibility (CSR). The objective of this research was to canvass views on a wide range of CSR subjects, ranging from its current role in a changing South Africa to issues such as consultation and control.

For analytical purposes, four broad categories - Charterists, the Black Consciousness Movement (BCM), Liberals and State Supportive - were developed on the basis of the individual respondent's actual or perceived political affiliation. This overview confines itself to a discussion of the opinions of the Charterist and BCM respondents in view of their importance in the current political conjuncture and their status as the popular leadership of the communities targeted by CSR programmes.

The research findings explode the comfortable corporate myth of CSR as a relevant and vital intervention in the broader South African society.

Prior debate has centred around more technical aspects of CSR, such as its effectivity, priority investment areas, funding mechanisms and means of intervention. For extra-parliamentary groups and individuals, however, the fundamental issue is rather the political implications of CSR, that is, its underlying premises and intent.

The motivations inherent in the rise of CSR as a strategy, especially in the period of emergency rule, has led to the perception of CSR as a 'lost cause' on the part of some extra-parliamentary groups. Their criticism of current CSR practices, as well as their suggested alternatives are outlined below. The summary of the survey responses is followed by a more general assessment of the potential function and role of CSR programmes in a changing South Africa.

The survey findings explode the comfortable myth of CSR as a relevant and vital intervention in society

Mistrust

Rather than an implicit acceptance of CSR, the Interface survey discovered among extra-parliamentary groups a deeply ingrained suspicion of the underlying motivations. Their mistrust of CSR is premised on the corporate sector's perceived complicity in the creation and maintenance of the apartheid system.

More specifically, many of the respondents identified CSR as:

- a direct response to increasing pressure emanating from the trade unions and political organisations within the country and the sanctions lobby abroad;
- a marketing or public relations tool designed to enhance the South African corporate image and bolster profits;
- an attempt to win kudos with the disenfranchised masses and their leaders and thereby ensure long-term corporate interests in a post-apartheid society.

Any corporate intervention, no matter how well intentioned, is perceived to have a hidden agenda

Extra-parliamentary suspicion of the corporate sector is nothing new. Both sides have observed an uneasy truce until recently, engaging only in sporadic exchanges. In the current context, where the political situation has to some extent been liberalised, the battlelines have emerged more clearly in the burgeoning debate about the merits of socialism as against free enterprise.

The implication of this long-standing antagonism for CSR and business practice in general is quite simply that any corporate intervention, no matter how well-intentioned, will be perceived as furthering a hidden agenda. Linked to and reinforcing extra-parliamentary ambivalence to the corporate sector is the latter's perceived refusal to adopt a clear political stance.

The corporate sector is seen as drawing a distinction between CSR initiatives on the one hand, and its business practices, on the other hand. In this way CSR performs a dual function for business. It substitutes for and justifies avoidance of overt political involvement in social and development issues, while diverting attention from the political nature of certain business' practices such as union 'bashing', mechanisation, etc, which are perceived as innately hostile to the extra-parliamentary movement and its constituency.

The corporate sector is seen as drawing a distinction between its CSR initiatives and its business practices

Communication Gap

Underlying these broad perceptions is the realisation of a fundamental lack of communication between business and black extra-parliamentary organisations. Respondents believed that rather than creating a space for communication between the disparate groups, CSR initiatives often serve to exacerbate existing mistrust and suspicion on both sides.

The corporate sector is seen as being unwilling to recognise or work with extra-parliamentary structures or leadership. The corporate sector often perceives these structures as 'illegitimate' or as a threat to their interests. This stance reflects a lack of understanding about the mechanisms and mode of operation of these structures.

In attempting to avoid political involvement antithetical to their interests and focus on project deadlines and financial years, business is seen to invariably rely on discredited local state structures to implement CSR initiatives.

Proactive Role

Despite these reservations, a nonetheless surprising degree of importance is attached to CSR programmes by extra-parliamentary groups and individuals.

Given the scale and the scope of the problems created by apartheid, it is recognised that through CSR the corporate sector could have an important role to play in addressing basic development needs. This is only possible, however, in a context in which the corporate sector begins to seriously address the issues of inequality in opportunity and the distribution of wealth.

The respondents believe that the corporate sector could position itself as one of the crucial development players in the process of post-apartheid national reconstruction. This could be achieved by committing a minimum percentage of pre-tax profits to the practice of CSR, and by establishing a consultative co-ordinating structure to utilise these substantial resources in national areas of most need.

It would require the development of a new corporate culture, which in both its business and social practice, consciously addresses these needs in an enlightened and progressive fashion. In a business sense, this entails developing policies specifically tailored to operating in a Third World society where job creation and the equalisation of opportunity is essential. In a broader social context this necessitates a firm commitment (perhaps even entrenched in legislation) to the strategy outlined here.

The adoption of a social action policy would have to recognise the legitimacy of extra-parliamentary organisations and actively oppose apartheid on the political terrain. This would open the way for the formulation of a co-ordinated and non-belligerent strategy through which both groups ccould address these issues in a united, and therefore, more effective fashion.

A holistic approach thus extends the understood terrain of CSR as a development or welfare relief strategy into the normal business terrain of the corporate sector and beyond, leading to the development of a proactive and development-oriented policy on social and economic injustices. It is an approach that could become central to the process of

...national reconstruction while at the same ...ime ensuring the survival and growth of a ...predominantly market-based economy.

Market Debates

The extremely fluid political-economic conjuncture in South Africa has catapulted the debate concerning the role of the private sector in the country to the forefront of the political process. The practice of CSR, both in terms of the socially responsible practice of business and its behaviour as a corporate citizen within the broader society is an important aspect of this debate.

At present, business occupies the economic highground by virtue of its role as the source of wealth and job creation in the society. The extra-parliamentary left, on the other hand holds the political highground as the heirs apparent to the legacy of black resistance to apartheid.

In the negotiation phase we have now entered it is vital to the future of the country that these two groupings should find common ground. A holistic CSR strategy as outlined above, could be a means of facilitating the necessary rapprochement.

However, a significant degree of misinformation and over-expectation on the part of extra-parliamentary groups about the capabilities of the corporate sector is evidenced in the research. This is indicated by a lack of understanding of:

- the significance of shareholders;
- what profit is and how it is generated;
- the link between CSR funding and business profitability; and,
- the vulnerability of the corporate sector to macro-economic forces such as recession.

Extra-parliamentary groups operate within a simplistic model in which business always derives super-profits at the expense of the black community. Linked to this perception is the equally naive belief that simple human agency and an act of will is all that is required to reorientate the current economic dispensation to benefit 'the people'.

Thus, concomitant with the adoption of the holistic approach is the need for the corporate sector to 'educate' the extra-parliamentary groups about the internal functioning of business and the broader economic constraints under which it operates.

New Pragmatism

The cherished notions of socialism and nationalisation have been subjected to harsh scrutiny in the past few months, which has led to a growing economic pragmatism on the part of groups such as the trade unions and the ANC. The role of CSR lies in consolidating this nascent pragmatism on the left. Given the volatile political situation in which business currently finds itself, CSR potentially could be one of the most effective guarantees of long-term corporate interests in a post-apartheid South Africa.

A balanced and enlightened CSR strategy could be the means whereby the corporate sector negotiates the unchartered middle ground between the extremes of nationalisation and the decaying status quo of apartheid.

In order to do so, CSR needs to be seen to be actively and responsibly addressing the need for redistribution of wealth and opportunity in the country. If properly implemented, such a strategy could become the model for uniting the divergent ideas about wealth creation and redistribution currently touted by extra-parliamentary groups and business.

For extra-parliamentary groups, the demand for nationalisation is tempered by a growing recognition of the importance of wealth creation. For the corporate sector, its ability to generate wealth is coupled with the belated realisation of the inadequate and unequal ways in which that wealth is distributed. CSR is the means whereby business can demonstrate the market economy's ability to both create and redistribute wealth in an enlightened and socially responsible manner.

While discussion of CSR has been sidelined by recent events, the research suggests that it has a crucial role to play in the current conjuncture. Should it remain at the level at which it currently operates, it will inevitably become a lost cause. If on the other hand, it forms part of a reorientation on the part of business to the inevitability of fundamental political change, it can be transformed into a winning strategy of benefit to all sectors of the South African society. IPM

A new corporate culture might reconcile social and business practice to stress job creation and equal opportunity

Simultaneously, extra-parliamentary groups must be educated about the economic constraints that business faces

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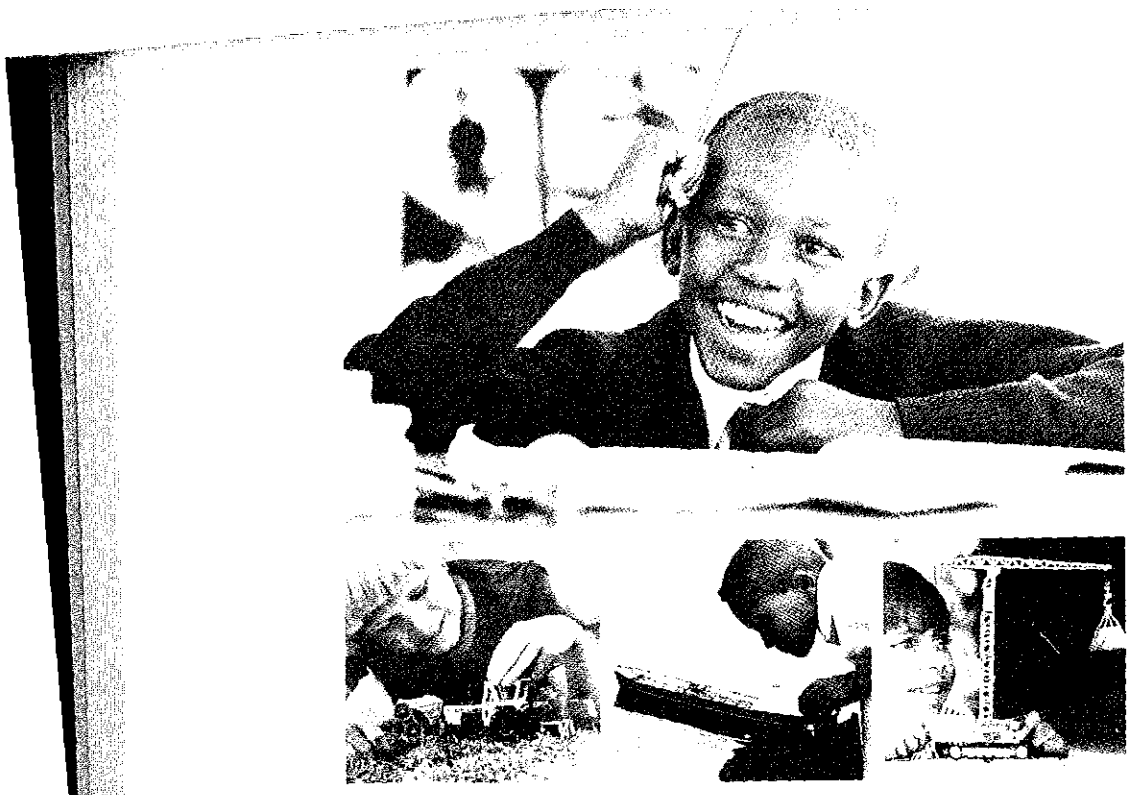

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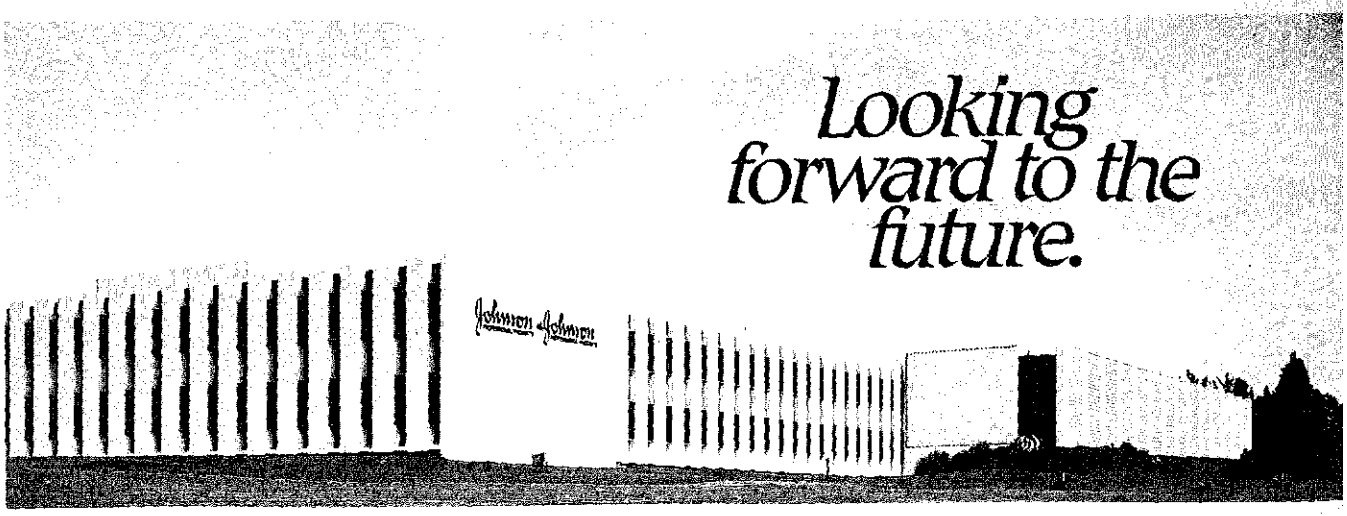

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