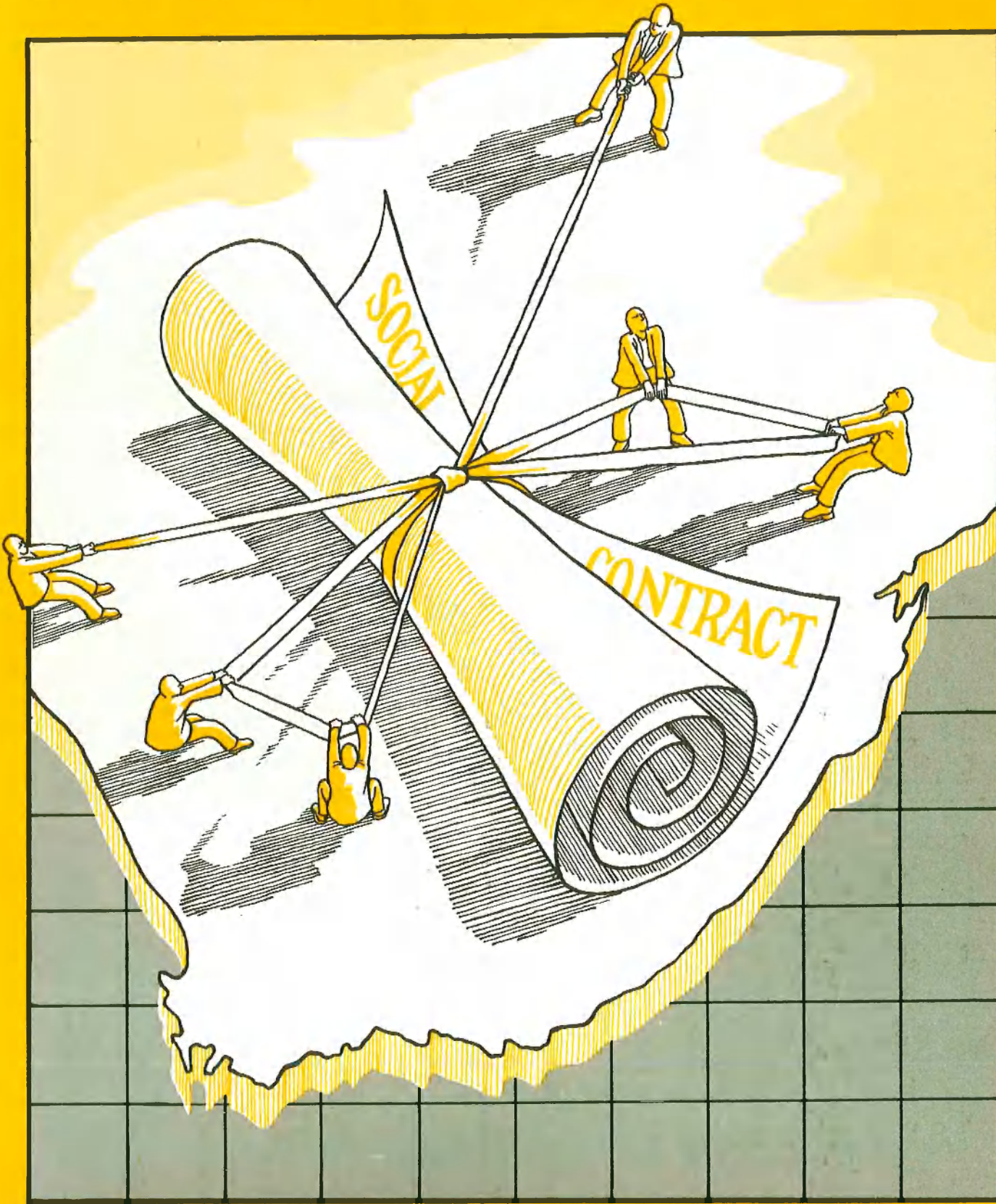


VOLUME NINE NUMBER ONE

SUMMER 1991

INDICATOR

S O U T H A F R I C A



THE BAROMETER OF SOCIAL TRENDS

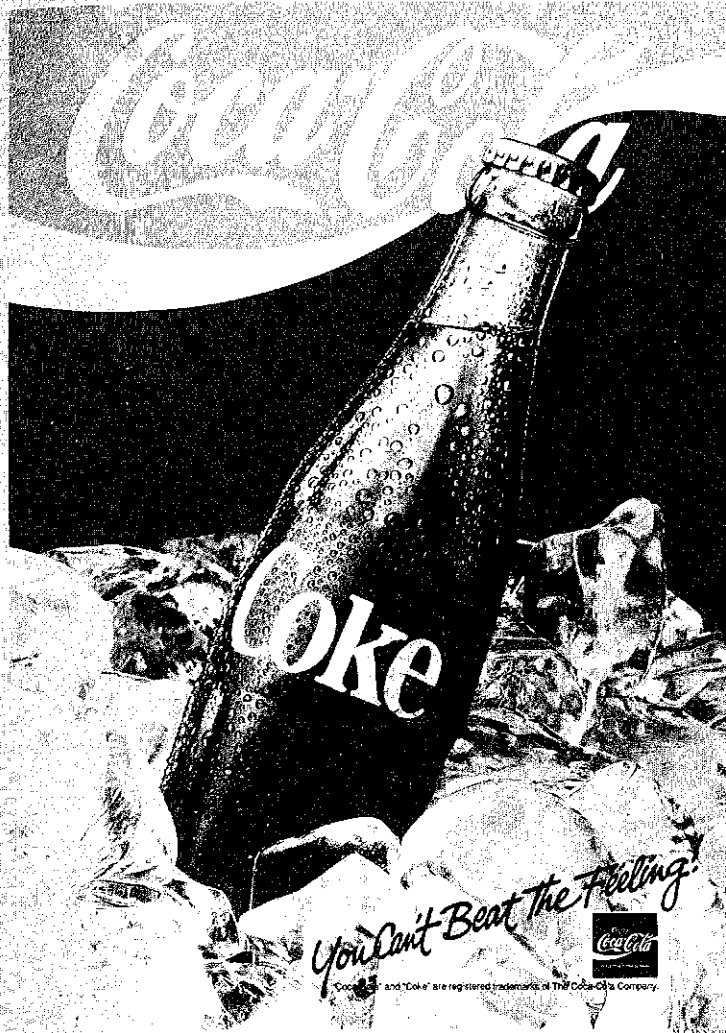
DONOR

M E M B E R S

AECI Ltd • Africa Inst of SA • African Cables • African Oxygen Ltd
• Allied Technologies Ltd • Amalgamated Beverage Industries • Anglo
American & De Beers Chairman's Fund Education Trust • Anglovaal Ltd
• Barlow Rand Foundation • BP Southern Africa • Carlton Paper of SA
(Pty) Ltd • Chamber of Mines of SA • Colgate-Palmolive (Pty) Ltd •
Development Bank of Southern Africa • Durban Metropolitan Chamber of
Commerce • EMSA • ESCOM • Everite Ltd • First National Bank of
Southern Africa Ltd • General Mining, Metals & Minerals • Gilbeys
Distillers & Vintners (Pty) Ltd • Gold Fields Foundation • Johannesburg
Consolidated Investment Co Ltd • Johnson & Johnson • Johnson Wax
Konrad Adenauer Foundation • KwaZulu Finance & Investment Corp •
Liberty Life • Malbak Ltd • Mercedes Benz of South Africa (Pty) Ltd •
Mobil Oil Foundation of SA • Nampak • The Natal Witness (Pty) Ltd •
Netherlands Embassy • Old Mutual • Perm Centenary Trust • PG Glass
Holdings (Pty) Ltd • Premier Group • Pretoria Portland Cement Co •
Rand Merchant Bank • Richards Bay Minerals • Rio Tinto Management
Services SA • SA Foundation • Sanlam • Sappi • SASOL Ltd • SA
Sugar Association • SA Tioxide • SEIFSA • South African Breweries Ltd
• Southern Life • Standard Bank Investments Corp Ltd • Starcke
Associates • Stellenbosch Farmers Winery Ltd • Suncrush Limited • TEK
Corporation • Tiger Oats Ltd • The Tongaat-Hulett Group Ltd • Unitrans
Limited • The Urban Foundation • Unilever SA • UNISA • Vaal Reef
Exploration & Mining Co Ltd • Wooltru Ltd

INDICATOR

S O U T H A F R I C A

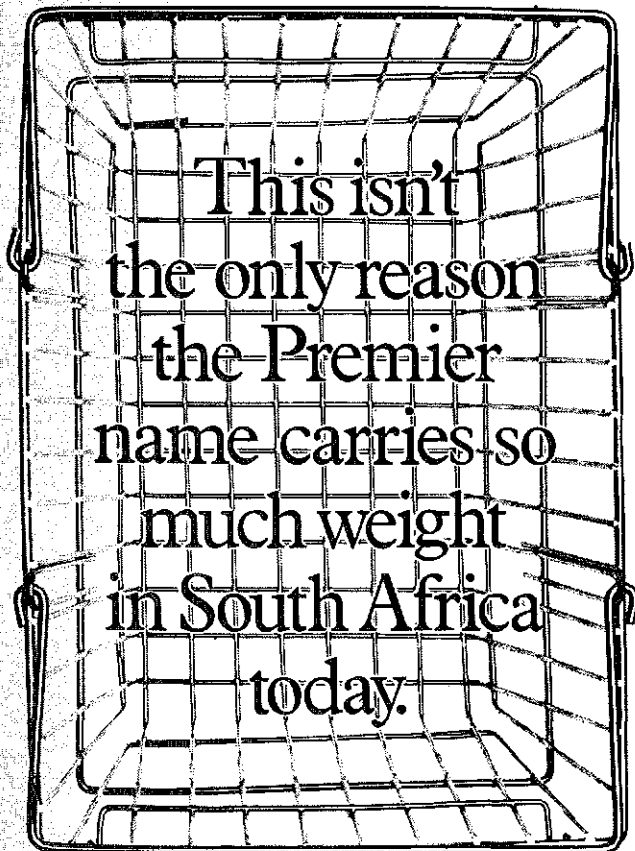


The Team at
INDICATOR
 SOUTH AFRICA
 wishes you

Season's Greetings



LIBRARY
 27 NOV 1991
 Institute of
 Development Studies



With leading brand names like: Snowflake flour, Iwisa and Impala maize products, Epic oil, Blossom margarine, Kraft margarine and dressings, Epol, Peck's Anchovette and Redro Fishpastes, Mama's pies, Nice 'n Easy convenience foods and Blue Ribbon breads to choose from; your shopping basket will certainly be loaded with premium quality Premier Products.

Yet we at Premier go further than just maintaining the highest standards. Through several innovative programmes, we are constantly striving to improve upon them, allowing us to offer you even more value.

And we're not prepared to stop there either. Our commitment to raising standards extends beyond our products. At Premier, we are dedicated to upgrading conditions and creating new opportunities for our staff and the community as a whole.

Because there can only be one thing as important to us as the quality of food - the quality of life.

 Premier
 Food Industries

The INDICATOR SOUTH AFRICA Quarterly Report and the INDICATOR SOUTH AFRICA Issue Focus series are published by the Centre for Social and Development Studies, based at the University of Natal, Durban. Opinions expressed in these publications are not necessarily those of the Editorial Committee and should not be taken to represent the policies of companies or organisations which are donor members of the Indicator Project South Africa.

© Copyright for all material herein is held by INDICATOR SOUTH AFRICA or individual authors, except in the case of short extracts for review or comment, which must be fully credited.

© Sole copyright for all data bases rests with INDICATOR SOUTH AFRICA. Permission to republish or reproduce any part of this publication must be obtained from the publisher.

Editor *Graham Howe*
Production/Design *Rob Evans*
Research Assistants *Antoinette Louw, Pravin Singh*
Secretary/Marketing *Pat Fisser*
Copy Typing *Charlene Nel*

EDITORIAL COMMITTEE

Simon Bekker, Myrna Berkowitz, Rob Evans, Graham Howe, Mike McGrath, Valerie Møller, David Robbins and Lawrence Schlemmer

• COVER ILLUSTRATION *Jeff Rankin, Clear Pictures*
• REPRODUCTION *Hirt & Carter (Natal)* • PRINTING *Robprint*

ISSN 0259-188x

PRESS REVIEWS OF INDICATOR SOUTH AFRICA

'Opening the Cities ... this excellent publication, produced by the Indicator Project in conjunction with the Urban Foundation, will be essential reading for all those involved with the collapse of the Group Areas Act.' *NU Focus*, January 1991.

'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.

'A special ten point strategy, which includes possible selective participation in the system, is spelt out in a special publication of the authoritative Indicator SA.' *The Star*, March 1989.

'The first comprehensive documentation of the anti-apartheid opposition and the state's responses ... their (Indicator SA) studies indicate invaluable aids towards ending the cycle of violence.' *Sunday Tribune*, December 1988.

'Indicator SA has achieved an enviable reputation for skilled, in-depth research ... its impartiality and accuracy are acknowledged. Indicator occupies a unique position in the information supply in our rapidly-changing society.' *The Natal Mercury*, July 1988.

'Indicator SA stands by the quality of editorial analysis and in-depth data it provides of current socio-economic trends ... such independent coverage has become essential for the serious business reader in contemporary South Africa.' *Finance Week*, July 1988.

'The Indicator Project has again confirmed its ability to tackle major problems of the country, presenting the full scope of opinion.' *The Daily News*, October 1987.

'Indicator SA, an authoritative academic journal that attempts to come to terms with the facts behind what are otherwise emotive political issues.' *Business Day*, January 1987.

INDICATOR SOUTH AFRICA QUARTERLY REPORT

VOL. 9 **NO 1**

S U M M E R . 1 9 9 1

POLITICAL MONITOR

Social Contracts: A Recipe without Ingredients	<i>Lawrence Schlemmer</i>	7
Constitutional Principles: Playing by the Rules	<i>Timothy Sisk</i>	11
From Trustees to Partners: A Corporate/Community Accord	<i>Paulus Zulu</i>	15
Broadcasting Reforms: Fine Tuning Apartheid	<i>Richard Collins & Eric Louw</i>	19
Tower of Babel: The Language Debates	<i>David Brown</i>	23

ECONOMIC MONITOR

Affirmative Action in Malaysia	<i>Bob Klitgaard</i>	29
Economic Outlook	<i>Mike McGrath & Merle Holden</i>	33
Selling the Silverware: The Privatisation Debates	<i>Andrew Smith & Hans-Jurgen Oschadleus</i>	37

RURAL & REGIONAL MONITOR

Monitoring Conflict in Natal: Data Trends 1990-1991	<i>Antoinette Louw</i>	43
The Richmond War: A Struggle for Supremacy	<i>Haydn Osborn</i>	46
Poor Relatives: Rural Local Government	<i>Simon Bekker</i>	50
The Witches of Venda: Politics in Magic Potions	<i>Minnaar, Offringa & Payze</i>	53

URBAN MONITOR

Financing Health Services	<i>Di McIntyre</i>	59
A Civic Accord: Service Delivery in Greater Pinetown	<i>Craig Clark</i>	62
Youth Centres: In Search of a New Morality	<i>Møller, Richards & Mthembu</i>	65
Preschools: A Fresh Start	<i>Noreen Ramsden</i>	68
Blackboard Power: The New Teacher Politics	<i>Duncan Hindle</i>	71

INDUSTRIAL MONITOR

Cutting the Cloth to fit the Coat	<i>Shane Godfrey</i>	77
Occupational Hazards	<i>Mark Colvin</i>	82
A Life-time Affair: Toyota's New Model	<i>Nicoli Natrass</i>	85

EDITORIAL NOTES

The *social contract* has become the focus of political debate in South Africa. It symbolises the need for a new point of departure, to make a break between the old order and the new order. It also represents a process of negotiated agreement towards a new set of principles, procedures and structures for governing society.

At the outset of national negotiations, debate is couched appropriately in the classical terms of a social contract. South Africa is entering a critical phase as its political representatives discuss ways to draft a new constitution. The lofty democratic principles they will attempt to enshrine will no doubt draw *inter alia* on the work of philosophers such as Hobbes, Locke and Rousseau who pioneered the concept of a social contract.

The illustration on our main cover shows that contradictory forces and pressures will have to be reconciled, however, before consensus is reached on the content of a new social contract. By the end of the process of negotiation, all political actors will have to agree on the principles and rules which will guide society towards common objectives. To script the constitutional scroll with joint purpose will be a major challenge.

The social contract is multi-faceted and operates at all levels of society, from local government to industrial relations. In this edition, *Indicator SA* focuses on specific political and economic aspects:

- Lawrie Schlemmer reports on the issues raised at a major conference on social contracts which drew in leading spokesmen for business, labour and the state as participants.
- Tim Sisk, a visiting US Fulbright scholar, identifies areas of convergence and divergence between the ANC and NP in the quest for rules for a new political game.
- Paulus Zulu, a political analyst at CSDS, reconsiders the nature of the social contract between corporations and communities in terms of social investment and the social market ethic.
- Bob Klitgaard, a visiting Harvard economist,

compares the lessons of affirmative action in Malaysia as a strategy to compensate for inequalities inherited from the old social order.

- Mike McGrath and Merle Holden, regular *Indicator SA* correspondents, look at a social contract on economic issues which would have to balance productive capacity, growth and income distribution.
- Andrew Smith and Hans-Jurgen Oschadleus from the University of Natal, evaluate privatisation as a source of revenue for community development and redistribution.

Alongside the focus on social contracts in our political and economic monitors, there are a number of policy reviews on major social issues. Experts in their fields tackle a stimulating range of new topics for *Indicator SA*, ranging from broadcasting and language policy to health, preschool and youth policy. The global issues raised by these diverse articles link thematically to the process of post-apartheid reform and national negotiation.

Lastly, our industrial monitor offers a special review of collective bargaining issues in the clothing, chemical and motor sectors.

Regular subscribers to *Indicator SA* will have received copies of our new index and catalogue (both available free on request) to our fifty publications brought out between 1982-1991. If you missed any of our earlier editions, why not take advantage of our new back issue service? A complete collection of the first eight volumes of *Indicator SA* is a unique encyclopaedia to socio-political trends in South Africa in the turbulent 1980s. (These back issues are on special offer at present.)

Against a backdrop of dramatic developments in South Africa, *Indicator SA* has had a busy publication schedule in 1991. We hope that this last edition of the year provides readers with some stimulating insights into the negotiation and policy issues on the national agenda for 1992. We also wish our subscribers and readers well over the festive season, and join you in hoping for a more peaceful, prosperous South Africa in the new year.

Graham Howe,
Editor, November 1991

POLITICAL

M O N I T O R

The Patriotic Front

Political

- African National Congress (and affiliates)
- Azania Committee
- Azanian Youth Unity
- Congress of Traditional Leaders of SA
- Democratic Party*
- Dikwankwetla Party of QwaQwa
- Inganza National Movement*
- Intando Ye Sizwe
- International Socialists of SA
- Inyandza National Movement of KaNgwane
- Labour Party of SA
- Lebowa United People's Party*
- Natal Indian Congress
- National Seoposengwe Party
- Pan Africanist Congress (and affiliates)
- People's Progressive Party*
- Qibla
- SA Communist Party
- Transkei Government
- Transkei Traditional Leaders Association
- Transvaal Indian Congress
- United People's Front of Lebowa*
- Venda Reincorporation Forum
- Workers Organisation for Socialist Action

Professional, Business & Labour

- Black Accountants Association
- Black Deaf Community
- Black Lawyers Association
- Black Management Forum
- Black Staff Association
- Congress of Business and Economics
- Congress of SA Trade Unions
- Consultative Business Forum
- Consultative Business Movement*
- Fabcos
- Nafcoc
- National Association of Democratic Lawyers
- National Council of Trade Unions
- National Medical and Dental Association
- SA Black Doctors Discussion Group
- SA Credit Union
- SA Medical Discussion Group
- Western Cape Traders Association

Civic, Community and Service

- Advice Centres Association
- African Women's Organisation
- Black Sash
- Civics Interim Co-ordinating Body
- Five Freedoms Forum
- Gocon
- Independent Civics
- SA Health Workers Congress
- SA Community Based Health Care
- SA Health Awareness Group
- Soweto Anti-crime Initiative*
- Transkei Congress of Civic Associations
- United People's Trust

Religious

- Baptist Convention of SA
- Call Of Islam
- Interfaith Community Development Association
- Jamiatul Ulema
- Muslim Judicial Council
- Muslim Students Association
- Muslim Youth Movement
- SA Catholic Bishops Conference
- SA Council of Churches*
- SA Hindu Maha Sabha
- SA Tamil Federation
- Transkei Council Of Churches

Sport and Cultural

- Association of Community Arts Centres
- Congress of South African Writers
- Federation of SA Cultural Organisations
- Mafubese Arts Committee
- National Soccer League
- National Sports & Olympic Congress
- Performing Arts Workers Equity

Educational

- Congress of South African Students
- National Education Crisis Committee
- Pan Africanist Students Organisation
- Pan Africanist Teachers Organisation
- SA Democratic Teachers Union
- SA Students Congress
- Tuata
- Union of Democratic Universities of SA

NOTES:

* denotes observer status only

This chart is compiled from a list of organisations that attended the Patriotic Front Conference, Durban, 25 - 27 October 1991

carlton paper

CARES

- FOR ME • FOR YOU • FOR HEALTH
- FOR MOTHERS • FOR HOUSEWIVES
- FOR BABIES • FOR CHILDREN • FOR SCHOOLS
- FOR GOLFERS • FOR RUNNERS • FOR HYGIENE
- FOR COMMUNICATION • FOR EVERYBODY
- FOR PARENTS • FOR DRIVERS • FOR TAXIS
- FOR WORKERS • FOR STUDENTS
- FOR BUSINESSMEN • FOR BUSINESSWOMEN
- FOR HOSPITALS • FOR NURSES
- FOR PATIENTS • FOR CYCLISTS
- FOR MINERS • FOR PLUMBERS • FOR PEOPLE
- FOR GRANDPARENTS • FOR FARMERS
- FOR THE COUNTRY AND THE FUTURE
- FOR TEACHERS • FOR DOERS
- FOR FRIENDS • FOR JIVERS • FOR SHOPPERS
- FOR HOUSEHOLDERS • FOR RELIGION
- FOR T.V.ADDICTS • FOR COOKS • FOR HOMES
- FOR DOG OWNERS • FOR THE YOUNG
- FOR THE OLD

FOR EVERYONE AND EVERYTHING

Oh, the sweet
taste of success.



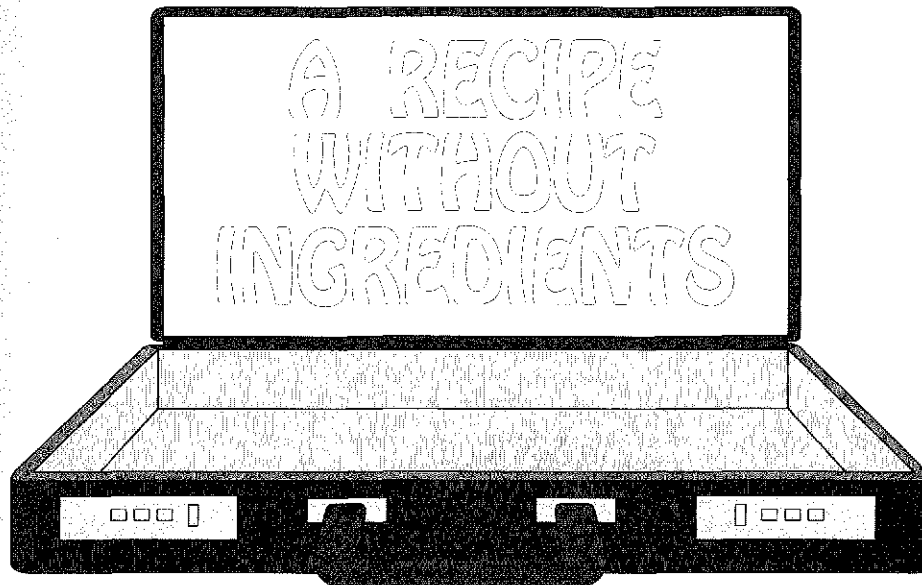
After days, perhaps weeks of fruitless searching, there's nothing quite like the excitement of striking pure, sweet water. Today, water borne disease added to drought makes pure, clean water the most valuable commodity in Kwazulu. That's why the S.A. Sugar Association in co-operation with the Kwazulu government inaugurated and administers a Fund to provide the people of Kwazulu with the water they so desperately need for their development.

If you would like to share the sweet taste of success with them, send your donation to The Kwazulu Water Development Fund, c/o S.A. Sugar Association, P.O. Box 507 Durban 4000.



DC 1477

SOCIAL CONTRACTS



*Professor Lawrence Schlemmer, Director, Centre for Policy Studies,
Wits Graduate School of Business Administration*

Most people believe that one of South Africa's major advantages as it moves into a transition to inclusive rule is that our prior conflicts stopped short of civil war and complete economic collapse. Our major institutions, employers and the opposing movements were all curbed, constrained and damaged, which is why negotiation is occurring, but our 'truce' pulled us up short of the abyss of a 'Lebanon'.

Future writers of history may congratulate us for that but they may also point to the irony of truces before mutual defeat and destruction. They leave all sides with illusions - dangerous delusions in some cases, which people in a 'Lebanon' do not have.

Nowhere is this irony so clear as in our conflicts over economic policy in the new South Africa. Abba Ebban once remarked that 'men and nations behave wisely after they have exhausted all other alternatives'. Judging from the proceedings of a recent symposium on 'Social Contracts, Conflict Resolution and South Africa's Economic Future' convened by the Centre for Policy Studies and the Konrad Adenauer Foundation we have not yet reached that point.

Compromise for Recovery

Social contracts are seen as a way of moderating illusions. The immediate economic interests of capital, labour, the government and mass-based parties and movements, as formulated in policies and prescriptions, are clearly very deeply at odds.

The demands of labour for job security, enhanced benefits and wages and active participation in production decisions fit uneasily with the requirements of renewed investment, greater efficiency, competitiveness of production and other prerogatives of management.

The demands of both labour and mass-based parties for increased benefits, services and welfare for the poor, and for an interventionist restructuring and development role for the state are not compatible with the government commitment to monetary and fiscal discipline in order to lower tax rates, curb inflation and to release capital for investment in growth. Nor are these opposition movement's demands for affirmative action in the public and private sector easily reconciled with perceived needs to reassure the constituencies of

'Social contracts' offer opportunities for negotiated agreements between conflicting parties to curb damage to each other's interests

Social contracts in the economy are devices for distributing advantages and allocating efficiencies, not for mutual restraint at the edge of survival

government in regard to the maintenance of middle-class standards and security of property.

These conflicting perceptions of interests, despite nearly two years of debate and exchanges of views, are still so diametrically opposed that they signal severe mutual damage to all interests once we enter open political competition. 'Social contracts' or 'compacts' would appear to offer opportunities for negotiated agreements between conflicting parties to curb damage to each other's interests, in return for joint commitments to attempt to meet each others bottom line needs over an agreed period of time.

Hence the South African Council of Business (Sacob) has called for a ten year period in which mutually agreed upon compromises would be adhered to in order to allow an economic recovery to be consolidated. Cosatu and Nactu, the largest labour confederations, have called for a multi-party forum on economic policy and have withdrawn from the more circumscribed forum of the National Manpower Commission to add force to this demand.

The most dangerous illusion of all, however, may be that social contracts are the panacea for all the ills of the conflict. The debates at the Symposium provided some hope, but promised that South Africa's economic contract may also be the agonising labour before the birth of a severely handicapped new economy. That is if one believes what delegates said at the Symposium.

Hazards of Comparison

German delegates, Professors Lampert and Pomschlegel warned that the social contracts in the German 'social market economy' are not primarily devices for mutual defence and constraint among conflicting parties. The joint participation in economic and industrial policy in Germany today is the fruit of a long process of social reform which began in the early 19th century, which included periods of repression of labour in which productivity rose faster than wages. The German social contract finally emerged out of the turmoil and realistic humility of national defeat and destruction of the economy by war. Behind the policy contracts lay an informal 'contract'; a shared sense of disaster and the need to rebuild everyone's interests.

In a very real sense, social market economies, like those of Germany and the Netherlands, for example, allow both capital and labour to exploit formidable technology and the highly competitive product development of the post industrial state. German labour, perhaps with exaggeration, was described as the 'laziest on earth' at the Symposium. In Holland, Europe's most productive industry provides enough wealth and taxes to support no fewer than 86 sick, lame and lazy adults for every 100 workers.

Social contracts in the economy are a consequence not a cause; they are devices for distributing advantages and allocating efficiencies, not for mutual restraint at the edge of survival as in the South African economy.

Yet even in Germany's famous *mitbestimmung* (co-determination), management has the final casting vote if necessary. The bottom line is that capital can protect itself and its prerogatives. Once again, this Symposium reflected the hazards of seeking solutions to our problems in models applicable to very different societies. Dr Nicoli Nattrass provided some sobering reflections on the dramatically greater output per unit of labour in the Eastern miracle economies compared with South Africa. She and others took up the frequently claimed benefits of state intervention in South Korea's economic miracle, pointing out that labour was repressed at the same time, that manufacturing wages were kept lower than those in the rest of the economy and that the state nationalised finance houses in order to direct capital to shipbuilding for export and not into inward industrialisation for basic needs, as is prescribed for South Africa today.

Professor Pieter Le Roux provided only slight comfort when he drew a lesson from early Sweden's industry to the effect that initial concessions to achieve economic cooperation need not be unreasonable. Conceding what one can afford is a possible basis for a policy 'truce'. Is this moderation in mutual demands likely in South Africa, however?

Contracts as Struggle

Le Roux's optimism was severely tested by the assertions made at the conference, and frequently, the prospects of a 'contract' seemed ludicrously remote.

South Africa's best known labour consultant Andrew Levy reminded delegates that we have 'the most militant labour movement on earth' at this stage. Professor Aubrey Dickman dwelt on the persistent, perhaps chronic reluctance on the part of ANC economic opinion leaders to accept the mechanism of the market and other important basic assumptions in contemporary economic wisdom.

Spokesmen for organised labour insisted that South Africa's current growth path could not be allowed to continue, even with a recovery of investment and growth. On the basis of a stereotyping of South African production as oriented towards 'luxury goods', the by now well known prescriptions for a redirection of the economy by the state were offered and the stimulation of a market for basic needs production. The need for competitive exports was simultaneously recognised, however, although the contradiction between the skills and production technology required for basic needs production and for competitive exports was not acknowledged.

The German co-determination model was viewed by some participants as 'too much too soon', but experienced labour analysts like professors Duncan Innes and particularly Eddie Webster warned that South African labour would not accept the German pattern of over-riding authority for management. Management in South Africa would have to undergo a paradigm shift, sacrifice its underlying assumptions about ownership of production and accept that its prerogatives would have to be shared with labour.

Indeed, it was even suggested that in the future labour would 'co-opt' capital and pay it an agreed rent. Understandably, some delegates felt that capital would stay away from this party and seek more compatible economic climates elsewhere in the world.

Similarly, South African labour would most decidedly go to war against the kind of state suppression of wage bargaining seen in Taiwan, South Korea and other Eastern Rim economies. Indeed, South African labour is demanding the right to co-determine state economic policy; something unthinkable in South Korea.

These positions, however, suggest little prospect of a zone of agreement emerging as a basis for a social contract. At best, they signal an untidy and qualified trade-off, a kind of simmering economic truce which

would hardly produce the basis for dynamic economic recovery.

Economics versus Politics

The Symposium, if anything, reflected a growing gap in analysis between professional economists and politicians committed to reconstruction and redistribution. Even economists closely aligned with mass-based movements argued for self-discipline and for moderation in demands on the fiscus while the economy recovers and grows. Vivian McMenamin of the ANC and Professor Lieb Loots agreed with government economic advisors that state spending should not rise above its present 35% of GDP. McMenamin warned, however, that she was a technocrat and not a politician.

Others, economists like Professors Mike McGrath and Andre Roux were tougher in identifying the requirements for growth. Wage discipline, stringent fiscal measures to combat inflation and the lowering of tariffs to increase efficiency of production featured in their viewpoints. Innovative service delivery to save public funds was recommended by Andrew Donaldson. McGrath went as far as to say that deflationary measures in the present phase should have been tougher (See McGrath and Holden on the social contract: 33-35).

As these and other myriad economic arguments were fielded the essential problem emerged. The zone of agreement is simply too limited to provide a basis for an economic contract!

'Kickstart' strategies and the stimulation of housing and construction are one route out of the impasse. Construction has a large multiplier effect and could lift the economy to a level at which political pressures and demands could be eased. The problem, however, is the sustainability of the strategy; the dangers of inflation, sharp rises in land prices and the fact that increases in demand may precede the achievement of greater productivity and appropriate training.

Over the last twenty years, South African boom and bust economics have contributed enormously to violence and sagging economic confidence. If a 'kickstart' leads to another boom and bust cycle, it will do more harm than good. Hence an economic accord, even under conditions of stimulated economic recovery, will require considerable restraint.

Positions put forward at the Symposium suggest little prospect of a zone of agreement emerging as a basis of an economic social contract

'Kickstart' strategies and the stimulation of housing and construction are one route out of the impasse, but will require considerable restraint

It is not at all certain that all the parties in an economic accord could 'deliver' their own constituencies or the people on whose behalf they speak

The debate must become very serious indeed, and those who choose to withdraw into shibboleths must be seen for what they are

Prospects for Accord

South Africa's transition has started before the uncontested realities of national disaster can focus the minds of protagonists. The symposium made it quite clear that there are still widely divergent diagnoses of the economic malaise, its origin and cures. No firm sense of the 'realpolitik' of South Africa's transition has penetrated the economic policy arena. The first conclusion to be reached, therefore, is that an economic negotiation process will be a 'site' of ideological struggle.

A second conclusion is that attempts to establish an accord around economic and socio-economic policy are very different to negotiated agreements in the field of industrial relations. The boundaries of a conflict are much more finite in industrial relations. Trade unions and managers are concrete realities which will not go away. Truth claims and ideological commitments are less pertinent in industrial relations, whereas in the economic contract they may well live on as unresolved tensions.

Thirdly, in industrial relations, consequences of agreements are fairly immediate. In economic policy, however, particular decisions can impose a 'rent' on the economy in future. One has to resolve time horizons as well as interest cleavages.

Finally, it is not at all certain that all the parties in an economic accord could 'deliver' their own constituencies or the people on whose behalf they speak. The labour movement cannot represent the unemployed, on whose behalf they often speak, certainly not in the short term. The larger corporations and the leaders of organised business, who are most likely to participate in accords, cannot represent small and medium sized competitive production and commerce.

There is a real prospect that an 'accord' would be superficial and could create more dissent than a reconciliation of views. It is important to bear in mind that despite all fine sentiments, organised labour is a tax on consumers and on the unemployed, and the agreements which the large corporate sector may be able to afford are a tax on marginal competitive business. Furthermore, agreements will all ultimately hit the taxpayer.

The final irony is that if tripartite or multiparty negotiations were to achieve a miracle and to resolve differences in an economic accord, it could be the first step towards the kind of elite cartels which have eroded democracy and economic efficiency all over the developing world. An economic truce based on ineffectual compromises might protect big business, big parties, big labour and big government at the cost of the economy and non-mobilised constituencies.

What Can be Done?

On balance, however, the costs of no economic accord outweigh its dangers simply because without stability and predictability, no economic policy will succeed. What contribution can conference organisers and academics make?

Dr Nicoli Nattrass was adamant that hypothetical debates on policy were a waste of time. The view is plausible but the problem might be that the debates do not go far enough. Arguments, propositions, World Bank correlations and international precedents are simply thrown at each other and contradictions are never resolved. There is always too much room for protagonists to move back into their initial positions, with or without a few meagre qualifications and concessions to reality.

If the 'debate' is to play a role it must tighten up. Participants must be asked to prepare in advance to address each other's criticisms. Each major unresolved point must be taken into further debate. Evaluation panels, approved by all major protagonists must produce concluding assessments. The debate must become very serious indeed, and those who choose to withdraw into shibboleths must be seen for what they are. **IPCA**

Acknowledgement

'Social Contracts, Conflict Resolution and South Africa's Economic Future', a Symposium held at the Airport Sun Hotel, Kempton Park, 7-9 October 1991. Johannesburg: Centre for Policy Studies, University of the Witwatersrand/Konrad Adenauer Foundation.

CONSTITUTIONAL PRINCIPLES Playing by the Rules

*Timothy D Sisk, Department of Political Science, George Washington University,
Visiting Fulbright Scholar, University of Stellenbosch*

Despite some reconciliation, a wide gulf remains between the views of the NP, the ANC, and others on the details of the rules for a new political game. The procedural differences that must be bridged underscore the very different perceptions of democracy that the major actors bring to multi-party talks. A visiting scholar shows how these perceptions underlie their choices for appropriate rules for a new social contract in South Africa.

The National Peace Accord of 14 September 1991 catapults South Africa from an arena of pre-negotiation talks to actual negotiations about the enforceable rules of political behavior, so that negotiations over a new constitution can take place in an environment free from the pall of violence and coercion. By signing the agreement, the major players and many minor players are committing themselves to a process in which they will jointly draft a new democratic social contract for South Africa.

The new rules spelled out in the Peace Accord are critical. Without them, the mutual recognition and security that political parties must have for the impending constitutional talks would be absent. With them, hard bargaining can occur in a climate where the vital security interests of the parties are not directly threatened. The National Peace Accord is a quintessential example of what has been called in many comparative studies on democratic transitions a 'mutual security pact'.

The debate can now profitably shift to the constitutional issues themselves, or the rules of the game that will guide South African politics well into the future. In this debate, the political buzzword of the day is 'convergence'. The first sign of convergence is the agreement by the signatories of the Peace Accord that the next step in the process will be an All- or Multi-party conference to thrash out how the new constitution is to be written, legitimised and implemented.

For a successful democratic transition to take place in South Africa, democracy and

non-racialism must be somehow institutionalised. Rules which give expression to these aims must be established. After all, what are institutions but a set of rules and conventions to which all players subscribe? Suddenly, the major players also seem to be converging on the future shape of these rules. Ultimately, convergence on all issues is a necessary condition for a negotiated settlement.

Agreement

Not all of the major parties now negotiating a future constitution have revealed their preferences for the rules of the new political game. While the National Party, the African National Congress and the Democratic Party have released fairly detailed constitutional plans, others, notably the Inkatha Freedom Party, have yet to offer a blueprint. Nevertheless, how the new game will look is becoming clearer. The Peace Accord, with its preamble committing the parties to Western-style democratic and codes of conduct for political parties, the police and the military, provides the clues.

- First, the players. All parties 'with proven support' will be recognised as legitimate players and their roles will be defined and secured.
- Second, the playing field. The game will be played first in the electoral arena, with players competing by mobilising and activating support among interest groups and the public. The game then shifts to parliamentary politics.
- Third, players score points by collecting votes from voters in periodic elections.
- Fourth, who will make sure the game is played fairly? The referee will be the

The National Peace Accord is an example of what has been called in many comparative studies on democratic transitions a 'mutual security pact'

There is convergence among the major political actors on the constitutional principles that will underlie the new rules

judicial branch of government and (most likely) an electoral commission, entrusted to protect the integrity of the rules.

- Fifth, what does the winner collect? The prize will be some, but not necessarily all, of the power of the state.
- And one last rule: the game has no end.

An important part of the current convergence is agreement among the major political actors on the constitutional principles that will underlie the new rules. Non-racialism, multiparty democracy, universal suffrage, separation of powers, an iron-clad bill of rights, an independent judiciary and some form of regionalism are generally agreed upon. There is even agreement on certain procedural aspects of the new rules. Most parties agree that a bicameral legislature will be constructed, with the first house elected by proportional representation and the second house in some way reflecting regional sentiments.

Disagreement

Yet on many details convergence remains elusive. There is much disagreement on the structure and powers of the executive, the role and make-up of the second house, and the nature and degree of decentralisation in decision-making. Each of these areas of disagreement is worth a closer look.

□ *The Executive*

On the question of the executive, the debate centres on whether the branch of government that actually executes the laws should be of the parliamentary variety, with a prime minister and cabinet chosen from parliament, some version of a presidential system, or even a mix of the two.

The ANC, in its constitutional proposals, calls for an elected president, but does not specify whether the president will be chosen by direct election by the public or indirectly by the parliament. Because of the ANC's simultaneous call for a cabinet and prime minister, it is believed that the ANC has something like the French model - a mixed presidential and parliamentary executive - in mind. The DP calls for a similar system, but states explicitly that the president should be directly elected by the public.

The NP opts for a 'collegial executive' of three to five members proportionally drawn from the major parties in the first house who together will act as a 'presidency'. The president will be one of these individuals,

and the post rotate annually among the members of the presidency. The NP wants the presidency to decide important policy decisions by consensus, i.e. by thrashing out an agreement amongst the leadership and then presenting it to parliament and the public in a unified way.

The question of the cabinet is an area of less disagreement. Both the DP and the NP want a constitutional provision for a multi-party cabinet. The ANC, while opposed to the concept in principle (claiming that the cabinet should be formed from the majority party or parties in the first house), seems to be moving toward acceptance of the principle of a multiparty cabinet. But it is unlikely to accept that this provision be etched into constitutional stone.

□ *The Second House*

All of the major parties agree on the need for two houses of parliament, and they all agree that the first house should be elected on the basis of proportional representation. What they don't agree on is exactly what the second house is supposed to do, and not do, and who will sit there, and who won't.

The ANC sees the upper house as an advisory body, and not one that will have the ability to thwart the majority sentiment in the first house. The body would not only be exempted from passing legislation, it would not be able to veto it either. Only 'where appropriate,' according to the ANC's plan, could the second house delay legislation passed in the lower house and refer it to a court to ensure that it is in accordance with the constitution. The ANC wants the second house to be elected in a different (but unspecified) manner than the first house, but is flat against any type of communal, racial, ethnic, group or corporate representation.

The DP and the NP favour a much stronger second house, and one that reflects strongly a regional base. In both parties' proposals, the second house can not only veto legislation, but must actually pass it before it can become law. In their view, the second house is seen as a necessary brake on the whimsical sentiments of the majority of the public as reflected in the behaviour of the majority party or parties in the first house.

Both the DP and the NP want representation in the second house on a regional basis, so that any party which receives a good proportion of votes in a regional election will get a fixed number of seats.

There is much disagreement on the structure and powers of the executive and the second house, and the degree of decentralisation in decision-making

Centralisation and Decentralisation

South Africa has long had a highly centralised system of government. All parties agree that new regional and local boundaries that cut across the current provincial and homeland boundaries should be drawn, and that political power should be brought closer to the people. They even agree that such regions and local government structures should be in some way elected. The disagreement, however, is over the nature of regional and local government in a new state. Should the powers of regional and local governments be 'devolved' or 'delegated'?

Commensurate with their conceptions of the second house, the NP and the DP share the view that the powers of the regional and local government should be 'devolved.' In other words, such powers cannot be usurped by the national government without amending the constitution. This is, in essence, federalism. In the views of these parties, regional government should be autonomous with their own powers to tax, spend and formulate policy on a wide range of social policy. When the IFP enters the fray with its constitutional proposals, it too will likely opt for federalism.

The NP, in its proposals for local government, takes the idea a step further. It favours the creation of autonomous local government called the 'super local option' and the creation of a sub-local tier of neighborhood councils to administer very local matters. In the NP's view, up to 50 per cent of total government revenue could be shifted to the local and sub-local governments.

The ANC, on the other hand, is opposed to federalism because, it argues, federalism encourages the abuse of regional governments as strongholds for ethnically-based politics. The ANC also prefers a centralised unitary state that will be able to push through far-reaching policies aimed at social change. They also fear that too much devolution will lead to 'pockets of apartheid.' So the ANC plan calls for the powers of regional and local governments to be delegated so that policy can be primarily directed from the centre.

Even though these differences are essentially procedural, this does not mean they are not vitally important. Procedural fairness is a critical factor in the sustainability of a democratic system. Resolving the differences that now exist on these issues will not be easy, and for a very good reason.

Areas of Compromise

The NP, as Hermann Giliomee has noted, seeks a Swiss-style power-sharing arrangement built on constitutional requirements in the upper house and the executive guided by the principle of 'amicable agreement.' The ANC, on the other hand, unabashedly opts for simple majority rule based on the popular will as expressed in the lower house. And the DP sees itself as the defender of classical liberal democracy.

The differences between these visions of democracy are important, but not necessarily insurmountable. The different institutions, or rules, that these parties have put forward to give expression to their respective visions are in fact negotiable. They fall within what is known in negotiations jargon as 'the contract zone.'

The NP is looking for some concrete structural guarantees to ensure that the interests of its minority, middle-class constituency will not be jeopardised by a majority rule government. Hence the NP plan for a proportional, rotating presidency and a wide variety of checks and balances. It expects that, given its 'New South Africa' image as a centre-right non-racial party, it can win at least a respectable proportion of votes nationally, and even a majority in some of the regions. Recent figures on the population distribution of potential voters which show many more rural voters than previously expected fuel these expectations.

Despite the new data and the NP's recent rhetoric that it can be a majority party in a universal suffrage election, the emphasis on constitutional devices to ensure consensus decision-making underscores the fact that deep down it expects to be a minority party in a future political game. The DP has always expected it would be a minority party, and in the best of all worlds might get about 10 per cent of the total vote.

Even with a broad coalition or alliance of minority parties, there is little hope for these players that they will be able to win all the prizes in a new political game. They want rules that will give them a reward commensurate with the number of points they can score with the voters.

The ANC is looking for a guarantee that at long last a government elected by the majority of the people will not be hamstrung by institutional devices that effectively preclude social change. Hence

The different NP, DP and ANC visions of democracy fall within what is known in negotiations jargon as 'the contract zone'

The emphasis on constitutional devices to ensure consensus decision-making underscores the concerns of minority parties in a future political game

A new political game which forges a compromise between the will of the majority and the fears of the minority is possible

There must be a reasonable expectation that all players, either singularly or in concert, have a chance of winning at least on some issues or some of the time

its partial eschewal of the separation of powers doctrine, reflected in its call for a president and prime minister to be recallable by a two-thirds majority in the first house of parliament, given 'good cause.'

The ANC expects to be a majority party, and rightly so. Its support is widely distributed across the country, and it is particularly strong in the larger urban areas. Opinion polls fuel these expectations. Hoping to capitalise on its leading role in the long struggle against apartheid, the ANC's majoritarian model reflects its understanding that it does in fact represent the 'people', or at least the majority of them. The ANC favours rules which lets the player with the most points win the game outright.

Ultimately, a compromise must be reached on how to give expression to the fundamental democratic principle of majority rule while ensuring that this does not result in any one party winning the entire game and all the prizes forever and ever. In democracies, there must be a reasonable chance of winning if players are expected to continue playing the game.

A new political game which forges a compromise between the will of the majority and the fears of the minority is possible to devise. Principles of a fair game provide some answers. There must be equal participation and contestation; i.e., a level playing field must be created with an equal chance to score.

There must be a reasonable expectation that all players, either singularly or in concert, have a chance of winning at least on some issues or some of the time. Alternation is essential. And there must be rules to prevent cheating. Neutral referees with a thorough knowledge of the rules must arbitrate with authority.

Constitutional rules that give expression to these principles will be required for a fair political game to be created in South Africa. Universal suffrage and free, well monitored periodic elections ensure that participation is equal and contestation is not unduly limited. An iron-clad bill of rights can ensure that the voters, over whose affections the parties contest are free to choose. The right mix of checks and balances, combined with a fine balance of central, regional and local authority can promote alternation in winning and losing coalitions. A strong independent judiciary can blow the whistle when cheating occurs.

This means that some form of power-sharing will be the likely outcome for South Africa's future political game, although it must not be the structured kind of power-sharing that the NP now has in mind. Instead, it might well be a system that effectively produces coalition governments, something a proportional electoral system is naturally suited to encourage. It also means that the ANC will have to swallow some majority-limiting 'devices,' and the NP will have to give up some of its many checks and balances.

Playing the Game

The most important question that arises in the writing of new rules for a political game in South Africa is: how does one ensure that the rules are not broken in the future? The answer is that if the new rules are fair, and more importantly perceived to be fair by all of the major parties, the greater the likelihood that the game will survive well into the future. The fairer the game, the easier it is to play by the rules.

The transitional period between the National Peace Accord and the ratification of a new South African constitution when the convergence can be codified must too be governed by a set of rules. With the obstacles of the pre-negotiation phase nearly swept aside, the issue that rises to the top of the national political agenda is the rules that will govern the process of writing the new rules.

This is exactly what the All- or Multi-party conference is about. The essence of this process is agreeing on a common agenda and process to write a new constitution. Once this is done, convergence can run its full course.

The challenge ahead is to bring those political parties now on the sidelines, particularly the Pan-Africanist Congress and the Conservative Party, into the current negotiations process. If the new game is to succeed all of the players must be on the field when the coin is first tossed.

The more sidelined players are brought into the game, the more it will gain momentum and the greater likelihood that the practice of democracy in South Africa will be institutionalised. The new social contract can only succeed if the maxim of playing by the rules is institutionalised for all political actors both during the transition and in the new political game. **IPVA**

Social Contracts

Dr Paulus Zulu,
Maurice Webb Race Relations Unit,
Centre for Social & Development Studies,
University of Natal

This essay focuses on a specific form of a new social contract, that between the private sector and 'the community'. It represents a tacit agreement by both parties, often through the medium of trade unions and political elites, that economic growth and improved quality of life are prerequisites for social stability. In this context, Paulus Zulu considers the shortcomings of CSR programmes, community participation in social investment, and the legacy of a culture of entitlement.

A social contract results in a *modus operandi* where two or more parties that are committed to the realisation of a new social order enter into a relationship which seeks to achieve a social transformation. The contract itself is a facilitator, a set of principles which spell out parameters in a relationship.

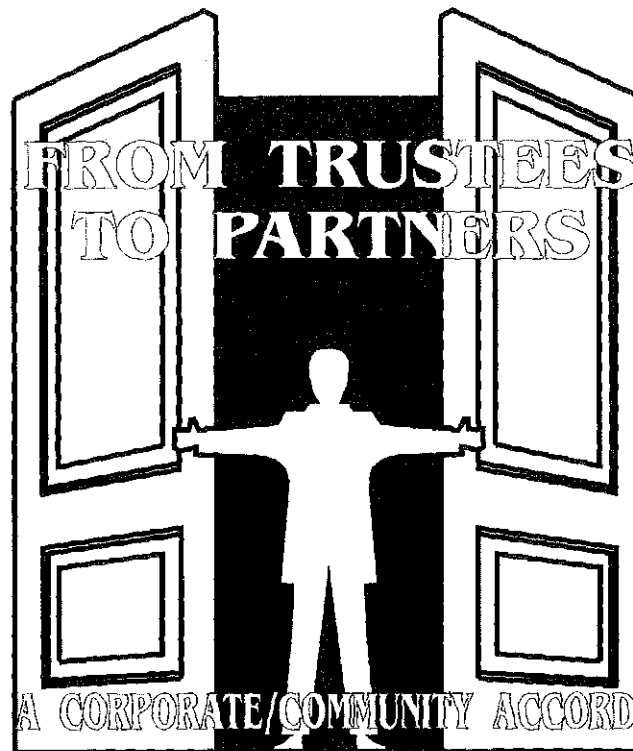
Specific preconditions are necessary for the creation of a social contract. These are an acceptance by all or the majority of significant actors or parties that a new social order is both necessary and desirable; and the existence of organised interests or of an opportunity to organise interests in such a way that broad parameters of the social transformation can be drawn.

Admittedly, neither business nor the community constitute homogeneous entities. Each is made up of discrete and at times disparate groupings and individual characters. In spite of these problems, however, there is a body of actors generally referred to as the 'business sector' (which comprises organisations in industry and commerce) and 'the community' (aggregates of individuals within the broader society).

The social contract arises, firstly, out of a realisation by those who command both economic and technical power, that the gap between the 'haves' and the 'have nots' neither contributes to social justice nor to a sound economy; and secondly, from an assertion by the communities that they have made a significant contribution to the wealth of the country in general and business houses in particular. The social contract is, therefore, an attempt to combine justice with utility, and originates from a number of premises:

□ corporate/community interdependence

This interdependence transcends sectional business interests such as the marketing of products and the



supply of human resources to corporations. There is consensus in the corporate world that a healthy social environment is conducive to peace and stability, both of which constitute a precondition for economic growth. For their part, communities feel they have a right to make representations to business to contribute towards their social upliftment.

□ corporate recognition of community

Communities have made a significant contribution to the development of business and the economy in general. Gross structural inequalities exist, however, between the 'first world' of business and the 'third world' of workers, the *lumpen proletariat* and peasants. There is, therefore, a need for positive action to redress these structural imbalances through programmes of socio-economic enablement of these communities.

□ self-determination in partnership

The 'developed' corporate world has the technical and financial resources to assist 'underdeveloped' communities. However, these communities have the right to self-determination and self-management. In the partnership, recipient communities are accountable to donor corporations only to the extent that funds as well as expertise are expended in terms of the contract. Donor corporations should have neither the veto, supervisory nor monitoring power over the recipients.

□ social market ethic

There is a tacit recognition by both corporations and communities of the need for the creation of a social market economy outside of the state - society relations. Corporations feel morally obliged to substitute for the inadequate provisions of social security by the state, an inadequacy which arises from the historical and ideological practices by successive governments and financial institutions in the country.

CSR Strategic Logic

Corporate social responsibility operated from two basic assumptions. The first was that poverty and the consequent poor quality of life was the source of resentment against the capitalist or 'free market' system by the 'have nots', the large majority of whom were blacks who held the system responsible for their lot. It was, therefore, necessary for the 'free enterprise' system to salvage itself by engaging in programmes of social upliftment of the disadvantaged.

The second assumption was that because of their superior financial and technical capacity, corporations would assist underdeveloped communities and facilitate their entry into the world of markets and technology. They would make it possible for citizens from the third world to become participants in the first world way of life, i.e. participate in the consumption of goods and services as well as occupy technical and managerial positions. This would also help to legitimise the free enterprise system in the eyes of the excluded.

In short, both premises sought to maintain the existing power relations through reform. Arising out of both assumptions, a number of individual corporations either created independent trusts or used in-house facilities to facilitate and support community development programmes under the banner of corporate social responsibility. There were, and still are variations in the practical relationships between donors/sponsors and the recipient communities - variations which derive from each corporation's strategic logic on development.

Two tendencies have been dominant in the approaches of a number of corporations which have mediated in the lives of the poor through development projects. The first tendency was to stay clear of confronting the existing power structures. In a number of instances, this has meant that corporations entered into relationships with conservative elites, a practice which has resulted in the entrenchment of power structures and the use of projects as a source of patronage to communities.

The second tendency has been a form of tutelage where donor/sponsor agencies have, in a way, determined the terms of the relationship with client communities and thereby influenced the nature of the resultant development process. For instance, corporations chose their area of sponsorship, advertised the availability of funds and called for applications from the would-be recipient communities.

The outcome was predictable. Development means empowerment of the powerless, a process which inevitably confronts the position of the elites in control. Staying clear of confrontation, in practice, meant that in the South African context the status quo persisted. This had negative effects because the obstacles to development remained and at times were

aggravated, and inefficiency remained in the performance of a poorly qualified and often corrupt elite.

The outcome of the first tendency is well-illustrated in the intervention by the private sector in the building of extra classrooms in African schools. While it cannot be denied that there is a dire need for space in schools, control and administration of the schools is not only a politically contentious issue; the performance of the same schools ranges from mediocrity to chaos in terms of examination results, moral tone and the relationship with the surrounding communities. The schools have not impacted on the communities as development institutions; they are not accountable to the constituencies they purport to serve.

An alternative to this form of mediation would be to build schools that would be operated by the communities, with the donor corporation providing technical and administrative guidance. Since the major shortcoming in the present system is that educational authorities are a law unto themselves, they would thus be helping to build structures that are accountable to the communities.

The second tendency, tutelage as a relationship between donor/sponsor agency and the recipient communities, has also had its own problems. Where recipient communities responded to an advert by the sponsor, there was no certainty that they possessed sufficient interest and human resources to embark on the project that they required sponsorship for. Given the plethora of needs in impoverished communities, every promising avenue is attractive enough to elicit interest - an interest which might far outweigh the community's available resources.

The outcome of the second tendency has often been that projects have managed to exist and function as long as the donors presence and influence prevail, but as soon as the donor pulls out, the projects collapse.

The New Contract

Experiences with these forms of corporate social responsibility brought about a shift both in the conceptualisation of development and in the form of relationship between sponsors and recipients. This was partly spearheaded by elements within the trade union movement. The new relationship entailed corporate-union cooperation on the one side and union-community interests on the other, with the unions acting as middlemen between the would-be recipient communities and the sponsoring corporations.

It took the concept of development further by challenging if not confronting the existing power relations since by definition unions are part of the movement towards social transformation. Precedence in this era of corporate social involvement had been

set by international donor agencies such as the EEC and, to a lesser extent, the US Agency for International Development. Both bodies were explicit on their non-involvement with any organisations or groups connected in any way with the South African government or its sponsored institutions.

The result was that a number of non-governmental organisations (NGOs) mushroomed in South Africa's urban and rural areas. Private corporations, therefore, found these ready to enter into various forms of partnership with them.

While the early stage of corporate-community partnership was, indeed, a departure from the ill-defined 'free for all' phase, it fell short of a genuine partnership. In the first place, communities could only access sponsors via union representatives, and secondly, corporations were constrained by their relationships with unions to operate only in areas where their workforce came from. Admittedly, there were corporations which transcended geographical boundaries but these were in the minority.

At present, corporate-community partnerships have taken on two variations. The first form is where the corporation or donor responds to a proposal from the recipient community. The resulting relationship is a contract between the donor corporation and the community or a professional mediator acting as its representative - generally, a non-profit professional interest group such as an academic department engaged in community education and development.

The role of the professional mediator entails 'consciousness raising' through community organisation at grassroots level. This may entail creating organisation around specific interests within the communities, which may result in a number of projects within the main programme. In this instance, the community possesses a measure of technical and managerial skills as well as the capacity to aggregate diverse interests. The professional mediator is there to assist when problems arise. The donor agency has very little active role to play but has access to periodic reviews and annual reports from the recipient organisation.

The second form of donor-recipient partnership has inherent problems. Here the level of technical and managerial capacity within the recipient community is underdeveloped. Community interests are diffuse and not professionally articulated although there is a populist movement or movements around which the community has rallied.

The sponsor responds to a need identified by the 'community' and enters into an agreement in terms of which the donor may have to provide some form of technical and managerial assistance in addition to the grant. The donor still distances itself from supervising and directing the operations. To the extent that the recipient community identifies and manages the project, it enjoys a measure of autonomy, but the

donor's influence as quasi-mentor is inevitable. This raises a number of complications one of which may open the project to conscious or unconscious manipulation by the donor.

Operating Principles

The operating principles in terms of the present phase of the social contract are:

□ *community autonomy*

Recipient communities have the right to decide not only on their priorities, but also on the method and process of achieving their goals. This entails a negotiated course of action where both donor and recipient agree on specific principles.

□ *accountability*

Community representatives or project participants are accountable both to the broader community and to donor agencies. This accountability includes the activities of programme participants on the programme as well as the way in which they utilise the funds. To this end they have to operate within an openly accepted constitution or set of guidelines as well as provide periodic progress reports and officially audited financial statements.

□ *rights and obligations*

This is the most contentious principle of ownership or possession, access to the project and finally, obligations of individual members of the community to the project.

An appraisal of these operating principles as well as the conditions which prevail in the present South African environment will illustrate the deeply-rooted problems in the social contract.

The first principle of the social contract concerns the communities' right to *self-determination*. This is expressed in terms of their freedom to choose the type of project or programme to engage in; elect their representatives or programme participants; and negotiate with donors the terms of the sponsorship.

A number of issues arise from this conception of community autonomy. Firstly, who is 'the community'? A social contract presupposes a community of interests and a unity of purpose. Both these attributes are lacking in the communities as presently constituted.

While there is consensus, in almost all instances, on the eradication of poverty, and a universal commitment to economic growth, differences often arise over priorities, particularly on the short-term management of risk versus long-term goals. Further, the communities themselves are, at times, fragmented into warring factions with different agendas.

This situation makes it very difficult to aggregate interests and reach compromise at community level

and renders the social contract liable to the promotion of sectional interests which might be to the detriment of the less articulate segments within the community.

The second principle concerns *accountability*. To the extent that community representatives or project leaders have to render certain tasks, the question of accountability raises few if any problems at all. What poses a number of questions is the 'representativeness' of the project leaders, given the diversity as well as inequalities which exist among the various interest groups which constitute the community.

In a number of instances communities are united around symbols, but at the bottom of community life lies all the elements of personal selfish interests, ambitions and greed for power. Further, there are the politics of co-optation which the South African government still pursues as a strategy to win over allies by fragmenting opposition. This has left communities divided and further promoted the view of any form of outside mediation in terms of 'whose interests'?

The third principle concerns *rights and obligations*. Underlying any social contract lies a specific culture which either promotes or inhibits (if not militates against) the honouring of rights and obligations by the parties to the contract. The community is the principal component in the social contract, but given both the diversity of interests as well as the politics of community organisation the social contract becomes a problematic relationship.

Lastly, donor organisations enter into the social contract from a variety of positions:

The first position is that of guardian where the donor organisation believes it has a mission to 'save' the underdeveloped world and enters into the social contract from a position of 'savior'. In this instance the relationship is that of unequal partners and may erode the autonomy of the recipient community to the extent that the community cannot undertake any projects on its own but remains in a state of permanent dependency.

The second position obtains where the donor organisation suffers from collective guilt, i.e. where it feels that as part of the privileged sector, it is responsible for all the ills that beset the disadvantaged section of society. The donor will thus adopt a *laissez faire* attitude where the recipient organisation may act as it wishes without any constraints or accountability.

The third position is where the donor organisation goes into the relationship fully conscious of both the technical and organisational constraints in the recipient communities. This results in a healthy relationship where the donor neither abdicates nor over exercises its responsibility. The partnership takes into account the principles of community accountability and autonomy.

Culture of Entitlement

Strategies adopted by 'community representative' either to work from within or boycott government institutions from without have impacted heavily on community development projects and consequently influenced power relations within communities. The 'politics of development' is not a new game in South Africa. The government and, to a certain extent, the private sector have used the game to effect their own agendas.

Community representation is an elusive concept. With the new developments towards a negotiated settlement, representation of 'the community' has shifted in favour of the extra-parliamentary groupings, although state-favoured elements have not completely disappeared from the scene. Indeed, there are insidious efforts to revive and fortify such interest groups and institutions.

Organisations within the extra-parliamentary opposition need to look into the nature of community representation in that collectivity popularly known as 'the liberation movement'. After all, their central philosophy is to liberate the masses from political oppression and economic exploitation.

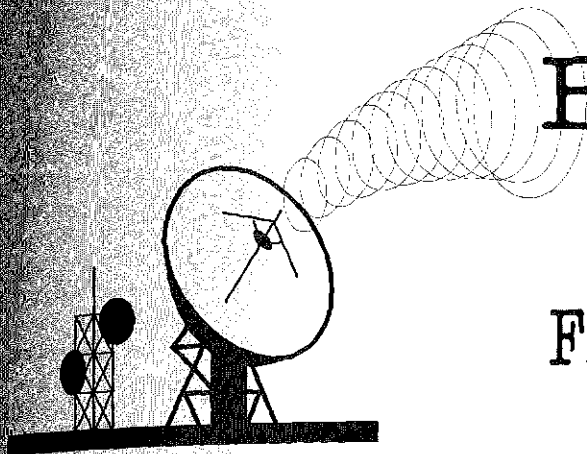
The historical modus operandi of the liberation movement has been to oppose the state and its allies. In the process a culture of resistance to authority has developed. While the culture has forced reforms on the part of both the government and the private sector, it has created a sub-culture of 'rights' and diminished the responsibility to honour and uphold obligations on the part of the masses.

This outcome raises serious problems in development where the maintenance of projects and services may be in jeopardy as individuals imbued with the 'culture of entitlement' may refuse to pay for them. Evidence so far is that the liberation movement has a very low extractive capacity and this presents serious problems to the social contract.

In conclusion, the available evidence suggests that the social contract is no more than a facilitative framework and that practical day to day issues in development depend on the efficiency of the three principal actors: the donor organisations, community representative structures expressed in the liberation movement, and trade unions.

Developments in the South African political economy indicate that where there is agreement or consensus among these three actors, things have been resolved with relative ease. While community structures are vital to the organisation and consolidation of interests, and donors for providing technical and financial capacity, unions provide the vital link between the community of the disadvantaged and business. These three political actors must co-operate if a successful social contract is to be realised. **IPQA**

(Prepared for 'Co-Ordinated Marketing and Management')



Broadcasting Reforms

Fine Tuning Apartheid

*Richard Collins, Department of Communication, University of London
Eric Louw, Centre for Cultural and Media Studies, University of Natal*

Not surprisingly, as South Africa changes and moves towards the creation of a post-apartheid society, broadcasting policy and institutions are under review. All parties, uncertain of the future power balance, seem to be hedging their bets and advocating a pluralistic structure for broadcasting in post-apartheid South Africa. But although united in a recognition that a decentralisation of power is desirable there is scant consensus as to how to effect this policy option.

In broadcasting, as in other areas of political life, the National Party is disaggregating and privatising a hitherto monolithic power bloc in order to insure against the prospect of a post-apartheid government using an integrated state machine for its own purposes.

A similar strategy was followed in France when, fearing a loss of electoral power, the Socialist government privatised the first national television channel (TF1). It thereby ensured that its new owners would be sympathetic to the interests of the Socialist Party whether or not the Socialists continued to form the national government. Analogous acts abound in post-communist Central and Eastern Europe.

The SABC, overwhelmingly dominant in South African broadcasting, has undertaken major internal reorganisation including appointment of blacks to leadership positions. With three television channels and twenty three radio stations, the SABC commands a daily audience of 14m listeners and 7m viewers. By comparison, *M-Net*, the private profit-based subscription television channel owned by the four press groups and established in 1986 has 560 000 subscribers.

South Africa's decentralisation of broadcasting power was first signalled in January 1991 when the Chairman of the SABC, Christo Viljoen, announced 'a greater degree of decentralisation, greater

emphasis on the SABC's clients, and preparation of the SABC for a more competitive broadcasting environment' (SABC press release, 23/01/91).

The established pattern of 'apartheid' television involved two black channels (TV2 and TV3), TV2 services in Xhosa and Zulu, TV3 services in Sotho and a white channel, TV4, in addition to the 'national' channel, TV1. It subsequently has been re-organised into a sports channel and a single channel, Channel 2,3,4, which uneasily co-schedules black South African programming and imported entertainment.

The SABC also has been divided into separate business units grouped into five divisions (Television, Radio, Transmission, Broadcast Centre, Group Functions). These changes have been viewed critically by the left which has commented, 'This would make privatising the SABC very easy' (*New Nation* No638:6).

The Viljoen Report

The most important restructuring initiative was probably the government's appointment in 1990 of a Task Group on Broadcasting in South and Southern Africa, chaired by Professor Christo Viljoen. The Task Group submitted its report - hereafter known as the Viljoen report - to the Minister of Home Affairs in August 1991. (The following comments are based on

With three television channels and twenty three radio stations, the SABC commands a daily audience of 14m listeners and 7m viewers

The NP is privatising a monolithic power bloc to insure against the prospect of a post-apartheid government using state broadcasting for its own purposes

The Task Group was widely criticised for being unrepresentative and for its members' vested interests in broadcasting

access to the Committee's report which may, or may not, correspond to whatever report may eventually reach the public domain.)

The Task Group was widely criticised before it issued its report; both for the unrepresentative character of its membership and the members' vested interests in broadcasting and communications in South Africa. Essop Pahad (SACP), for example, stated '... the Task Force (sic) ... the same people who are responsible for the problems are investigating the issue' (*Rhodes Journalism Review* Vol1/No1:53).

Comment after completion of the report has been subdued, in part because the report has not yet been officially published but also because most interest groups which were not represented in the Task Group's membership boycotted it. They neither gave evidence nor responded to its recommendations. The Task Group was described by the SACC Consultation on Electronic Media as made up 'mainly of Broederbonders and SADF personnel' (March 1991).

The chairman of the Task Group, Christo Viljoen, is also chairman of the SABC. Further, the fourteen members of the Task Group not only included the SABC Chairman but also employees of the Bureau of Information (now SA Communication Services), National Intelligence, the SADF, *M-Net*, the SABC, SAPT, the Department of Foreign Affairs and Potchefstroom University. This preponderance of white male officials was leavened by the addition of one black *Argus Group* newspaper editor, Aggrey Klaaste of *The Sowetan*, and one English-speaking film producer!

The Task Group's deliberations were secret until May 1991 when the Group began two months of 'overt' discussions. It opened one of its sessions to the public and undertook a very limited public consultation before delivering its 130 page (plus appendices) report to Cabinet. The Minister of Home Affairs, to whom Viljoen reported, explained the secrecy in which the Task Group worked, stating 'It is important to distinguish between a Task Group and a Public Commission of Inquiry' (Cited in *FAWO News*, September 1991:25).

Rival Initiatives

Since the Media Policy Conference at Rhodes University in 1990 (see *Rhodes*

Journalism Review Vol1/No1), two further non-governmental initiatives on broadcasting have taken place.

Firstly, In August 1991, representatives of 47 organisations, ranging from the ANC to commercial broadcasters in the 'homelands' met abroad in Doorn at a conference (called *Jabulani*), held under the auspices of the Netherlands anti-apartheid movement and the formerly clandestine ANC radio station, *Radio Freedom*. The conference repudiated the Task Group's proposals and recommended that a Commission of Inquiry into Broadcasting should be established by an all-party conference. It explicitly rejected the legitimacy of the Viljoen initiative.

Jabulani envisioned a post-apartheid South Africa with three broadcasting sectors; public, commercial and community. It advocated an independent regulator (the Independent Broadcasting Authority) and a code of conduct binding a maintained SABC to programming impartiality to be monitored by an Independent Media Monitoring Commission. It strongly advocated action to establish community radio services, a media training programme and the use of broadcasting for educational development.

Secondly, in September 1991, South African academics, media and development activists, representatives of Cosatu, the ANC and other like bodies met at the University of Bophuthatswana to carry forward the *Jabulani* initiative. They established national networks to formulate a media policy for a post-apartheid society and to monitor the media in South Africa during the period of transition.

The terrain of policy debate is therefore principally demarcated by the rival initiatives of the government and the leftwing opposition. Minor currents in the debate flow from the Conservative and Democratic parties which may play a role in parliamentary decision-making on broadcasting policy. Broadly, the Democratic Party has stood for a decentralised media model of mixed public and private ownership administered by a South African Communications Authority, whereas the Conservative Party supports a system which guarantees access to minorities.

Although far from the only broadcasting policy under discussion, the most important proposals yet to be advanced in detail (see box) are those of the government's stalking

hence, the Viljoen Task Group. Viljoen defined the goals for post-apartheid broadcasting as:

- to provide greater access for more voices and to stimulate competition in the broadcasting industry;
- to restructure broadcasting in South Africa, while retaining the extremely important public service broadcasting function of the SABC;
- to establish a broadcasting industry free of political control; and
- to establish an independent regulatory authority to oversee broadcasting in South Africa.

Viljoen defined the Task Group's mission statement as, 'To ensure that broadcasting in South Africa serves the public in such a way that the ideals of a democratic, non-racial, non-sexist and prosperous society are pursued and advanced'. Past problems, and the main obstacles to achieving its future mission, were defined as outdated legislation, the lack of a comprehensive long-term policy, and fragmented control over aspects of broadcasting.

It is striking, and welcome, that the Viljoen report advocates an explicitly democratic and non-discriminatory mission for broadcasting in South Africa. However, adoption of this mission implies fundamental changes in the structure and performance of broadcasting rather than the pragmatic fine tuning of the existing system which Viljoen actually recommends.

No doubt the divided and changing ministerial responsibility for broadcasting which Viljoen identified has served South Africa ill but recommendations to establish a 'comprehensive broadcasting policy and an independent regulator' are still insufficiently specific. They amount to little more than conventional pieties without positive measures for new institutional arrangements designed to ensure that the 'ideals of a democratic, non-racial, non-sexist and prosperous society are pursued and advanced'.

The goals Viljoen defines for South African broadcasting are unexceptionable but the institutional mechanisms it has proposed are unlikely to be sufficient for their achievement.

For instance, appointment of the Independent Broadcasting Authority (IBA) by the State President, as the Task Group proposed is unlikely to make the licensing and regulatory body independent of

New Broadcasting Policy The Viljoen Proposals

The proposals of the Task Group on Broadcasting are contextualised in response to political changes in South Africa and the internationalisation of television, not least by satellite broadcasting. The main recommendations as contained in the Viljoen Report, include:

- the establishment of an independent transmission authority providing signal distribution for all broadcasters (and prohibition of transmissions by non-licensed broadcasters);
- the use of the PAL standard for any South African direct to home Broadcasting Satellite and five years of protection from imported receivers for the domestic satellite television receiver industry;
- the continuation of SABC responsibilities for two (but not the current three) television channels and twenty-three radio stations, and continued public funding for SABC;
- replacement of the present (widely evaded) licence fee system by another funding mechanism and reduction - but not elimination - of the SABC's current dependence on funding by advertisers;
- retention of SABC, M-Net, BOP TV (the television station established in the 'homeland' of Bophuthatswana, signals from which can be received in the PWV area) but *not* Radio 702 or Capital Radio (radio stations established in 'homelands' which also transmit to audiences located in South Africa);
- the adoption of a comprehensive broadcasting policy and an independent regulator, the IBA (Independent Broadcasting Authority) to licence broadcasters, undertake spectrum management, regulation of programme content and the structural regulation of the industry.

government. (For the Government of the day will be able to ensure that members of the IBA sympathetic to its position are appointed.) Whereas the Task Group stated that 'regulation of broadcasting ... needs to be depoliticised to the greatest possible extent'.

Broadcasting Barriers

If 'greater access for more voices' is to be achieved, then barriers to entry to broadcasting in South Africa need to be reduced and the domination of broadcasting by established institutions and interest groups brought to an end. Viljoen's proposal for an independent transmission authority would be a significant step towards lowering entry barriers.

The proposal is a useful step towards disaggregating three distinct functions - programme production, scheduling and creating a programme mix, and transmission - which have hitherto customarily been carried out by single vertically integrated organisations. If these three functions (production, scheduling and transmission) are disaggregated, then any scheduler (broadcaster) which is licenced will not be required to invest in costly and capital intensive transmission and production infrastructures. Programmes can be commissioned and purchased from independent producers and signals transmitted by the transmission authority.

The Task Group aims to provide greater access for more voices and to stimulate competition in the broadcasting industry

It is striking how few measures to foster free market competition are recommended by the Task Group on Broadcasting

We must ensure that South Africa enjoys a pluralistic broadcasting system over which viewers, as consumers and citizens, exercise sovereignty

A similar proposal for the press was made by Harvey Tyson (former editor of *The Star*). Tyson proposed that new papers should be able to use the presses, training facilities and distribution systems of established papers, thus lowering entry barriers to new publications (*Rhodes Journalism Review* Vol11/No1:41). However, Tyson's proposals do not seem to have the support of his co-directors on the board of the *Argus Group*.

In contrast, the retention of *M-Net* (created as a 'cash cow' to sustain the newspaper industry) will maintain barriers to entry to both the newspaper and broadcasting markets and will ensure that the SABC, and other broadcasters or newspaper publishers, will be disadvantaged in competition with the *M-Net*/press monopoly. New papers or broadcasters will compete on unequal terms against a well-established rival (*M-Net* and its newspaper owners) which is able to cross-finance and cross-subsidise the activities of its holdings.

Although the Task Group did propose the introduction of media cross-ownership regulations in South Africa, akin to those of the USA, United Kingdom and Australia, it made no proposals which would challenge the dominance of the established *M-Net*/press nexus. Moreover, the proposal to reduce SABC's share of broadcast advertising revenue is likely to further advantage *M-Net* as competition for revenue and audiences is reduced. Viljoen recommends that the SABC shift the emphasis of its programming to that appropriate to a Public Service Broadcaster.

Even if there were to be a thorough disaggregation of broadcasting functions, adequate regulations against media cross-ownership and lower entry barriers to broadcasting (and the press) in South Africa, however, important roles for regulation and public broadcasting would remain. Improving the operation of markets (what Viljoen named as the stimulation of competition), though desirable, will not be sufficient to achieve the mission for broadcasting in post-apartheid South Africa which the Task Group has defined.

Indeed, it is striking how few measures to foster free market competition are recommended by Viljoen. Hence the ownership of *M-Net* by the four big press groups (the *Argus*, *Nasionale Pers*, *Times Media* and *Perskor*) is unchallenged. This is because *M-Net* already fits the National Party's model of the 'free market' principles - a model that does not really

take full competition too seriously. Significantly, Tony Vosloo who heads *M-Net*, also heads up *Nasionale Pers*, the mouthpiece of the Cape National Party. Viljoen has called the comfortable *M-Net*/press monopoly arrangement 'an historical legacy' that cannot be tampered with (SABC-TV1: 9/10/91).

The crucial locus for broadcasting policy, (in a disaggregated system where programme production and signal transmission are separated from broadcasting/scheduling) is the broadcaster/scheduler. How are such organisations to be selected, how are they to be accountable to the public, and how can it be ensured that programming reflects and responds to the different needs and interests of audiences? On these crucial questions, Viljoen is virtually silent.

To be sure, such questions are very difficult to address in South Africa. Either a version of the German system of political accountability and pluralism (via a regionally based federal system and political accountability) or a version of the Dutch *verzuijing* or *pillarisation* (where broadcasting hours and revenues are allocated to broadcasting societies which are representative of the main interest groups in Dutch society) might have served South Africa well. However the linguistic divisions in South Africa make such models very hard to realise.

Broadcasting services must address language communities but, as *New Nation* (No 638:6) observed, Viljoen is silent on language policy. How South Africa's eleven languages will be accommodated in a future broadcasting order is an inescapable policy issue. Viljoen's silence on this matter is a further major deficiency in the Task Group's analysis.

Even with these shortcomings, the Task Group's report represents a major step forward in broadcasting policy. It voices laudable goals for broadcasting in post-apartheid South Africa. Ultimately, however, its proposals are conservative and amount to little more than fine tuning of the existing broadcasting system with a further tilt of the playing field to favour *M-Net*.

The tasks of devising institutional mechanisms to ensure that South Africa enjoys a pluralistic broadcasting system over which viewers and listeners, as consumers and citizens, exercise sovereignty, and which serves their different needs and interests, still remain. **IPWA**

Constitutional Issues

David Brown,
Department of Sociology, University of
Natal

'Language and ethnicity movements for Mill were merely vile passions, (and) were for Marx and many of his followers also vile figments, lies, and chimeras, objectively no more than mere by-products of more basic economic causes ...' (Joshua Fishman)

Karl Marx and John Stuart Mill, the original proponents of the two most significant contending ideologies of the twentieth century, would have found 'the vile passions and figments' of language and ethnicity to be inextricably bound up in the development of the South African state. Its very formation elicited passionate debate about language, and the current transition to a new order has brought the question of language to the fore once more.

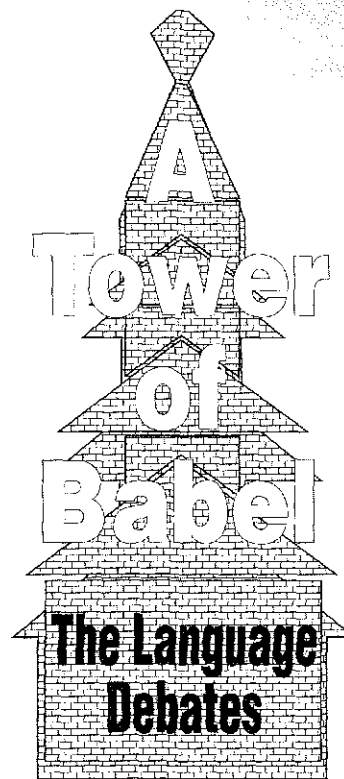
The constitution of the Union in South Africa in 1910 saw the entrenchment of two official languages, namely Dutch and English. This constitutional arrangement satisfied minimum demands and enabled a political settlement to take effect, which was to divide South Africa between British and Boer interests by an Act of the British Parliament.

The subsequent displacement of Dutch by Afrikaans, allowing a wider section of society to benefit from official language policy, was a milestone in the genesis of Afrikaner nationalism. This achievement for a 'creole' language flew in the face of a residue of British colonial hegemony and the rise of the English-speaking United States in the world economy. The triumph of Afrikaans was recognised worldwide as a victory for language rights, inspiring other ethnic and nationalist minorities from the Soviet Union to Belgium in the 1920s and 1930s.

Today, the only remaining entrenched clause in the South African constitution is the equal official status of the English and Afrikaans languages.

Several Acts of Parliament and regulations pertaining to language promote the official bilingual policy. Its implementation through education and certification, as well as carefully constructed bilingual criteria attached to employment, steadily became a key to social mobility in the South African bureaucracy. Legislation made the official languages important in a wider employment context as a control mechanism in the structuring of education and certification on racial and ethnic lines.

In essence, the effect of state language policy in South Africa has been to secure the social status of



whites and indirectly to advantage others who have one of the official languages as their home language. What started as a battle for language rights in 1910 has become a chauvinist policy of linguistic domination.

Clearly, education and employment practices which involve certification linked to language skills will have to be altered to provide a socially just order. Politically sensitive as it is, language policy will be a key issue in forthcoming constitutional negotiations in South Africa.

Is an end to the 'linguistic tyranny' possible?

Throughout Africa, the former colonial languages have played an important part in social stratification and social inequality. Linguistic assimilation continues to be a feature of the elite in contemporary African states, some thirty years after independence. Even in states with one official language, the penetration of the former colonial language is not sufficient to provide a means of communication for more than 20% of the population.

Although South Africa has been independent for much longer, political conditions seem to provide the basis for a similar trend here. English is often the popularly suggested *lingua franca* for South Africa as it becomes more powerful internationally; its usage is not spreading among the South African population at large, however. In fact, HSRC statistics suggest that 22 million South Africans will not be able to communicate in either English or Afrikaans by the year 2000. They represent a growing proportion of the population. This is a conundrum from which African societies cannot escape.

Linguistic Patchwork

Only a few African societies display the gross manifestations of language engineering which have occurred in South African political, social and educational contexts. A patchwork of policy exists. Politically, for instance, the establishment of the 'homelands' gave an official status to African languages, although these were effectively confined to the ethnic bureaucracies that these pseudo-states spawned.

Educationally, schools were divided rigidly on racial and linguistic lines (English and Afrikaans) in the white, Indian and coloured communities. In accordance with apartheid ideology, language was the cornerstone of the development of Bantu education in the 1950s (the very term 'Bantu' derived from the language policies pursued). It aimed (supposedly) at fostering the development of African languages for a more authentic learning environment than that provided by the Anglophone missionary-dominated schools and colleges.

Whilst paying lip-service to Africanisation in language policy, the contradictory tri-lingual policy - equal time given to each of the official languages as well as the mother tongue - was rigorously imposed under Bantu education. The three languages in themselves, without the medium of instruction issue, absorbed nearly 50 per cent of the time spent on subjects at school. It is a feature which remains in most Department of Education and Training (DET) schools to this day.

The medium of instruction policy, and the 1976 students' revolt to which it gave rise, is now engraved in the social history of South Africa as an example of how language can be used as a vehicle of oppression. In fact by 1976, the National Party had 'out-Heroded' many of Lord Milner's oppressive language policies towards the Boers at the turn of the century and, as a result, subjected black education to an increasingly irrational and hated policy.

What has happened to language policy in education since 1976?

Since the 1976 crisis, only minor reforms in language policy have been implemented in education, for example, the removal of Afrikaans as a medium of instruction. But it has been retained as a subject in most DET (African) schools.

Further reforms have come about by default. One such example is the current language education reform in the 'independent' TBVC homelands, where Afrikaans no longer has an official status and is, therefore, optional as a school subject. Another minor initiative within the DET allows greater flexibility for communities to decide at each school on the choice of a medium of instruction as well as at what stage it will be introduced.

Technically, Afrikaans at present is optional in the DET schools. For the most part, however, it is still taught in African schools throughout the country wherever the Department controls the schooling system. This situation is repeated in KwaZulu schools where a slight modification to allow students to discontinue Afrikaans after the third year of high school was introduced in 1991.

Barrier to Reform

State reforms have yet to suggest an appropriate language policy for developing an open schooling system. In the meantime, the system of compulsory bilingualism (English and Afrikaans) in white, coloured and Indian schools remains intact. This makes it difficult for these formerly segregated schools to redefine bilingualism, for instance, in terms of an African language *and* English.

The process of integration is thus rendered particularly difficult for African schoolchildren. Afrikaans is not in demand as a medium of instruction by African students. However, about 60 per cent of places in white schools and a substantial proportion of coloured schools in the Cape offer Afrikaans medium instruction only. In these instances, the language barrier makes a mockery of 'open school' reforms.

Minor adjustments at tertiary level have recently been made, for example, the announcement in October 1991 by University of the Western Cape that they would be moving away from Afrikaans as a medium of instruction to English to accommodate increasing numbers of African students. However, this affects only the very small minority of South Africa's population that enters university.

In general, however, very few moves are being made to introduce more dual medium schools, colleges or universities to accommodate the demands for English medium instruction from African students, as a way to resolve this problem. On the contrary, one Afrikaans school in the Western Cape that opened its doors to all races welcomed the opportunity to 'strengthen Afrikaner culture' - a strange step towards non-racialism.

Where there are conflicting demands for mediums of instruction in the rural areas (Afrikaans-speaking coloured pupils and African pupils), how is a transition to non-racial schools to be achieved but by means of dual medium schools and a new concept of 'bilingualism'?

In response to these and other issues of language policy in education, the National Educational Policy Initiative (NEPI), an offshoot of the National Education Crisis Committee (NECC) has set about creating a research initiative under the auspices of a language commission.

Table 1: The Home Languages of South Africa

	Number of speakers	Percentage of population
Official languages		
Afrikaans	6 188 981	15,66
English	3 432 042	8,68
Other languages		
Ndebele	799 216	2,02
Swazi	926 094	2,34
Zulu	8 541 173	21,61
Xhosa	6 891 358	17,44
Other languages		
North Sotho	3 437 971	8,70
South Sotho	2 652 590	6,71
Tswana	3 601 609	9,11
Venda	1 349 022	3,54
Zulu	763 247	1,93

SOURCE: LICCA: *Language Planning for a Post-Apartheid South Africa*.
 The First International LICCA Conference Information Booklet. University of
 Pretoria, March 1991.

Current Debates

The number of popular and academic conferences which have been held in recent years is an indication of how important the language issue has become in contemporary South Africa.

The *Taal en Stryd*/Language and Struggle conference held at the University of Natal (April 1989), sponsored by Die Suid Afrikaans, and largely backed by the Afrikaans Department at the University of the Western Cape, was the first of its kind. It covered the topics of language and education, language and the media, language and culture, language and labour, and language planning in South Africa.

Despite a broad attempt to deal with the language question, this inaugural conference ended up concentrating largely on the role of Afrikaans and its standardisation, perhaps sensitised by the policy changes in Namibia where English was made the sole official language after independence. Many delegates left feeling dissatisfied with the tenor of discussion and its obsessions with Afrikaans, to the exclusion of African languages.

The language question in South Africa was again debated at a conference held at the University of the Witwatersrand on 'Socio-linguistics in Africa' (January 1990). There was fruitful discussion in particular on the dilemma that state language policy has created for African teachers and African language instruction. The conference pointed to the serious lack of research on African languages and the sociolinguistic context of the African child who starts school.

The ANC too has held workshops with representative organisations inside South Africa and in Harare (March 1990), at which it began a long, as yet incomplete, process of formulating policy. The starting point of ANC policy formulation is enshrined in the Freedom Charter, which states that 'All people

shall have equal right to use their own languages and to develop their own folk culture'.

Guidelines issued by the ANC's Department of Political Education have stated that the language question needs to be resolved in such a way that social justice can become a reality for those disempowered in the past by the official language policy. A working document and formulation of a Bill of Rights has gone so far as to list the languages to be recognised and importantly to be given equal status. The languages of South Africa are listed as Ndebele, Sepedi, Sesotho, Siswati, Setswana, Afrikaans, English, Tsonga (Shangaan), Venda, Xhosa, Zulu.

During 1991 there were two more conferences of note on the language question. One was held in March by Languages in Conflict and Contact in Africa (LICCA), a project based at Pretoria University. It was attended by the ANC and a wide spectrum of opinion, but was dominated by conservative analysts.

At this conference, the HSRC's senior language researcher, Dr. Gerhard Schuring, announced a draft version of a new language policy for South Africa. It looks likely to form the basis of the National Party's negotiating position on the language question. The 'legalistic' draft policy he produced reads like a position document prepared for constitutional negotiations, with an outline of how the transition to the new policy would take place. It contains twelve essential proposals of which a synopsis is provided below:

- As with the ANC position, the language question is treated as a matter of fundamental rights with the State guaranteeing 'linguistic freedom and other fundamental language rights' (Proposal 1).
- The languages of South Africa to be afforded this protection are listed as Afrikaans, English, Northern Sotho, Southern Ndebele, Southern Sotho, Swati, Tsonga, Tswana, Venda, Xhosa and Zulu (Proposal 2). These languages shall be developed and promoted at all levels. (It should be noted that this list of languages differs from the ANC language list in definition and naming.)
- The official language or official languages at any level of government will be that language or those languages which had official status in the greater part of the geographically defined area of jurisdiction of that authority on the day before a new constitution came into force (Proposal 3).
- Any democratically elected authority (at any level, e.g. a local authority) may by a vote of more than 50% add one or more South African languages to the current official language or languages of that authority (Proposal 4), provided that English (or Afrikaans) must be added should English (or Afrikaans) not be one of the already recognised official languages (Proposal 5). No authority

should be permitted to designate more than three official languages (Proposal 6).

- Further, any democratically elected authority at any level of government may by 'consensus agreement' reduce its number of official languages to two (Proposal 7), provided that English (or Afrikaans) shall be one of the two remaining official languages (Proposal 8).
- Every person and authority has the right to address orally or in writing any authority at any level of government in any of the two or three languages of that authority and to receive a reply in the same official languages (Proposals 9 and 10).
- Any authority may use for official purposes its official languages and any one or more of the South African languages, with or without regulations which such authorities may promulgate for regulating the use, translation of the additional permissible languages (Proposal 11).
- Finally, all the above proposals would apply in domains in which language plays an important role in the society or where it requires regulation, e.g. translation of laws, education and the public media (Proposal 12).

Schuring argues that this language policy will allow for various combinations of language, e.g. English, Afrikaans and an African language; Afrikaans and English; English and an African language. The other implication he claims is that the present official status of African languages would extend beyond the 'homelands', where they presently enjoy official status, to the towns and cities. Another implication is that it allows Afrikaans to remain an official language of the central government and in most of the regional and local authorities. This last point, the protection of Afrikaans, will probably prove to be an attractive proposal from the point of view of the Nationalist Party.

A completely different orientation emerged at a later 1991 conference organised at the University of Cape Town by the National Language Project (NLP). The NLP's originator was Neville Alexander, an academic and activist. The conference theme was 'the harmonisation of Nguni and Sotho'. The NLP has long advocated, through its journal the *National Language Review*, the unification of all Nguni and Sotho 'dialects' into two languages, to undo what the missionaries allegedly did by separating what were essentially African language dialects into languages by creating different orthographies and spelling rules.

The NLP debate centres on the future of African languages which Alexander sees as in need of reform

and unification, a process described by Alexander as 'harmonisation'. Ironically one of the originators of this idea was the missionary linguist, Clement Doka in a report submitted to the National Council for Social Research in 1948. His proposals and those of Jacob Nhlapo, who put forward the idea of language unification in a pamphlet, *Bantu Babel*, in the 1940s form the basis of the present-day argument and discussion.

Constitutional Linkage

Clearly the fundamental feature of a new national language policy will turn on the role, development and status of African languages and the present status of Afrikaans. The role of African languages and official languages is a matter which spreads beyond the borders of South Africa, especially to the neighbouring states of Lesotho, Swaziland, Botswana, Namibia, Mozambique and Zimbabwe.

Considerable national sentiment is attached to language. The apparently small linguistic groupings in South Africa become substantially larger when one considers that the linguistic borders do not stop at the geographic borders of the South African state. Any policy towards languages which South Africa shares with these states (and there are many) needs to be co-ordinated.

To conclude, it is evident from conference and research agendas that the 'language question' remains open-ended for the moment. Facts and fantasies abound about the future of language policy, and it is difficult in the midst of some of the discussions to find reasonable contentions.

What is clearly emerging, however, is a desire for democratic participation in all aspects of decisions about future language policy. Another often expressed sentiment is that the ubiquitous dominance of Afrikaans at all levels must be redressed.

The range of language issues to be addressed in the future South Africa is extremely broad, ranging from the composition of language boards to the standardisation of languages. Ultimately, the scope of any new government to deal with the myriad questions relating to a new language policy - from language in the mining industry to the law courts and administration - will inevitably be linked to the way in which negotiations for a new constitution resolve the language question.

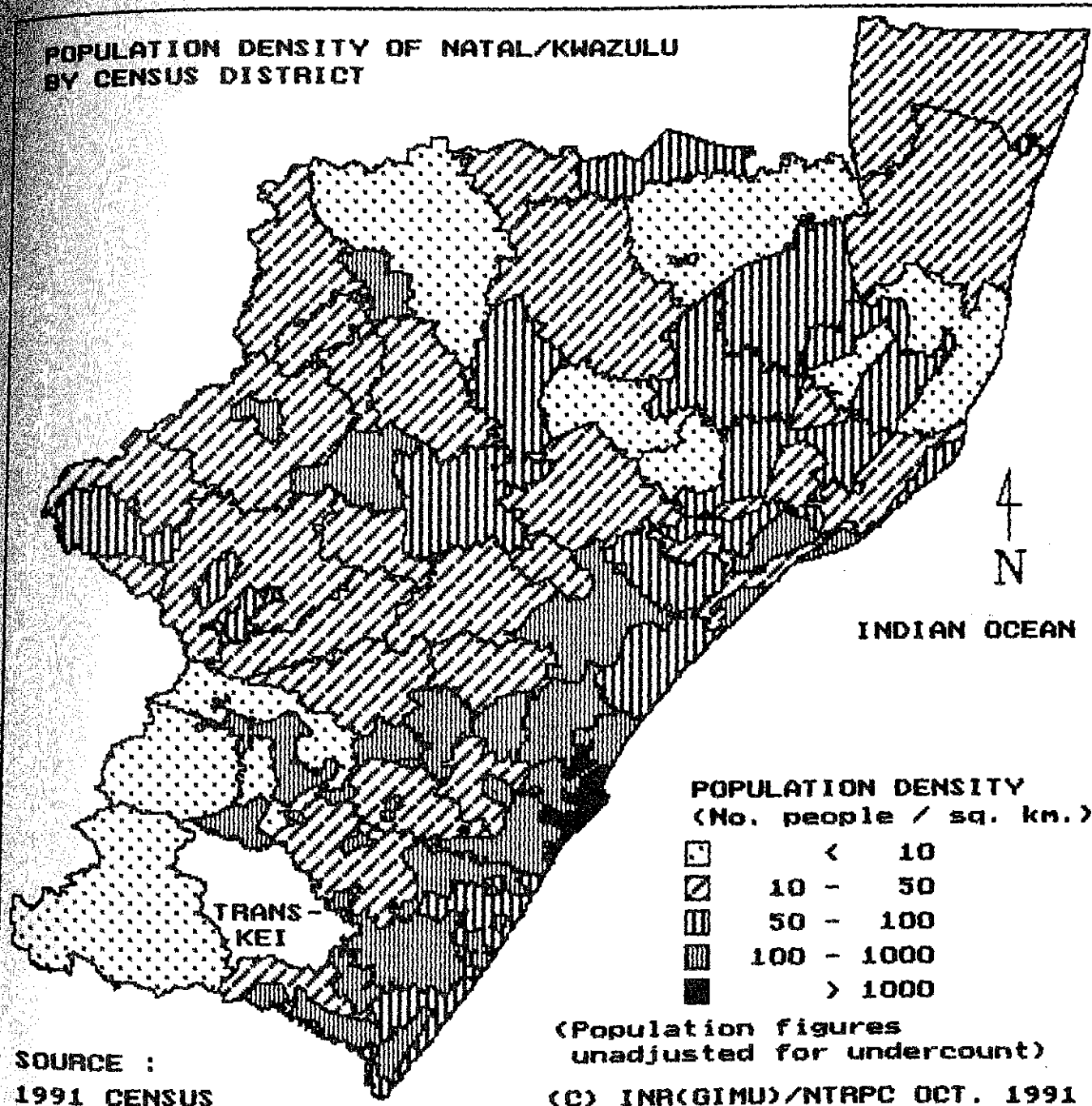
In this transitional period of ferment, the language question is likely to produce a resuscitation of those 'vile passions' about which even Marx and Mills reached consensus. **POA**

ECONOMIC

M O N I T O R

PROVISIONAL 1991 CENSUS RESULTS

POPULATION DENSITY OF NATAL/KWAZULU
BY CENSUS DISTRICT



SOURCE :
1991 CENSUS

DEMOGRAPHIC TRENDS IN NATAL/KWAZULU

- The population of KwaZulu increased by some 20% between 1985-1991, a growth rate similar to the other homelands and to the black population as a whole (By comparison, South Africa's total population grew by 13%).
- The population of the KwaZulu areas surrounding Durban has increased sharply, reflecting ongoing urbanisation (By comparison, the Durban magisterial district experienced a slight decline).
- The population of rural Natal has declined markedly, by 20% in some areas, with the exception of a slight growth in the belt from Camperdown to Estcourt.
- The population of Vukundlela (Pmb) decreased by some 18%, probably as a result of the high level of violence experienced in the area.

SOURCE: Dulcie Krige, HSRC Natal Regional Office. (Also see 1985/1991 comparative data on Urban Monitor cover:57.)

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

An extract from
AECI "TOWARDS 2002"

Sustained growth through diversification



Affirmative Action in Malaysia

Professor Bob Klitgaard, Harvard University,
Visiting Professor, Department of Economics, University of Natal

How well have affirmative action policies worked elsewhere? What might policymakers in a country like the USA or South Africa learn from the Malaysian case? A renowned international economist reports on a firsthand investigation into an option increasingly advocated in South Africa as compensation to overcome past disadvantages under apartheid. He is the author of numerous books on elitism and preferential policies in developing countries.

Looking around the globe, perhaps the most spectacular case of preferential treatment is Malaysia. In 1970 it adopted a 'New Economic Policy' (NEP) dedicated to allocating a greater share of economic growth to the majority Malay ethnic group. (Existing wealth was left alone; otherwise, it was felt that the minority Chinese and Indian populations would take their money and perhaps their skills elsewhere.) This remarkable range of preferential measures encompassed education, public and private employment, investment, and public trusts to buy companies on behalf of individual Malay investors.

Many other countries have adopted preferential treatment programmes to favour certain population groups over others. For example:

- In India the constitution and various state laws reserve places for 'backward castes and tribes' in higher education, the civil service, and the legislature.
- In Fiji nearly all the cultivable land has long been reserved for ethnic Fijians.
- In Indonesia public policy requires that at least a fifth of the shares in new companies must be held by *pribumis*, or non-Chinese Indonesians. The admission of Chinese students to universities is subject to a quota. In the allocation of subsidised credit, preference is given to non-Chinese.
- In Tanzania examination scores are adjusted so that students from different tribes are more evenly represented in school and university enrolment.
- Sri Lanka alters the scores on examinations taken in different languages, even in subjects like mathematics, so that the same percentages of Sinhalese as Tamils are admitted to university.

Closing the Gap

In Malaysia, the *bumiputera*, or sons of the soil, make up about 58% of the population of peninsular Malaysia's fifteen million inhabitants; most of them are ethnic Malays and Muslims. About 32% of peninsular Malaysians are of Chinese descent - virtually none Muslim - and about 10% had ancestors who came from India, mostly Tamils, mostly non-Muslims. Very little intermarriage has occurred across racial or religious divides.

Peninsular Malaysia - the largest part of the country, and the one from which most of the data below are drawn - was placed under 'indirect' British rule beginning in 1874. Tin mining and rubber plantations began to boom. Penniless Chinese and Indian labourers were imported - the Chinese for the mines, the Tamils for the rubber. Malays remained predominantly rural and agricultural, ruled by the British through the Malays' own hereditary, quasi-feudal leaders.

Over the years the British instituted a series of legal measures to protect the Malays from the 'more rigorous drive of the other ethnic groups,' in particular the Chinese. Preferential treatment was given to Malays in land ownership, education, and government service.

At independence in 1957, the constitution provided that Malays would receive preferential treatment in public employment, scholarships, and permits and licenses for business. It was decreed that at least half the land in each state be held perpetually under Malay ownership. The main reason for such preferences,

said the leader of the Malayan Chinese Association before independence, 'is the indisputable fact that as a race the Malays are economically backward and well behind the other races in this field . . . An economically depressed Malay community will never be able to achieve the desired degree of cooperation with the substantially more prosperous non-Malay communities' (Tun Tan Siew Sin, in Selvaratnam 1983).

But during the 1960s the historical economic gaps between the Chinese and the Malays remained. As the economy grew at a 5.7% pace from 1957 to 1970, Chinese incomes continued to average about double those of the Malays, and only part of this difference could be explained in regional or rural-urban terms. By 1969, Malays controlled only about 1% of limited companies (compared to about 33% by 'other Malays' and 62% by foreign interests).

In 1969 a series of violent racial incidents rocked the country. With the spectre of nearby Indonesia's racial slaughter of 1966 in mind, the Malay-dominated government decided to redouble its efforts to close the Malay-Chinese gaps. By 1971 the government instituted the 'New Economic Policy'. One of its two principal objectives was 'restructuring Malaysian society to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function'.

The new ethnic preferences were informed by beliefs about ethnic inequalities that would shock most Westerners - as they did some Malaysians. What the government calls 'racial differences' are discussed with surprising bluntness, not to say crudeness:

For the basis of the Malay claim to discrimination [that is, to preferential treatment] is not man-made law but inherent human behaviour. It has been pointed out that races are not only distinguished by colour, physiognomy, language and culture, but also by their character. Inherent racial character explains the rapid recovery of Germany and Japan after their defeat in World War II.

It explains why the Malays are rural and economically backward, and why the non-Malays are urban and economically advanced. It is the result of the clash of racial traits. They are easy-going and tolerant. The Chinese especially are hard-working and astute in business. When the two come into contact, the result was inevitable . . .

The Malay Dilemma (Times Books, 1970), the book from which these extracts are taken, was banned in Malaysia until its author, Mahathir bin Mohamad, became Prime Minister - a position he holds today.

Preferential Policies

Consider first *education*. The universities adopted for the first time informal racial quotas. Ethnic

preference in financial aid policies was expanded. The University of Malaya made Malay - officially renamed *bahasa Malaysia* or Malaysian language - its official language. New universities and technical colleges were founded to cater primarily to *bumiputera*; tertiary enrolment rose over 400% from 1970 to 1985.

In *employment*, the government pushed 'targets' of 40 to 50% for Malay employment in private firms. The public sector expanded its hiring of *bumiputera*. For example, the Malaysian Administrative and Diplomatic Service was legislated to require a 3:1 or 4:1 ratio of Malays to non-Malays in many top positions.

Perhaps most unusual were initiatives in the *ownership* of productive enterprises. The NEP target was that 30% of total business ownership should be in Malay hands by 1990. This evolved into the requirement that all new businesses had to have at least 30% Malay participation.

Remarkably, public trusts were set up that would own businesses on behalf of individual *bumiputera*. The National Corporation, for example, possesses for eventual distribution to *bumiputera* wholly owned subsidiaries in insurance, construction, engineering, securities, properties, and trading. It also has joint ventures in mining, hotels, containerisation, and other fields. The National Equity Company purchases interests in individual companies and sells shares to ethnic Malays on nearly risk-free, highly profitable terms.

Special efforts were made to help *bumiputera* businesses. New racial quotas were applied to public procurement. *Bank Bumiputera* was set up to give loans to ethnic Malays. Other organisations such as the Urban Development Authority, the Malaysian Industrial Finance Berhad, various State Economic Development Corporations, the Rural and Industrial Authority, and the Council of Trust for the Indigenous People (MARA) all had special programmes favouring *bumiputera*.

Malaysia is one of the few countries in the world that publishes ample data on such things as the ethnic distribution of income, jobs, and ownership. Government reports and private studies have taken stock of progress over the past twenty-one years.

What happened in *education*? In higher education enrolment gaps were closed rapidly. Indeed, the Malay share of enrollment at public universities increased rapidly from 43% in 1970 to 67% in 1972, which was above the percentage of Malays in the population. *Bumiputera* students remained under-represented in the sciences. This fact attributed to the superior examination scores of Chinese students and the relatively greater job opportunities for Chinese in technical employment, which is not as subject to ethnic quotas.

One unintended result of the shift in enrolment was an exodus of Chinese and Indian students abroad. By 1975 there were as many tertiary-level students abroad, mostly Chinese and Indians, as in Malaysia. By 1987 about 60% more students were abroad than in Malaysia. Within Malaysian universities both the academic preparation of students and quality of instruction are reported to have eroded. Graduates had trouble finding jobs. According to one estimate in 1987, 35 000 university graduates were unemployed, and more than nine-tenths were *bumiputera*.

What effects did the preferential programmes have on employment patterns? The percentage of Malays among citizens employed in 'administration and management' rose from 24% in 1970 to 32% in 1979, before dropping to about 28% in 1980, where it remained through 1988. As the number of all races who were 'registered professionals' such as architects, engineers, accountants, and lawyers doubled in the 1980s, the percentage of Malays among them rose from 15% to 25%. (The Chinese percentage fell from 63% to 58%.)

A recent review by two *bumiputera* economists (Salih and Yusaf, 1989) with the Malaysian Institute of Economic Research concludes:

Despite the increasing supply of Bumiputera professionals and skilled labour, they are still disproportionately represented in lower skilled categories. They made marginal advancements into the professional and technical occupations. The overwhelming percentage of Bumiputeras are still in agricultural occupations, and their share by the end of the decade, will remain at about three-quarters. Bumiputera representation in key occupations has not shown very rapid progress as by 1990 they are estimated to reach only about 46% compared to about 44% in 1980.

What were the results regarding the ownership of productive assets? Ownership by Malay individuals and trusts rose from 2.3% in 1969 to 20% in 1988. (See Figure 1.) This increase, though significant, fell short of the NEP's target of 30% by 1990. In absolute terms Malay ownership lagged far behind that of Chinese and Indians. For example, from 1971 to 1980 ownership by these 'other Malaysians' grew by about M\$8.3 bn, compared with a growth of about M\$3 bn

for total ownership by *bumiputera*.

What happened to the *income distribution*? As Figure 2 reveals, during the first ten years of the NEP the gap between Malay and Chinese incomes remained virtually unchanged. After that, there was some progress, especially during the recession of 1985-86. Some experts explain the closing of the gap during the recession in terms of the Malays' greater reliance on agriculture, which is less affected than commerce and industry by economic swings.

As in other countries where they have been studied, preferential policies tended to favor the already well-off segments of the *bumiputera* population. As a result, within the Malay ethnic group, the distribution of income became more unequal.

Educational quotas favoured well-to-do *bumiputera*. Malay students from families in the lower 63% of the income distribution received 14% of the university scholarships awarded to Malays, while Malay students whose families were in the top 17% of the income distribution received just over half. If one calls the top 5% of the *bumiputera* income distribution 'upper class' and the bottom 63% 'poor,' then for every one chance that a poor household has for being awarded a government scholarship, a rich household has 21 chances (Selvaratnam, 1988).

The Trade-Offs

Every country is different; 'lessons' in the simple sense are not in the cards. What examples from elsewhere can do is stimulate our own creativity in problem-solving. They may remind us of dimensions in a problem or a solution that we have forgotten. They encourage us to think harder about our objectives, about quantitative targets, about what in five or twenty years we would count as 'success' in overcoming ethnic inequalities.

One of the trade-offs involved in preferential programmes is between growth and redistribution. How did this trade-off play out in Malaysia? At first, there seemed to be virtually no economic cost to preferential treatment. During the 1970s, Malaysia's economy grew an average of 8% a year.

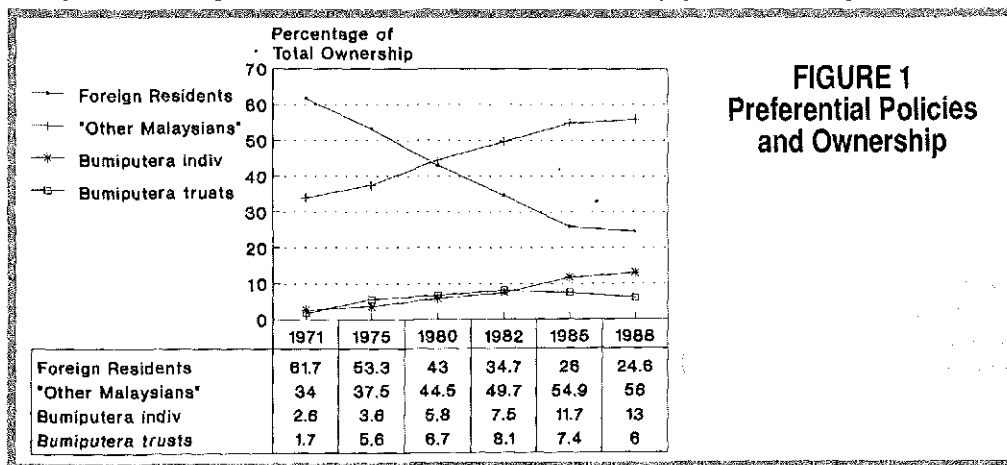


FIGURE 1
Preferential Policies
and Ownership

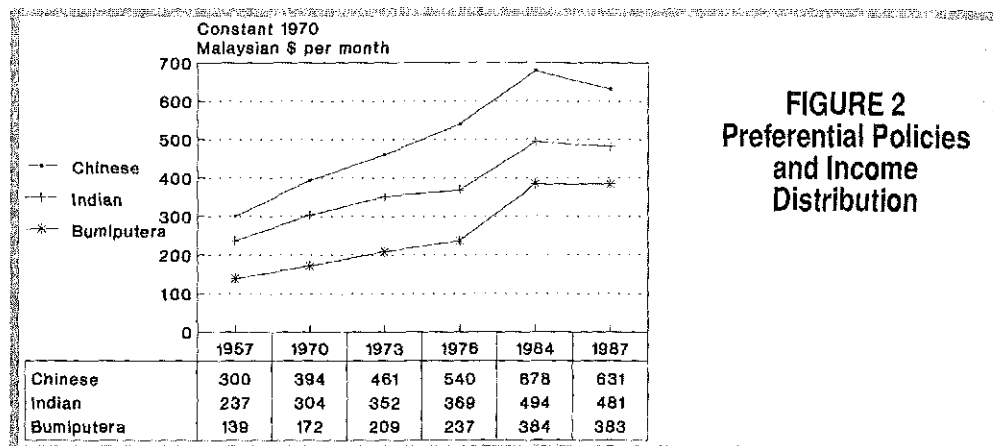


FIGURE 2
Preferential Policies
and Income
Distribution

But in the 1980s, as growth slowed, studies began to examine the economic costs of the New Economic Policy. 'Comparing the national economy to the other NICs, including Thailand,' the Malaysian economists Salih and Yusof (1989) recently observed, 'Malaysia indeed experienced a lower economic growth rate' over the past twenty years. Many factors were responsible, and it is hard to attribute the difference solely to the NEP.

One estimate by the World Bank was alarming. It estimated that the contribution of the so-called residual factor to national output fell from 28% in 1970-75 to 14% in 1975-80 to -21% in 1980-83. The residual factor is 'a measure of efficiency, innovation, technology and skills'. Another study using a different methodology calculated the residual factor for the whole period at between 17 and 20% - only one-third of the corresponding percentage in other Asian newly industrialised countries. 'This shows,' the study concluded, 'how much the problems of wastage, inefficient management, and shortcomings in skill and manpower, and technological development, need to be addressed under the post-1990 economic policy'.

Nonetheless, Salih and Yusof say, 'On the second issue whether Malaysia's economic growth over the two decades would have been better without the implementation of the NEP, the counter argument is that this is the price we are willing to pay in order to achieve better distribution of wealth and incomes, and political stability'.

Indeed, a balanced look at the Malaysian case has to go beyond educational and economic data. The threat of open ethnic conflict that seemed so real in 1970 has abated; there has been no civil war, as some had feared. Democracy has been preserved. When one compares Malaysia to other countries where ethnic conflict flared in the late 1960s, these are blessings.

In many senses, then, the Malay story is encouraging. But to many Malaysians, progress in overcoming ethnic inequalities has been disappointing. In 1989, the Malaysian Institute of Economic Research concluded that despite two decades of economic growth (averaging 6.1% per year) and despite all the preferential policies, economic inequalities between

Chinese and Malays had actually grown (*The Economist*, 11/03/89). This verdict exaggerates. But it is true that despite the world's foremost programme of preferences in favor of a majority group with political power, enormous ethnic inequalities remain.

The Malaysia case suggests that preferential programmes may be easier to implement when the economy is growing rapidly. Consider what happened when recession hit Malaysia in the mid-1980s. The Malay-dominated government cut back both public spending and preferential programmes. For example, in 1987 public spending was slashed from a planned M\$74bn to only M\$47.7bn. Government hiring was frozen; so, therefore, were those strong preferences for *bumiputera*.

As part of a policy of deregulation, the government relaxed rules about the restructuring of private enterprises to meet ethnic goals. Ethnic requirements involving foreign investment were eased. Government credit programmes for *bumiputera* were cut by 57%, and plans for equity acquisition and new investment on behalf of *bumiputera* ownership were reduced by 42%.

After twenty years of the New Economic Policy, one discerns a fundamental change. The government says that its future efforts to help *bumiputera* will turn toward such things as entrepreneurial training and will rely less on public subsidies and state-owned enterprise.

The problems of ethnic inequalities, states the 1989 *Mid-Term Review of the Fifth Malaysia Plan*, require 'new approaches and rethinking of strategies towards effective participation of Bumiputera in all economic activities. With continued regional disparities, growth in less-developed states will be promoted through better urban-rural linkages. The challenges ahead would entail policy shift [sic] that will nurture self-reliance, resourcefulness, and positive commitment among all Malaysians, particularly the lagging communities'. IDIA

Acknowledgement

This article is adapted from the author's new book, *Adjusting to Reality: Beyond "State vs. Market" in Economic Development*. ICS Press for International Centre for Economic Growth, 1991.

Economic Outlook

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

RETROSPECT

The current downswing in the South African economy has continued since the first quarter of 1989. Real Gross Domestic Product declined by almost 1% in 1990, and it is expected that it will decline by 0,5% in 1991. If the individual components of the Gross Domestic Product are considered, it is apparent that the downturn deepened in the first half of 1991.

For example, during the second quarter of 1991 real gross domestic expenditure decreased at an annualised rate of 3%. There was a sharp contraction in the consumption expenditure of households of durable and non-durable goods, arising mainly from the decline of real personal income. The rate of decrease in real expenditure on durable consumer goods accelerated from 2% in the first quarter of 1991 to 4,5% in the second quarter which adversely affected expenditures on furniture, household appliances and transport equipment.

Meanwhile, the rate of decrease in real gross domestic fixed investment increased dramatically to an annualised rate of 7,5% in the second quarter of 1991. The continued decline in real fixed capital formation was reflected in both the private and the public sectors of the economy.

The Reserve Bank attributes the decline in private business capital formation to political uncertainty, the low level of economic activity, civil unrest and poor management of labour relations. It is also likely that business postponed expenditures on capital goods until after the implementation of Value Added Tax on 1 October 1991. Real fixed investment in the public sector, in particular on the part of the public corporations, contracted at an annualised rate of 3,5% in the first quarter, followed by an even larger annualised contraction of 11% in the second quarter of 1991.

An exception to these alarming trends in investment expenditure was the stimulating effect of buoyant export performance in paper and printing, chemicals and base metals on investment expenditure. In the first quarter of 1991 real fixed investment in private manufacturing rose at an annualised rate of 5%, followed by an annualised increase of 3% in the second quarter.

Throughout the downswing, inventory investment

was negative. The decline in the ratio of industrial and commercial inventories to non-agricultural gross domestic product from an average of 25% in the early eighties to a present low of 18,5% reflects the degree of destocking which has occurred during the recession.

Real consumption expenditure by general government, on the other hand, rose substantially in the second quarter of 1991 (12% annualised). This expenditure was 5% higher in the twelve months ending in June 1991 than in the preceding twelve months. It bears reflecting on the basic Keynesian impact these increases would have had on the short-run growth rate and on what the state of the economy would have been without them.

The deepening of the recession was also reflected in decreases in non-agricultural employment of 2,4% and 2,6% annualised for the first two quarters of 1991. Adding to these decreases over 1990, employment on the part of public authorities decreased marginally by 0,1%.

Despite these trends in employment, nominal labour costs per worker continued to rise at high rates. The Reserve Bank reports that since the beginning of 1989, increases in labour remuneration have exceeded the growth in operating surpluses. These increases in labour remuneration during a recession have also resulted in increases in real unit labour costs of about 2% per annum over the past two years, thereby adding to cost-push inflationary pressures.

While the current account of the balance of payments has continued to register surpluses during 1991, the capital account has been characterised by volatility arising from fluctuations in the movement of short term capital. However, despite a net outflow of capital of R2,1 billion in the second quarter of 1991 net gold and foreign reserves only declined by R0,8 billion.

During 1991 the nominal and real effective exchange rates of the Rand have remained reasonably stable. From January to August 1991 the nominal effective exchange depreciated by 4,8%, while the real effective exchange rate of the Rand depreciated by 1,5% in the first six months of 1991. This trend has enabled the competitiveness of tradeable goods to be maintained.

THE SOCIAL CONTRACT

Over the next decade pressing demands will be made on the resources of the South African economy. Consistent demands will come from many different black constituencies for a substantial improvement in their access to government services, and expectations of wage growth will remain high. There will therefore be pressures for increases in the government share of Gross Domestic Product (GDP), for increases in the wage share of GDP, and for an increase in the proportion of public and private sector consumption in GDP. The potential threat of inflation will therefore remain great.

Alternatively, the imperative needs of the economy are for rapid growth of the GDP and of employment, and for these to be sustained, the export competitiveness of the economy must be sharpened and expanded. High levels of investment are needed to restore productive capacity. It has been shown that increases in wages above the rate of increase of labour productivity, and increases in the share of government in the economy will erode the potential for investment, export growth and long-term economic growth.

A debate has developed during the last twelve months over the merits of a social contract between capital, labour and state. It is argued that the negotiation of a national accord over the distribution of income and resources between business, workers and government

in the form of a social contract could resolve some of these conflicts by a process of compromise. Otherwise, the conflicts may become manifest in inflation and a balance of payments crisis.

The social contract would have to be negotiated around economic issues such as the level and composition of government expenditure, rates of increases of real wages and rates of return on capital. Procedures for the institutionalising of these conflicts over income distribution and employment would have to be specified in the social contract.

In the last year there have been embryonic initiatives which may in time pave the way to a social contract, e.g. the fleeting participation of the Congress of South African Trade Unions (COSATU) in the National Manpower Commission; the national peace accord; and the cooperation between the Coordinating Committee on VAT and the South African Police over the general strike against VAT in early November.

However, a full blown social contract will probably only be achieved in South Africa after years of consultation and negotiation. While a social contract would smooth the path towards economic reconstruction, at present the expectations of the different interest groups over the distribution of income are too great for a social contract to be formed.

ECONOMIC POLICY

Given the slow rate of growth which will be attained in an export-led upswing, the growth which is achieved will not absorb more than one-third of new entrants to the labour force. Questions have thus been posed about whether the South African economy should be 'kick-started' to a higher growth path. In the African National Congress' version, this takes place through a policy of demand redistribution. In other variants, inward industrialisation provides the impetus.

In the *demand redistribution* version of these policies, income redistribution to the poor is claimed to increase the relative demand for essential wage goods, which are seen as having a low import propensity and requiring labour intensive production. The pattern of aggregate demand therefore becomes more compatible with the factor endowment. Income redistribution to the poor will raise the demand for labour and the growth rate of income.

However, the evidence which has been assembled shows that these favourable results are not inevitable as the poor do not always consume relatively labour intensive services; and increased incomes of the rich may also increase the demand for agricultural

imports. The evidence also suggests that manufactured goods, including consumer durables, are not consumed exclusively at the higher levels of income distribution.

In the short run, large-scale redistribution which results in changing demand patterns will lead to sectoral imbalances, resulting in inflationary pressures and balance of payments problems. The degree to which labour can be substituted for capital is also likely to be lower in the short run than in the longer run. Thus even if there is change towards more labour intensive patterns of demand, a considerable time may have to elapse before these techniques of production can be adopted.

The extreme version of redistributive macro-economic policies which were followed in many Latin American economies have been termed '*macroeconomic populism*'. Government undertakes strongly expansionary macroeconomic policies to direct resources to the poor and take up unused capacity. Characteristics of the start of such policies are a rising government deficit, negative real interest rates, sharply increased real wages, and a strongly supported exchange rate.

The initial results of this approach seem promising as real wages rise sharply and employment increases. However, foreign reserves decline as the real exchange rate rises and imports increase rapidly while exports are severely disadvantaged. This situation is not sustainable in the longer run and inevitably, the current account deficit soars, inflation accelerates and growth is slowed. As a first response, direct controls on prices and the exchange rate usually follow.

Such programmes have usually terminated with severe balance of payments crises and large currency devaluations, reductions in government spending, and major decreases in real wages and employment. The typical causes of the failure of macroeconomic populism are a combination of expansionary macroeconomic policies and sluggish export growth. Advocates of this type of approach believed that a range of laudable welfare objectives could be met simply by increasing government spending, while ignoring the fact that increases in aggregate demand were outpacing the increase in output.

Furthermore, the role of the balance of payments with an overvalued exchange rate was ignored and these problems addressed by increasing state controls over the economy without consideration to the question of efficiency.

Some proposals favouring *inward industrialisation* as a strategy to reinvigorate the economy in South Africa appear to come alarmingly close to such macroeconomic populism. Others have been more circumspect, e.g. the SACOB version of a public housing programme which aims to provide training and employment subject to the condition that South Africa remain globally competitive.

Some government policy proposals also favour inward industrialisation arising from the stimulation of labour-intensive production from changes in the distribution of income and the forces of rising urbanisation, but also emphasise rural development, the improvement of productivity and international competitiveness. The ANC's Discussion document on Economic Policy also promotes housing programmes as a means to create jobs but states that a first priority is to ensure that adequate productive capacity should emerge to meet the demand for basic needs created by redistribution.

Inward industrialisation strategies of the type propounded for South Africa can be beneficial for creating employment and providing basic services such as housing. However, the objection to inward industrialisation as a strategy for promoting redistributive growth is that it can only be successful if it contributes in a gradual way to rising incomes and growth. A massive kick-start to the economy through rising government expenditures would result in macroeconomic populism - the results of which are now well known. Furthermore, even if stringent monetary policy were maintained interest rates would rise as the budget deficit increased, choking off investment and consumption with uncertain outcomes for employment.

As leading strategies for redistribution and growth all these populist routes appear condemned to early failure by the macroeconomic reality of having to equate aggregate demand with aggregate supply unless inflows of foreign capital become available to alleviate the supply constraint. Therefore these policies do not provide a solution to South Africa's intractable economic problem of increasing economic equity rapidly while sustaining growth in the long run.

PROSPECT

The International Monetary Fund predicts a strong revival in the growth of world output of 2,8% per annum in 1992 compared with a forecast of 0,9% for 1991. These predictions of higher growth reflect the benefits of lower oil prices and the easing of uncertainties in Eastern Europe.

In 1992 the volume of world trade is expected to grow at 5% per annum compared to a forecast of 0,6 per cent for 1991. The fall in the growth of world trade in 1991 resulted in non-oil commodity prices declining by 5,5%. With the improvement in the volume of world trade, the prices of all major commodities are expected to improve in 1992. However, any dramatic surge in the gold price to above US\$ 380 is not forecast for 1992.

With the upturn in the international business cycle in 1992, the demand for South African exports will increase now that the economy is essentially unimpeded by sanctions. Furthermore, the terms of trade will also improve as commodity prices rise on

international markets and middle-men are eliminated.

On the investment front, there is the prospect of positive growth rates of investment after years of decline. Inventories which have been run down will be replenished as the economy recovers, and where productive capacity has been run down it will be expanded to meet any increased demand, both domestic and foreign.

Investment which was postponed in the switch-over from GST to VAT should now come on line. There will also be some stimulation from increases in public sector expenditure in 1991 which will completely feed through the economy in 1992.

The forecasts for the South African economy for 1992 are therefore for growth in GDP of between 1 and 2,5% per annum with an inflation rate between 12 and 15%. If the inflation rate falls to the lower level of this forecast it is very likely that nominal interest rates will also decline. **IP/A**

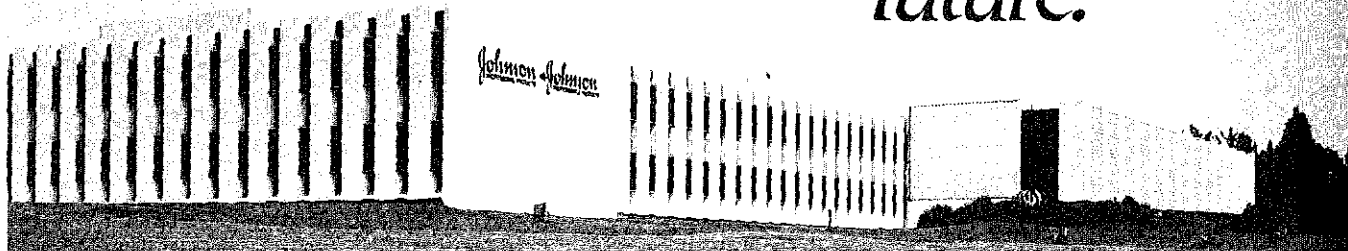


Through our wide range of products we serve farming, shipping and industry. Through our resources we serve education, culture and numerous charities. Oh yes, and through our pumps we serve petrol. Mobil, serving the needs of the nation.

Mobil
With us you are Number One.

DM&M C-2353

Looking forward to the future.



We at Johnson & Johnson prefer to take a long term view of things with an optimism borne of a sound reputation. A reputation based on superior levels of customer service and backed by personnel whose attention to product is equally uncompromising.

By constantly reassessing, developing and setting higher standards, we aim to continue to provide hospitals and their allied professions with an even more comprehensive range of professional products, serviced by our own specialized divisions: Critikon. Ethicon. And Surgikos.

Look out for Johnson & Johnson. You'll discover a company setting new standards. Now. And in the future.

Johnson & Johnson
PROFESSIONAL PRODUCTS
P.O. Box 273
Hallway House 1685
PROFESIONELLE PRODUKTE
New Road, Halfway
House. Tel 805-2110

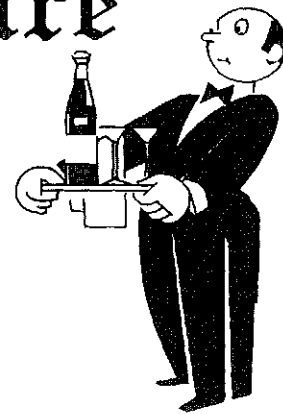
Helping the hands that heal.

643

Selling the Silverware



The Privatisation Debates



... to pay
the butler

Andrew Smith, Department of Economics, and
Hans-Jurgen Oschadleus, Department of History,
University of Natal

Could privatisation revenues be used to eradicate inequalities in the post-apartheid economy? Following foreign trends and a White Paper (1987), the South African government committed itself to a programme of privatisation of state enterprises. The policy appears to have been placed on the back-burner, however, during the transitional phase of political negotiations. The co-authors of this essay speculate on the wisdom of IMF policy prescriptions elsewhere and the virtues of privatisation in South Africa.

Privatisation endeavours to alter the structural relationship between the state and the private sector through a transfer of property rights. This normally involves the transfer of ownership title and/or use of public assets. Motivated by profit, privatised firms are expected to enjoy greater flexibility and an ability to respond more effectively to prevailing market conditions. Privatisation pundits claim that these effects culminate in increased economic efficiency and rapid economic growth.

No single blueprint exists purporting to describe the privatisation process; privatisation programmes have been implemented in several countries but in each case assumed a different form. Privatisation usually consists of three elements:

□ *denationalisation of public assets*

The sale of public corporations results in a transfer of ownership from the state to the private sector. Denationalisation can occur in many different ways, ranging from the one-off auction of the public asset to the sale of equity in the public corporation. Denationalisation does not necessarily imply the complete transfer of ownership.

Government could maintain an ownership interest by becoming a shareholder, for instance.

Foreign experience, and its local implementation to date, suggest that denationalisation is the most important source of privatisation revenue.

□ *deregulation with denationalisation*

Altering the ownership and control structure of bureaucratic state corporations through denationalisation would prove futile if the institutional framework within which privatised firms operate were to restrict their mobility and effectiveness.

□ *contracting out goods and services*

Privatisation does not necessarily imply a transfer of ownership. Based on the most favourable tender, the state could either subcontract the production of certain public goods and services to private assets, for instance, to the British National Health Service; or lease public assets to private initiative, as is the case with the French water works. The *fiscus* would benefit either by having new sources of taxation or from the rent earned from the lease of publically-owned assets.

Good government requires that privatisation revenues are not reallocated in any manner which reduces the national capital stock

A democratically elected government is entrusted with the power to govern. This trust is not given freely, however, and government must be held accountable to its citizens.

Any government has a moral obligation to preserve and enhance the country's capital stock. Using resources in any manner which decreases the national capital stock cannot be tolerated since this compromises the country's ability to create wealth. In other words, good government requires that privatisation revenues are not reallocated in any manner which reduces the national capital stock.

Consequently, before a policy commitment to privatisation is made, analysts must first ascertain who (private capital or the state) displays the greater propensity to allocate revenues raised from privatisation towards primary investment. If the private sector would have otherwise allocated a greater proportion of these funds to primary investment, then privatisation would be inappropriate due to its misallocative implications.

When considering this allocative criteria, it is important to distinguish privatisation revenues from other sources of government funding. Two major sources are normally available to fund government. First, revenues can be raised through some mix of direct and indirect taxation levied on the economy. Second, the state can borrow either through an issue of domestic marketable and non-marketable securities or by raising foreign loans.

The difference between taxation revenue, foreign loans and privatisation revenues is quite clear. Funds raised via privatisation stem from the sale of public assets. The distinction between privatisation receipts and domestic borrowing from the sale of government bonds is less clear. Both a bond issue and privatisation involve the sale of an asset; in the former instance, an intangible money asset with its redemption date and coupon value; in the latter instance, a tangible asset sold through an equity issue. A further similarity is that both the sale of these assets have certain ownership and control implications.

The crucial difference is that denationalised assets are not sold with a view to their being bought back at some later date as in the case of a bond issue. Consequently, privatisation cannot be regarded as another source of borrowing.

IMF Prescriptions

A common use for denationalisation revenues has been to reduce national public debt. Assuming that the denationalised corporation is not sold for less than its market value, using privatisation receipts to offset this debt would not compromise the national capital stock.

As part of its attempt to curb inflation, the Thatcher Government argued that denationalisation revenues would ease upward pressure on monetary targets by reducing its public sector borrowing requirement (PSBR). Cuts in PSBR were achieved in two ways. First, the direct flow of funds received from the transfer of asset ownership reduced the PSBR immediately. Second, former public corporations no longer borrowed directly from government but had to compete directly against the private sector for external sources of debt finance.

Several examples exist of monetary authorities making similar policy prescriptions. The IMF and World Bank have increasingly laid down the precondition that debtor nations liberalise their economies before qualifying for loan finance. Besides requiring debtor nations to make structural changes to tax systems, exchange rates and trade policy, these liberalisation conditions have also included the implementation of privatisation strategies.

Revenues obtained from denationalisation were earmarked by these monetary authorities to offset their burgeoning debt. These conditions applied, amongst others, to Mexico, Poland, Mali, the Philippines, Mauritania and Zambia. With the Western world's attention focused on the collapse of Eastern European centrally planned economies, it is unlikely that international banks will extend development finance to post-apartheid South Africa if the future government significantly increases its stake in the economy.

There exists a great temptation for governments to use privatisation revenues to fund current expenditure which does not necessarily add to or preserve the national capital stock. Although favouring public ownership, the British Labour Government (1976) sold large holdings of its British Petroleum stock to avoid budgetary cuts as required under the conditions of an IMF loan. The use of these revenues allowed the Labour Party to implement certain campaign promises without increasing the

Using privatisation receipts to offset national public debt would not compromise the national capital stock

burden on its electorate, thereby avoiding a loss of political face.

These revenues simply funded current expenditure, reduced Britain's propensity to save or add to new investment, thereby eroding Britain's growth potential. Allocating privatisation revenues in this manner amounted to no more than selling the national silverware to pay the butler. A responsible government must therefore ensure that privatisation revenues are not used in any manner which compromises the national capital stock.

If the next South African government commits itself to privatisation, it must ensure that it allocates a greater share of these revenues to primary investment than the private sector would have.

Routes to Redistribute

It is within the context of a weak economy that redistribution must be facilitated and past imbalances reversed. Initial claims by the ANC and its allies argued that redistribution itself would act as the best stimulus to the economy. Due to the enormity of the economic injustices caused by apartheid, however, redistributing existing wealth could never fully compensate or rectify existing inequalities. McGrath (1990) estimates that full reparation would cost approximately R2 500 billion or 11 times the 1989 level of GDP.

New wealth must be created and equitably redistributed. Most political commentators now concede that, if meaningfully applied, redistribution through growth will best alleviate racial imbalances. Privatisation revenues can be used to assist in putting the South African economy on a high growth path and used to facilitate meaningful redistribution. Three applications for these revenues can be considered which may improve the national capital stock:

□ *funding the growth engine*

Since the 1924 PACT Government, economic growth in South Africa has been initiated by policies based primarily on import replacement. However, it has been generally agreed that the 'easy limits' for further replacement-led growth have been reached (see Archer, 1987 and McCarthy, 1988). Assuming this to be correct, further growth through this approach would be wasteful. Other options to ignite the growth engine must therefore be considered.

Table 1: Public Debt Outstanding & Disbursed of Selected Upper-Middle Income Countries as a Percentage of GNP (1)

	1988
Gabon	65,6
Argentina	57,0
Hungary	54,9
Algeria	46,6
Trinidad and Tobago	43,2
Venezuela	41,1
Uruguay	38,7
South Africa	35,6
Yugoslavia	28,0
Republic of Korea	12,6

SOURCE: World Bank (1990) and SA Reserve Bank (1990)

FOOTNOTE:

1 All figures except South Africa comprise foreign borrowings. The South African figure includes both domestic and foreign borrowings.

The two alternatives receiving most attention are those policies of inward industrialisation and export-led growth. Privatisation revenues could play a significant role in promoting either option. Griffiths (1987: p29) estimates the value of public assets in South Africa to be in excess of R250 billion (this estimate relates to Gross Asset Value and excludes Post and Telecommunications, Water Affairs, nature reserves, and the industrial infrastructures of the TBVC and the other homelands). Whilst not all of these assets make suitable privatisation candidates, this represents an important source which can fund either strategy.

Due to the large volume of potential funds which privatisation could realise, the construction lead sector of inward industrialisation could be given the large stimulus it requires. These funds would add to the capital stock directly by providing the low-interest loan finance required to develop the construction lead sector, or indirectly, by underwriting other sources of mortgage finance.

Alternatively, if export-led growth is favoured, privatisation revenues could be used to encourage local products to carve a market niche for themselves on world markets. Government could use these funds as low interest development finance or risk/venture capital to enhance the capital stock of targeted industries.

□ *eradicating supply-side constraints*

For more than four decades, discriminatory apartheid policies have restricted the economic development of black people. The effects of 'bantus' education, gross disparities in the provision of health, housing and other social infrastructures,

Privatisation revenues can be used to assist in putting the economy on a high growth path and used to facilitate meaningful redistribution

Sustainable economic growth and meaningful redistribution require the rapid mobilisation of development funds

coupled with a host of institutional control mechanisms, have led to the racially motivated job and wage discrimination which characterises the South African labour market today.

Whilst the repeal of all forms of racially prejudiced legislation from the statute books addresses part of the problem, it is not sufficient. Specific attention must be given to removing the supply-side inequalities which have prevented blacks from acquiring the necessary skills to compete on an equal footing with their white counterparts. These supply-side constraints not only have immediate distributional implications but constrain the future growth potential of the post-apartheid economy.

The R2 billion earmarked by the government to reverse backlogs in the black communities in its previous fiscal budget, and its recent commitment of a further R1 billion to be generated from the sale of strategic oil supplies, fall far short of what is required and expected if the economic ills of apartheid are to be eliminated. Privatisation revenues constitute an important source of finance which could be channelled towards correcting these supply side constraints.

□ *circumventing debt constraint*

As Table 1 suggests, South Africa's debt ratio remains favourable when compared against other upper-middle income countries and suggests that the economy has not over-borrowed. However, this situation could easily deteriorate.

Due to the enormity of the task at hand, sustainable economic growth and meaningful redistribution in South Africa require the rapid mobilisation of development funds. Heavy use of credit and capital markets could quickly lead to a deterioration of the favourable debt structure and expose the post-apartheid economy to the problems normally associated with high indebtedness - inflation, a balance of payments crisis and sluggish or real negative economic growth.

Whilst not all public assets make suitable privatisation candidates, the large amounts which privatisation can raise would circumvent large-scale borrowing. Besides, taking these liberalisation steps is likely to make world banking authorities and development agencies more receptive to considering future loan applications.

The large amounts which privatisation can raise would circumvent large-scale borrowing and high indebtedness

Substituting privatisation revenues for loan finance has a further benefit for the fiscus. A lower borrowing requirement reduces the burden which would otherwise be placed on tax revenues to service this debt. Furthermore, utilising privatisation revenues releases fiscus funds which could facilitate redistribution through public works programmes and the increased provision of health, education and housing.

Liberalising Market Forces

The reversal of apartheid-induced inequalities requires a large-scale redistribution programme. It is clear, however, that South Africa's existing wealth is insufficient to meet the demand, making economic growth an essential component of redistribution.

Using privatisation to liberalise stifled market forces could assist in stimulating the necessary rapid economic growth. Not only would it stimulate foreign investment and encourage international loan finance, but large revenues would be placed at the disposal of the state. This rapid mobilisation of funds could facilitate redistribution and promote further economic growth.

In accepting a policy of privatisation it is vital to bear in mind the need for continued economic growth: any actions which would compromise South Africa's national capital stock, thereby retarding future growth capabilities, would be akin to selling the silverware to pay the butler. Any short-term benefits of such a policy would be offset by its disastrous long-term consequences. Privatisation revenues must be reallocated in such a way that meaningful redistribution and economic growth can occur. **POA**

BIBLIOGRAPHY

- Archer S. 'South African Industrial Experience in Perspective', in *Social Dynamics* Vol13/No1, 1987.
- Fraser R. *Privatisation: The UK Experience and International Trends*. London: Longman, 1988.
- Griffiths NR. 'The Identification and Value Assessment of State Assets', in McGregor's *Privatisation in South Africa*. Cape Town: Juta and Company, 1987.
- Kay J. C. Mayer and D. Thompson. *Privatisation and Regulation: The UK Experience*. Oxford: Clarendon Press, 1986.
- McCarthy C.L. 'Structural Development of South African Manufacturing', in *South African Journal of Economics*, March 1983.
- McGrath MD. 'Economic Choices for Post-Apartheid South Africa', inaugural lecture delivered at the University of Natal, Pietermaritzburg, 1990.
- Vickers J and G. Yarrow. *Privatisation: An Economic Analysis*. Cambridge Mass: MIT Press, 1988.
- White Paper on Privatisation and Deregulation in the Republic of South Africa. Pretoria: WPG 87, Government Printer.

RURAL & REGIONAL

M O N I T O R

CONFLICT TRENDS: JANUARY TO SEPTEMBER 1991

Compiled by Antoinette Louw, Conflict Trends in Natal, a joint CSDS/Indicator SA project

FIGURE 1
Fatalities in Political Violence

Sources: Black Sash Repression Monitoring Group, CAE - UNP, Human Rights Commission

Note: October figures are provisional

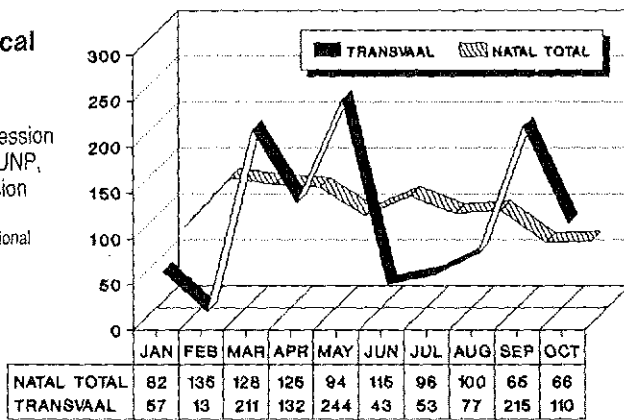


FIGURE 2
Incidence of Collective Action in Rural and Urban Natal/KwaZulu

N = 727

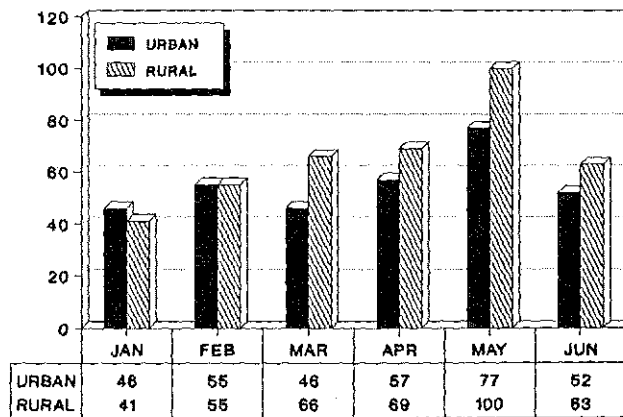
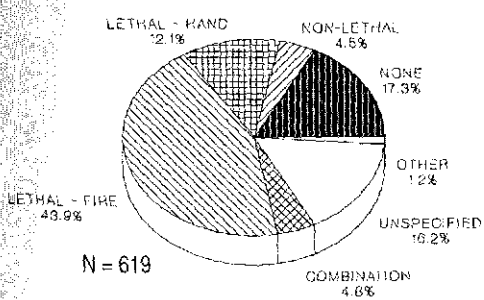
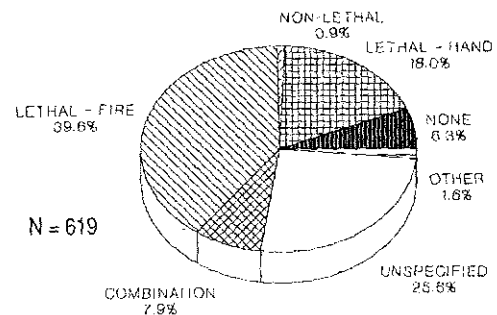


FIGURE 3: Percentage of Events where Weapon Types used



N = 619

FIGURE 4: Percentage Events in which people killed by various weapons



N = 619


LEGEND

NON-LETHAL are weapons not designed for killing/injuring e.g. stones, bottles, sticks

LETHAL HAND weapons include knives, pangas, spears, sharpened sticks

LETHAL FIRE weapons include guns, grenades and petrol-bombs

OTHER includes necklacing and cases in which only petrol bombs are used



**Development
Southern
Africa**


Development Southern Africa is a quarterly journal published by the Development Bank of Southern Africa. The main aim of the journal is to promote research and discussion on development issues relating to Southern Africa. Contributions include articles on all fields related to development, with the emphasis on the reporting of original research, as well as viewpoints, conference and book reviews, and research notes.

Subscription rates:

- For subscribers in Southern Africa
R20 per annum (including postage)
- For subscribers outside Southern Africa
US\$20 per annum (including surface postage)

To subscribe, please send your payment to:

Co-ordinating Editor
Development Southern Africa
PO Box 1234
Halfway House, 1685
South Africa
Tel: (011) 313-3911





WOOLTRU

committed to
the Future of South Africa.

WOOLWORTHS TRUWORTHS TOPICS makro

OLD MUTUAL
A PROUD TRACK RECORD.


**Thinking ahead
for the benefit
of all our
members.**



**OLD
MUTUAL**

YOUR ANCHOR IN LIFE
ESTABLISHED 1845.

**Client funds under management
exceed R55 billion.**



**STARCKE
ASSOCIATES**

The econo-political
resource.

PO Box 87094 Houghton 2041 Johannesburg
South Africa
Telephone (011) 646-9370

MONITORING CONFLICT IN NATAL

Antoinette Louw, Indicator SA Researcher,
Centre for Social & Development Studies, University of Natal

What makes people resort to collective action? The aim of a joint CSDS-HSRC-Indicator SA project launched in January 1991 is to find possible explanations for the patterns of collective action in Natal between 1986-1991. By comparing conflict data with broad socio-economic indicators, macro-level conflict trends can be identified within South African society. The data and analysis will be release as it becomes available in forthcoming issues of Indicator SA. A preliminary survey of a six month period in 1991 follows.

In our method of monitoring conflict the primary unit of analysis is the actual event. All events which involve two or more participants, and occur in public are recorded. This includes public meetings, boycotts, stayaways and in some cases, funerals. Events such as these, which are often non-violent, are referred to as *protest events*, while those which are characterised by physical force and covert violence such as intimidation, are called *conflict events*.

Data is obtained from newspapers and monitoring groups. Of these secondary sources, most of the information for this report was obtained from the *Natal Witness*, (28%) and the *Black Sash Repression Monitoring Group* (27%). Other newspapers used include the *Natal Mercury*, *Daily News*, *New African* and the *Sunday Tribune*. The newspaper clipping bank at the Indicator Project South Africa was an important source for the researchers. The Inkatha Institute and Maurice Webb Race Relations Unit also made small contributions.

For a project of this scope which intends to examine historical trends over a five year period up to the present, data is most reliably obtained from secondary sources. Methodologically, however, these sources are problematic. Not only is there a certain degree of bias in all such information, but under-reporting by newspapers limits the significance of the data, given that the project focuses on capturing detail.

Thus attempts are being made to use data from all monitoring groups to supplement the press reports and cover all the possible information sources. The choice of this methodology for the study of conflict has also been criticised. Interpretation of events occurs not only by those reporting them, but also by the researcher who converts raw

data into a quantifiable form. This is an unavoidable process in a project of this size, and consequently emphasis is placed on interpreting events consistently.

Data from the whole of Natal is recorded at the local and the district levels on the basis of census districts. The province is further subdivided into five areas surrounding Durban:

- *North* ranges from Ingwavuma in a wide band along the coast to Ndwedwe.
- *Interior* includes the rest of Natal west of the northern strip, with New Hanover being the southern most district.
- *Pietermaritzburg - Midlands* includes the town itself and the districts of Camperdown, Mpumalanga, Richmond and Hlanganani.
- *Durban* includes Pinetown, Umlazi, KwaMashu, Inanda, Ntuzuma and Durban.
- *South* includes the southern tip of Natal, and Mount Currie in the west.

□ *spatial distribution*

For the purposes of this preliminary survey, a total of 727 events were recorded in the six month period between 1 January to 30 June 1991. Of these the majority (30,7%) occurred in the Pmb/Midlands area, followed closely by Durban. This is probably due to the inclusion of Richmond in the Pmb/Midlands category, as 9% of events throughout the whole of Natal took place in this small area (see following case study:46-49). In comparison, the Durban census district accounts for 10,5% of all events.

The protest/conflict distinction supports this distribution. Of all events recorded, 85% were *conflict events*, most of which occurred in the Pmb/Midlands area. At the local level, Ndaleni in Richmond experienced the highest levels of violence

There are no signs that the Peace Accord between Inkatha and the ANC signed on 29 January 1991 has had any short-term effect at the ground level

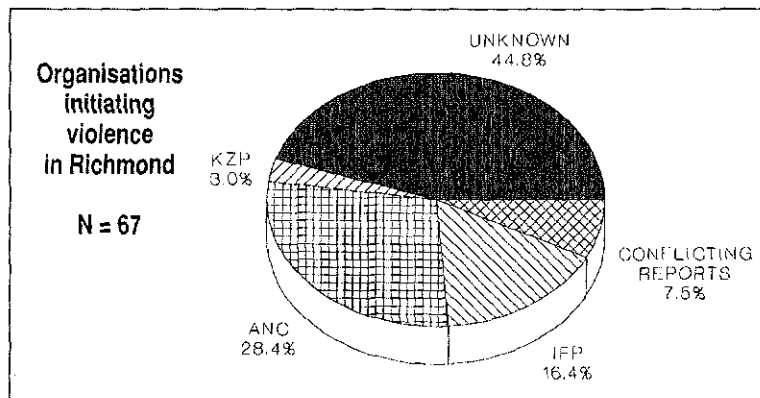
During the first six months of 1991, 683 people were killed and 628 were injured in conflict throughout Natal

in Natal (7%), with KwaMashu, a huge township in comparison, accounting for 6% of the violence only.

▣ **distribution by month**

The level of collective action, in both protest and conflict events, increased gradually over this period, peaking in May, when 24% of events took place. There are no signs that the Peace Accord between Inkatha and the ANC signed on 29 January 1991 had any short-term effect at the ground level, as the incidence of violence increased steadily between February and May. Figure 1 (see data base on cover:41) shows fatality trends by month over a longer period in 1991.

The focal point of the violence shifted away from Durban in February, to the Richmond and Port Shepstone areas, where most of the conflict occurred over the remaining five months of the survey period. Violence levels in the Interior, although accounting for only 6% of all conflict events, follow this pattern. The proportion of unrest incidents here increased from a low of 2% in February to 44% in June, as violence erupted in Bruntville, Mooi River and Enhlabakhe in Greytown. Figure 2 (see data base on cover:41) provides an urban/rural breakdown of conflict trends.



▣ **type of collective action**

The majority of (non-violent) protest actions took the form of meetings, rallies and picketing, while boycotts (education and rent) accounted for only 6% of all protest events. In 8% of protest action, community members were intimidated and harassed by the participants. This is surely an under-estimate, as intimidation of this sort is rarely reported.

Predictably, the two major political groups in Natal were allegedly responsible for organising most protest action. The ANC accounted for 24% of events, and the IFP for 15%. The group most often targeted was central government (40% of the time).

The ANC, interestingly, was the subject of 10% of protest action, which indicates the extent to which meetings, rallies, etc were used as a public platform from which to criticise the group. Furthermore, 12% of the reported reasons for holding the protest action were to consolidate and promote party-political aims.

In the case of (violent) conflict actions, such as the frequent small-scale attacks in which people are killed, very little is known. The limitation of using secondary sources is obvious here, and characterises much of the press reporting. Information regarding which organisations are responsible for initiating violence is sparse, and the names of specific perpetrators were mentioned in only 35% of all violent events.

Intimidation and harassment, attacks on vehicles and low-intensity acts such as the burning of houses by small groups occurred regularly. In most cases the victims of violence cannot be identified as belonging to a specific political group. Slightly more attacks were aimed at the ANC (12.5%), while in 8% of incidents the IFP was targeted. In 20% of cases, communities as a whole were targeted, usually through attacks on houses and property.

Half of all violent events which occurred during the survey period remain unexplained. In only 8.6% of cases is the cause of conflict reported as an IFP-ANC clash. In 13% of incidents specific groups were the target of the attacks but the assailants could not be identified. Revenge attacks contributed 7% to the total.

▣ **deaths and injuries**

During the first six months of 1991, 683 people were killed and 628 were injured in conflict in the whole region. The fact that more people were reported killed than injured indicates the intensity of the conflict, and that the aim of most attacks is to kill victims. It is also likely, however, that injuries are not reported as regularly as deaths, and that people do not draw injuries to the attention of the police and press.

One half of all recorded conflict events led to fatalities. The majority of these deaths (31%) occurred in the southern area, while most of the 33% of cases in which people were injured took place in Pmb/Midlands. A trend in the southern area of interest is that of the 151 violent events which happened here, 65% of these involved deaths. For all the other areas, the reverse is true: the majority of conflict events were characterised by an absence of deaths.

Following the increase in protest and conflict events over the six month period, the proportion of incidents in which deaths occurred also increased gradually from January to May.

□ use of weapons

Of seven categories of weapons identified, two need clarification for the purposes of this survey. Lethal *hand* weapons refer to knives, pangas, spears and sharpened sticks, while lethal *fire* weapons include guns, rifles, firebombs and grenades.

Figures 3 and 4 (see cover:41) show clearly that of all weapons, lethal *fire* weapons were used the most, and that in 40% of incidents involving deaths the same types of weapons were used. (It is worth noting that in one quarter of such incidents, the weapon-type used was not specified.)

Although lethal *hand* weapons were used in only 12% of incidents, in 76% of these cases their use caused deaths, compared to 46% of the cases where *fire* weapons were used.

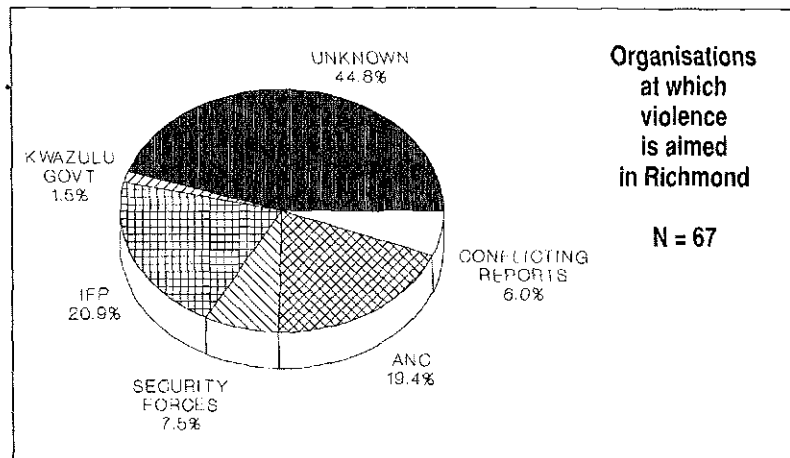
The results show that of the 44% of cases in which lethal *fire* weapons were used, most of these incidents (43%) occurred in Pmb, while most of the incidents involving lethal *hand* weapons (39%) occurred in the southern area. The data also shows that the rural areas make extensive use of lethal *fire* weapons; 68% in the *Interior*, 39% in the *North* and 30,5% in the *South*. The proportion of incidents where *fire* weapons are used in the rural areas compares with the Greater Durban area, for example, where in 32% of incidents, lethal *fire* weapons were used.

□ security force activity

The most important feature of security force activity is that they were absent in most cases of collective action (74%). It is significant, therefore, that in 10% of conflict events, police action served to intensify conflict.

Police involvement took the form *inter alia* of alleged aid to attackers, direct physical action against people and raids on houses. The second most common forms of police action involved police simply observing the event, or using firearms and teargas for the purposes of enforcing law and order or self-protection. They responded in this fashion in 5% of violent events. Thirty one people were killed by security forces.

Given that the police were rarely present, it is not surprising that 83% of deaths occurred in their absence. That the security



force presence has a marked effect on conflict is further demonstrated by the fact that 67% of incidents which occurred in the presence of police were without deaths.

The majority of events were attended to by the SAP, followed by the KwaZulu Police (KZP). A breakdown of actions taken by the various security force members shows that KZP activity was aggravating and negative in 55% of events at which they were present. The same was true of events in which the SADF acted alone, in concert with the SAP or with the SAP and KZP, although the negative proportion was lower. Incidents when the SAP acted alone reveal that weapons and teargas were used most of the time (30%). In 27% of events their actions served to intensify the conflict.

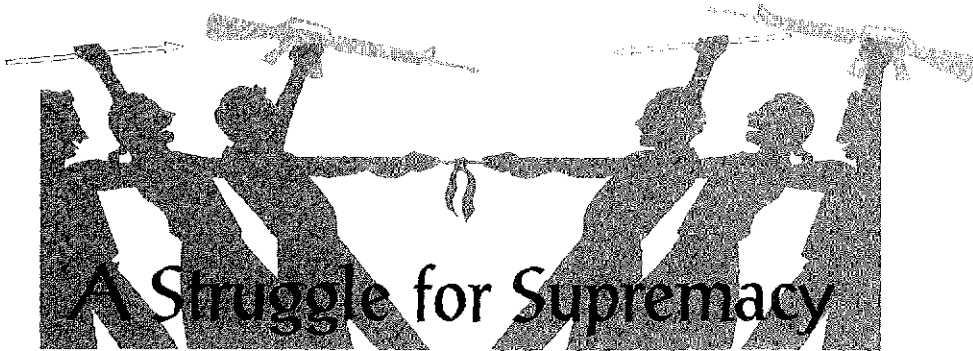
The security forces were also the targets of much collective action. They were the second largest group at whom violence was aimed, with 13 members killed and 22 injured. The SAP were the victims of 6% of conflict events, whereas the KZP were targeted in only 2% of cases. Most of the injuries occurred in the Pmb/Midlands area, while the deaths occurred largely in Durban.

The security forces were the second largest group at whom violence was aimed, with 13 members killed and 22 injured

Main Conflict Trends

Many conflict trends which are discussed in this survey have already been identified by other sources. These include the spread of violence away from the urban areas to the South Coast, Richmond and the Mooi River/Greytown area, the role and ineffectiveness of the security forces, and the types of weaponry used, with particular reference to the controversy over 'cultural weapons'. This project emphasises these trends by furnishing detail where necessary, and by recording events rather than just fatalities in the context of the ongoing conflict in the whole of Natal. IDPA

THE RICHMOND WAR



Haydn Osborn,
ECC Conflict Monitor,
Special
Correspondent

The civil violence in Richmond between 1990-1991 has taken place in the context of the ongoing conflict between the ANC and Inkatha in Natal, and more specifically, in the Midlands. This case study demonstrates how a territorial, low intensity conflict has been politicised, exploited and exacerbated. It highlights the mobilisation of the youth, under the auspices of the ANC, and of the chiefs, elders, indunas and farmworkers, under the auspices of the IFP. It is based on a firsthand investigation over an extended period.

In the first six months of 1991 in Richmond more than 100 people were killed and roughly 50 000 refugees left homeless, under conditions aptly described as civil war

In black residential areas of the Natal Midlands, such as Pietermaritzburg, Richmond, Elandskop, Mooi River and Greytown, progressive organisations, specifically the ANC, have come up against a 'last stand' by traditionalist forces operating in tribal structures. These range from the frontline troops, such as the chiefs, indunas, sangomas and their followers (who almost always are Inkatha supporters), through to clandestine actors, which increasingly appear to be located in the 'murky waters of officialdom' and even in branches of the security forces (see Nathan & Philips in *Indicator SA* Vol8/No4:7-10).

The small country town of Richmond lies just off the national road en route from Pietermaritzburg to the Transkei. The surrounding townships are large, sprawling semi-formal and informal settlements which are home to at least 70 000 black people. Indaleni and Magoda are better serviced and home to many 'semi-skilled', skilled and professional workers who commute to Richmond or Pietermaritzburg daily. N'kobeni, Smozomeni and Pateni are more informal, sparsely settled and home to many displaced, retrenched or full-time agricultural labourers who have been or are still employed on white farms in the area.

There has been a simmering tension between the residents of Indaleni and Magoda, on the one hand, and N'kobeni, Smozomeni and Pateni, on the other. The conflict dates back to 1988, when youths in Smozomeni began to align with the UDF-supporting youth of Magoda and Indaleni. In so doing, they allegedly

incurred the wrath of some powerful community leaders, such as induna Paulos Vezi from Pateni, who is an IFP supporter.

There is remarkably little information on the growing power struggle in Richmond's settlements through 1988-90, but as many as 50 people died during the initial phase of the conflict. This is in comparison to the one conflict fatality recorded earlier between 1985 and 1988.

The Conflict Escalates

In November 1990, a loose alliance between Pateni and N'kobeni was formalised against the youth who were now all situated in Magoda or Indaleni. At this stage, all ANC supporters had fled from Smozomeni as tensions escalated between supporters of the ANC and IFP. In the first six months of 1991 more than 100 people were killed and roughly 50 000 refugees left homeless, under conditions aptly described as civil war (see data: 44-45).

Towards the end of 1990, a number of incidents indicated the increasingly militant reaction in some quarters to ANC mobilisation of the youth. First, a SADF member who was also allegedly an ANC sympathiser was murdered in Indaleni. Soon thereafter, the ANC's Midlands Convener, Harry Gwala, was fired upon while addressing a rally there.

Next, an R4 rifle was seized by the comrades during an attack on an ANC member in Magoda. The comrades maintain that they later handed the rifle to

the police, although the SAP deny their claim. This minor incident was a catalyst for massive destruction and loss of life. It sparked off a spiral of attacks and retaliations, which, fuelled by the additional involvement of agent provocateurs and others, would continue throughout 1991.

On 20 January 1991, the ANC chairman for the area, Sifiso Nkabinde, received a letter from N'kobeni residents, addressed to the ANC at Magoda. It demanded the return of the R4 rifle, saying it was a 'community weapon', and that the attackers who had used it had no authority to do so since their actions had not been mandated by the community of N'kobeni.

The following afternoon Magoda was attacked. Four people were killed, thousands fled and 50 homes were burnt by an impi which allegedly carried an IFP flag and sang songs about killing comrades. At this point Inkatha researchers claimed that the conflict was 'non-political'. The comrades, however, felt that the main reason for the transfer of attention from Smozomeni to Magoda was the growth of the ANC there, as opposed to its virtual 'extermination' in Smozomeni.

This clash marked a turning-point in the conflict. Thousands of refugees crowded into Richmond, living in tents, makeshift shelters and on the streets. The army set up six temporary army bases to separate battle-lines in the black communities of Richmond.

In the struggles which followed, in both the Magoda and Indaleni communities, the homes of ANC members were specifically targeted. Residents claimed they recognised Pateni and N'kobeni residents among the attackers, who were aided by Inkatha supporters in Indaleni. In one case, the impi which attacked had earlier stood at the gates of the Methodist Mission in Indaleni, and according to Reverend Roger Hudson, shouted 'away with the comrades'. The reverend was giving shelter to about 400 refugees on the premises.

The struggle for political supremacy and control was further revealed at a 'peace rally' held in March 1991 in Indaleni, at which David Ntombela, Inkatha leader and Kwazulu MP for Elandskop, stated that returning refugees should report to the chief before re-occupying their homes. He also warned that if youths wanted to join the ANC, they should not bother coming back, but should 'return to the Transkei'. Ntombela later denied that he had said this.

The Refugees Return

In late March, the attempted return of some of the refugees who had fled the Magoda violence in January sparked off a major battle. Pleas for the police to provide an escort to ensure the safe return by bus of 400 ANC supporting-youth who had taken shelter in Pietermaritzburg, fell on deaf ears. The subsequent clash with Inkatha supporters took on epic proportions. It came to be known as the 'Battle of the Forest'.

After the refugee youth were attacked in Indaleni on their return, they unearthed an arms cache and dug into defensive positions in the surrounding forest. Twenty-nine Inkatha supporters were killed in what became a rout as the two heavily-armed groups of ANC and Inkatha supporters, numbering up to 500-strong, fought a pitched battle. Some of the comrades then went on a killing spree which can only be described as 'vengeful and excessive in the extreme'.

Youths attacked strategic points held by Inkatha, eventually forcing them to retreat to N'kobeni, while others focused on easier targets, in particular, residents who had 'collaborated' with Inkatha during their occupation of Indaleni. Despite desperate pleas that they had been forced to join Inkatha in this period, countless people were abducted and summarily executed. Forty bodies were reportedly found by the police, and other victims buried in unmarked graves.

The widespread frustration at the security forces' lack of success in stemming the earlier Inkatha attacks is understandable. But through these actions the ANC in the area lost a great deal of the moral high ground which up to this point was theirs'. Their retaliation was rightfully perceived as a massacre of genocidal proportions.

During the remainder of April and May, Indaleni fell, with the exception of one area, under the control of ANC supporters. In this brief period a degree of 'normality' returned to the violence-stricken region. The period of May, June and July, however, saw the beginning of a 'terror campaign', as unknown agents set out to destabilise and disrupt life in the area. Richmond's open war now took on the form of a series of hit-and-run attacks.

Every attempt to restore some semblance of normality in the community was countered with violent action by known attackers or unidentified assailants. In June, for

Survey data shows that violence in Richmond was aimed at the IFP in 20,9% of cases, at the ANC in 19,4% and the security forces in 7,5%

The period of May, June and July saw the beginning of a 'terror campaign', as unknown agents set out to destabilise life in the area

Both the ANC and the IFP became reluctant to negotiate once they had established control over areas of Richmond

instance, 16 people were killed on the very eve of planned peace talks. Six more people were killed on the day before the township schools were rescheduled to open in early July. In a third incident, another three victims were killed on the evening before pension payments were to be resumed in the area. The pattern of events was too predictable to be simply a case of coincidence.

When the pensioners were attacked, some twenty witnesses identified two Inkatha members as leading the culprits. The police, however, maintained that the alleged killers could not be arrested as they were simply protecting their homes against the comrades, and further, were the sole breadwinners for their families. It was only after the ANC staged a protest march that 13 men were arrested.

In later attacks, the assailants not only identified themselves as Inkatha people, but left an identity document belonging to an N'koben resident along with a bloodied axe at the scene of the killings. The obvious trail of clues not only indicated the extent to which the conflict had become overtly political, but also that there was probably more to these clandestine attacks than meets the eye.

The stakes were raised ominously higher in the third quarter of 1991 with the murders of two prominent leaders. First, in August, Chief Jerome Ndlovu, a central member of Inkatha in the Midlands, was assassinated by unknown agents. Then, the chairman of Inkatha in the Richmond area, Ndodi Thusi, was murdered in even stranger circumstances. Amidst the collapse of law-and-order in the area, no-one has been charged by the police or claimed responsibility for the assassinations.

Compromise for Peace

Earlier in 1991, when Inkatha supporters controlled large parts of Indaleni, Inkatha had seemed uninterested in participating in peace talks. Numerous attempts to identify and locate Inkatha leaders proved fruitless, until the police were called in and managed to establish contact. Some progress was made at an early meeting, with Inkatha leaders undertaking to look into the looting and attacks. Despite this, the N'koben attacks had continued.

The Inkatha delegation never attended any of the three meetings scheduled thereafter. Their failure to do so was interpreted by

most residents as a reluctance to negotiate away the control which they had established over Indaleni.

The attempts by regional leaders to address the situation also failed. It became evident that a lasting, meaningful peace settlement would have to be generated and implemented by the community itself. The prospects of realising peace were again dashed on 7 April, however, when 2 000 residents attended a meeting but failed to reach consensus. In the light of Inkatha's apparent new preparedness to negotiate, this was a tragic turn of events.

But just as Inkatha had been reluctant to compromise from a position of power, the ANC too was unwilling to bargain from a position of strength, once it had wrested control over Indaleni from Inkatha.

In September, a 'reconstruction committee' was formed out of an existing crisis committee which drew together representatives of the Richmond town council, local businessmen, the ANC, Inkatha, and other interest groups. The fact that the violence in the area had subsided noticeably by the third quarter of 1991 encouraged new efforts to negotiate a peaceful resolution to the conflict.

Events at Richmond indicate that a broad-based settlement at the grassroots level holds out the best prospects for a lasting peace. The national peace accord signed by most of South Africa's political groups on 14 September has not had a perceptible impact on the ground in Natal. Dispute resolution committees within the framework of the accord have not been set up in any of the three major flashpoints, namely Richmond, Port Shepstone or Inanda.

Questions about the role of the security forces and agent provocateurs have been prominent in the Richmond conflict. It was reported in June that people in a vehicle with 'taped over number-plates' fired at comrades, for instance, while another man who survived an attack made a statement that he heard English being spoken by an assailant who was wearing police camouflage clothing.

Three witnesses stated that they saw police vehicles off-loading armed people, and the type of spent cartridges found after the massacre of sixteen people on 23 June, also raised suspicion. In another development, Inkatha claimed that an SADF member was involved in an attack by comrades on IFP

Dispute resolution committees within the framework of the accord have not been set up in any of Natal's three major flashpoints

member, Paulos Vezi's house, although police deny this.

Allegations of security force bias are not new, though the consequences of these reports have been as devastating to communities as the proven involvement of security forces. Accusations first arose after the inundation of security personnel into the area in February 1991. The majority of SAP and SADF members were deployed in Magoda and Indaleni, where they cracked down on residents; people who to all intents and purposes were the victims of the attacks and who were also ANC supporters.

Allegations of SADF whippings and police assault were widespread. Residents began to question their failure to stop the attacks or to arrest known attackers, alleging that a heavy police presence would disappear from the area minutes before an attack.

The alleged inaction by the security forces featured constantly in eye-witness accounts. Pleas to the local SAP to place a vehicle and men between N'kobeni and Magoda to prevent further attacks proved fruitless. It was only when the former Minister of Law and Order was personally contacted that some vehicles were placed there, but even then, only for a period of one week during daylight hours.

Refugees also accused the police of harassment, saying that a number of Casspirs had tried to prevent them from leaving Magoda when an attack was rumoured to be imminent.

Perhaps the most sinister development of all was the sudden appearance of swastika-like Afrikaner Weerstandsbeweging (AWB) emblems, sprayed over ANC graffiti on a number of school walls in Indaleni. While the SADF refuted allegations of involvement, an SADF commandant stated that there was a strong AWB presence in the town of Richmond and that some farmers had allegedly 'retaliated against the ANC slogans which have been sprayed on the wall'.

Another SADF member confirmed reports of 'people in blue and brown uniforms doing irregular things ... and actively taking part in specific incidents, though no substance to these allegations has been found'. Spent shells found at the scene of an attack in July were found to be privately manufactured, and of the sort used by many local farmers for hunting the wild game found in the Umkomaas Valley.

Residents also allege that a number of AWB camps have been attended by local farmers, police and soldiers too. Lieutenant Meding from the Richmond CID confirmed that he had attended such a camp, but offered another explanation, saying that local farmers had asked the security police to demonstrate the use of 'terrorist weapons'. Revelations in the media subsequently led to a magisterial inquiry.

It was further explained that the farmers had attended in their private capacity, or as members of the Umkomaas Commando. The AWB had arrived in full regalia, unannounced and uninvited. They had attempted to take over proceedings, which they were prevented from doing. They were, however, permitted to participate in the activities. There has thus been some confirmed contact between the AWB and the police in the area. Clarification of the exact nature of this relationship is essential.

Towards Reconstruction

Today, it would appear that the Richmond communities are finally on the way to normalisation, although much hard work still needs to be done. In a significant breakthrough, the Development Bank recently announced it was setting aside one million rands to promote socio-economic reconstruction in the area. The planned development and upliftment of these crowded settlements will undoubtedly enhance the peace process.

The current emphasis of local politics has shifted to the way in which community structures, or what is left of them after the violence, are incorporated into the development process. The local ANC branch, for instance, claims that it is under-represented on Richmond's 'reconstruction committee' and a non-participant on professional development structures like the the local regional development advisory committee.

The issues of civic participation in the politics of development will have to be worked through in the months to come. In the interim, the Richmond communities remain highly mobilised, volatile and vulnerable. Our understanding of the underlying dynamics, of the catalysts and resolution of the conflict, remains incomplete, despite close monitoring of the situation. The way in which the Richmond and other civil conflicts in Natal can be turned on and off like a tap remains a dark puzzle that has yet to be fully solved. **IPQA**

The planned development and upliftment of Richmond's crowded settlements will undoubtedly enhance the peace process

The current emphasis of local politics has shifted to the way in which community structures are incorporated into the development process

POOR RELATIVES RURAL LOCAL GOVERNMENT

Professor Simon Bekker,
Centre for Social & Development
Studies, University of Natal
and Dr Philip Mawhood,
University of Exeter

Overshadowed by metropolitan reforms, rural local government sometimes appears to be the poor relative in the constitutional debates taking place in South Africa. Many important questions about the changing role of rural local government were raised during three workshops conducted by Dr Philip Mawhood, an English scholar on the subject who visited South Africa in 1991. The critical issues concern inter-governmental relations, competence, functions and finances.

Over the past decade, there has been extensive, continuous debate over urban issues in South Africa. Political cleavage and political conflict have largely been rooted in urban areas, and the symptoms of urbanisation have been in the forefront of popular consciousness. As a result, the transformation of urban local government has been widely debated by the major political players, particularly in the metropolitan and large urban areas.

The needs of rural areas remain obscured by the emphasis on the development of new urban models for local government

Although currently unresolved, the issues pushed to the forefront centre on devolution of power, the form of franchise at all levels of government, and whether or not interim governmental arrangements at lower tiers should precede agreement on national issues. Generally, it is these issues which enjoy the widest public attention from policymakers and political players.

Nothing as clear has emerged in South Africa's rural areas. Indeed, until very recently, with the emergence of Contralesa (the Congress of Traditional Leaders of SA), the virtual collapse of tribal authorities in certain regions (Manona, 1990), and the dissemination of the government's proposed land reform package, little attention had been directed to rural local government. The needs and problems of structures in the rural areas remained obscured by the widespread emphasis on the development of new urban models for local government.

Yet rural government in South Africa could also be described as being in crisis. Rural councils linked to provincial Regional Services Councils (RSCs) and tribal

authorities in homelands are perceived to be low in legitimacy and credibility; provincial/homeland boundaries create deep divides which lead to fragmentation of service delivery and to bureaucratic duplication; and government policy on local government revenue sharing in rural areas is generally unclear and sometimes discriminatory.

It is not the intention here to address the history of rural local and tribal authorities in the country. Some attention has been paid to these institutions (see bibliography) though much more research is needed. Nor will we address the question of transition: namely, in what ways could present rural local government forms be transformed into new local state arrangements. Very little thinking on this question, to our knowledge, exists. What we will illustrate, however, are the consequences of neglect and the critical need for further research and action in this field.

Demography to Democracy

(At least) three reasons may be given to underline the importance of rural local government.

The first is demographic. Although urbanisation will remain a ubiquitous process over the next decade in South Africa, demographic experts agree that the population in rural areas will nevertheless increase, albeit less rapidly than in existing and new urban areas. South Africa's rural population in the year 2000 is estimated to comprise some 14.2 million people. The African (53%), white (92%), 'coloured' (82%) and Indian (95%) sub-populations are differentially urbanised. In short, the current and future rural populations are, and will probably continue to be, overwhelmingly African, and overwhelmingly poor (Urban Foundation).

The second reason relates to land. The South African government's recent White Paper on Land Reform repealed the 1913 and 1936 Land Acts which fragmented South African rural regions into racially defined land parcels.

The White Paper's long-term aims include:

- access and security in land for the disadvantaged majority, including deracialising the access to land;
- individual title to land and a land market;
- viable economic land use and also conservation of land;
- a uniform state system of land registration and transfer.

The government has raised a number of fundamental rural land issues, including those of land ownership, land usage, and restitution. As debate and action on these issues intensify, the role of rural local government in implementing land reform is certain to emerge as critical.

The third reason relates to democracy. It is self-evident that new rural local governments (as is the case with all new South African governments) should subscribe to the values of universal franchise, of non-racialism and of non-sexism. It is also self-evident that these governments should be both as competent and as legitimate as possible.

Arguably, the best guarantee for democracy is to be found through local government. National and regional franchises are important, but to ensure public participation which is directly meaningful for ordinary citizens, a responsive and viable local government is needed. Higher-tier governments are most often both 'too far' and 'too slow' to be effective. For the large numbers of poor rural residents in particular, such a guarantee could enable a major break from past practices.

□ **New National Department**

The key considerations here are representativeness, responsiveness and competence at local level. A national government which remains neutral on the balance of central-local state responsibilities invariably tends to promote centralisation of authority.

Accordingly, the establishment of a separate Department of Local Government at national level should enjoy serious consideration in contemporary South Africa. This department could be empowered to ensure the development of strong local government in rural as well as urban areas, acting as a watchdog over the discretionary powers of local government and correcting any urban bias. It could have, at rural local level, a field-officer responsible to this new Department, but employed to guide the administration of one of several local governments.

In addition, weak national governments, once established, are known to suspect strong regional governments. In like measure, regional governments are typically not supportive of strong and efficient local governments. It is for these kinds of reasons that clear and explicit discretionary powers, twinned with the ability to use them effectively, should be devolved by central government to local level. Equivalent regional-local relations have less chance for success.

□ **Areas of Jurisdiction**

Decisions about the area of jurisdiction of a rural local authority should consider the common interests of the residents in the area; and the viability of the area, particularly in terms of its revenue base.

Where a small town is located in an area, it may be advisable to include it within the area of jurisdiction. Larger towns require qualitatively different forms of service-delivery and may need to be excluded.

□ **Staff and Training**

It is commonplace to point to the need for the training of local government officials. Since the idea of democratic local government is a new one for South Africans, moreover, it is equally necessary to point both to the need for local councillor training and the need to inform the public of the aims and activities of new rural local governments. All three groups moreover - officials, councillors and the public - should develop a sensitivity toward the appropriate mix of productive and welfare services to be delivered in their area, a mix dictated by the availability of scarce resources and the necessity to address basic needs.

After periods of transition, once a new national government has been established, staff turnover in state bodies is typically high. In particular, officials in local government bodies typically seek out higher status and better remunerated positions in higher-tier state bodies.

To promote strong and competent rural local government, the central government should seriously consider establishing a unified local civil service commission as a body which acts in parallel to the national civil service commission. By so doing, it could offer to local government officials salary packages and promotion opportunities equal to those offered by the parallel commission. This could go some way in countering the process of 'bleeding' the best officials from local to higher tier state bodies.

South Africa's rural population in the year 2000 is estimated to comprise some 14,2 million people, who will be mostly African and overwhelmingly poor

The best guarantee for democracy is to be found through bringing local government to the people

There will be a need for some form of revenue sharing to overcome urban bias and weak rural revenue bases

□ *Local Government Finances*

In the context of the poverty found in most South African rural areas, it is clear that the revenue bases of most rural local governments - monies independently raised - will be inadequate to address the locality-bound needs of rural residents. There accordingly will be a need for some form of revenue sharing.

Most grants-in-aid from central government should come without strings attached. An equalisation grant, for example, where average per capita income is used as a base, may be considered and allocated on a differential basis. It is well known moreover that state systems of service delivery in South Africa have been, and continue to be, distinctly biased toward the urban areas. Grants to rural areas could be inflated to compensate for this history of urban bias.

Once grants-without-strings are made, there needs to be adequate advice regarding, and protection and evaluation (auditing) of, the financial affairs of local government by a higher authority.

□ *Tribal Authorities*

After visiting a number of tribal authorities in KaNgwane, Lebowa, Ciskei and KwaZulu, Dr Mawood made a number of interesting observations:

Firstly, in comparison to traditional authorities in a number of other African countries, South African tribal authorities are undeveloped, in terms of human as well as material resources. Secondly, wherever traditional leaders enjoy a measure of popular credibility, it is advisable to involve them, their councillors and indunas, *ex officio*, in rural local authorities. This could be done for a period which depends on the persistence of their real status in the public mind. Eventually, the council could become fully elected. The advantage of such a strategy would be to cloak rural local government with the legitimacy which traditional leaders enjoy in a large sector of the resident population.

Thirdly, elsewhere in Africa, traditional rural authorities have proven to be extraordinarily resilient. Their ability to sustain legitimacy 'out in the cold' should not be underestimated in South Africa. If legitimate tribal authorities are excluded from local government activities, they have a great power to oppose and thereby retard development initiatives undertaken by local and other governments.

Finally, past and present activities of tribal authorities show that there is a deep-seated idea in South Africa that land allocation is a rural local government function but, simultaneously, rural local governments which are in the business of service delivery, are users of land. The local politics of land and the local politics of services are fundamentally different and often serve conflicting interests.

Accordingly, it is advisable to differentiate clearly between the functions of land allocation, of land usage for service delivery purposes, and of land use planning. A local government should play the role of junior partner (together with a higher-tier authority) with regard to planning, but should play the primary role in service-delivery. The land allocation function should be undertaken by a separate state authority (which may well include tribal authority participation).

Duplicity to Simplicity

Over the years, many of South Africa's rural areas have been managed by a series of government bodies, often duplicating their functions and fragmenting service delivery. Such multiple state networks tend rapidly to become more expensive, less accountable, and more centralised than an effective system of local authorities. Accordingly, the primary characteristic of a new rural local government should be simplicity.

For example, it could be a single multi-purpose local authority rather than a series of single purpose authorities. It could also have clearly defined functions, clearly defined relations with higher tier authorities, and rationally defined areas of jurisdiction (which may straddle present provincial/homeland boundaries). It could offer its appointed staff competitive salary packages and clear promotional opportunities. Finally, it could enjoy clearly defined and carefully guarded discretionary powers which a central state department guarantees.

As greater clarity emerges on national governmental arrangements, on state devolution of authority, and on the franchise, such a local state system may well play an important role in addressing South Africa's rural challenges in the future. **IPWA**

- BIBLIOGRAPHY**
Diamini DL. 'The role of the Chief's court in KwaZulu' PhD thesis, University of Zululand, Ngoye, 1987.
Hammond-Tooke WD. *Command or Consensus*. Cape Town: David Philip, 1975.
Honey MA. 'The role of existing authority institutions and local government in the process of rural development in KwaZulu', MA (Politics), University of York, 1989.
Manona CW. 'The collapse of "tribal authorities" in the Ciskei'. Paper presented at Conference of Association of Anthropology in SA, 1990.
Mawhood P. *Local Government in Tropical Africa*. New York: Wiley, 1983.
McIntosh A. 'Rethinking chieftancies and the future of rural local government: a preliminary investigation'. *Transformation* No 13 1990: 27-45.

The Witches of Venda

Politics in Magic Potions

Anthony Minnaar, Dirkie Offringa & Catharine Payze,
Centre for Conflict Analysis, Human Sciences Research Council

Since the mid-1980s there has been an upsurge in witchcraft cases all over South Africa which involve the burning of witches or murder for medicine. In the second Indicator SA article on this bizarre phenomenon (see Evans and Singh in Vol8/N04), we focus on the socio-political context of the murder of alleged witches and human sacrifices in the preparation of muti. A fascinating report follows on a firsthand investigation in mid-1991 in one of the areas where witchcraft is rife; Venda, in the dark heart of the far northern Transvaal.

Since 1989 there has been a dramatic resurgence of witchcraft cases in the homeland of Venda. The witch burning started with the release of political prisoners in 1989 and culminated in a spate of murders in the months immediately after the release of Nelson Mandela in February 1990.

In the rural areas of the northern Transvaal there had been a significant increase in the killing of alleged witches since 1985, specifically in Lebowa and Gazankulu, eventually spreading to Venda. After the death of the Venda president, Patrick Mphephu, in April 1988, numerous cases of witch burning and medicine murder occurred.

In a growing climate of terror, anyone accused of being a witch was simply killed on the spot despite protestations of innocence. In a mediaeval witchhunt, March 1990 was a month filled with nightly burnings of those accused of practising witchcraft. In some villages, up to five or more accused witches were either burnt or driven out of their homes each night. People took refuge at the nearest police station as the villages of Venda came to be ruled by the dark forces of fear and unreason.

Various explanations have been advanced for the sudden upsurge in both witch burning and medicine (muti) murders. In witch burnings, the most common reasons cited are certain political motivations, the prevailing political unrest, personal jealousy of individual success, and revenge or the settling of old scores. Medicine murders, however, are most commonly attributed to an individual's attempt to enhance his own personal power or to ensure success in a new business venture.

□ 'Misfortune is blamed on Witches'

The belief in witchcraft is particularly strong in South Africa's rural areas. It is often believed that when a person is ill or suffering from a chronic disease, the affliction must have been caused by the supernatural. Many people in Venda do not believe that a person can die from natural causes - death is caused either by witchcraft or by their ancestral spirits.

According to Venda custom, people will consult a witchdoctor (an *inyanga* or *sangoma*) to establish the cause of death of a family member, even if he/she was very old. In the event of the ancestral spirits not being found responsible, the witchdoctor will point out the person (witch) who caused the death.

A family will also consult a witchdoctor whenever they suffer some misfortune, so that they can ascertain the cause or find out who is bewitching the family. A witchdoctor will then either point out the culprit or detail the precautionary actions needed to protect the family from any further witchcraft.

Although witch burning and medicine murder both have their foundation in witchcraft, they are not directly linked.

A person accused of being a witch, on the one hand, is usually approached at night and apprehended in his or her hut. The victim is either stoned or beaten with sticks before being tied up and thrown back into the hut, which is set alight. The perpetrators believe that a witch's body must be completely destroyed, together with all the magic paraphernalia that the alleged witch might be storing in the hut. The best way to achieve this is by burning the witch.

Since the mid-1980s there has been significant increase in the killing of alleged witches in Lebowa, Gazankulu and Venda

The Witchcraft Suppression Act allows anyone accused of being a witch to lay a charge against his/her accusers

Success in business or in life is usually attributed to the supernatural and not to the individual's own efforts

A medicine murder, on the other hand, is undertaken to obtain human body parts to use for magic potions, usually for personal gain. The killing for muti medicine is most often done secretly. Anyone might be selected by the witchdoctor for the purpose or need of those requiring the medicine, whereas the majority of the victims are old women in the case of witch burning.

□ **'All Women are Witches'**

People in Venda believe that women in general have many secrets, and that by the time they get old women have secret knowledge about many things. Women are perceived to have supernatural power since they are able to bear children, and often, no causal link is made between sexual intercourse and conception. Women are also seen to be impure due to menstruation. If someone dies, women are often held to blame.

The majority of people accused of practising witchcraft are old women. According to Venda police records for July 1989 to July 1990, there were a total of 167 cases in which persons laid charges under the Witchcraft Suppression Act No 3 of 1957. Amended as recently as 1970, the Act was intended to suppress the practice of witchcraft. *It allows anyone accused of being a witch to lay a charge against his/her accusers.*

In terms of the Act, 'any person who imputes to any other person the use of supernatural means in causing any disease, injury or damage, or who names any other person as a wizard/witch ... shall be guilty of an offence and liable on conviction to a fine, imprisonment or whipping'. In Venda, of the 167 people laying charges under this Act, 106 (63,5 per cent) were women. At least 75 per cent of the women accused were old or very old.

Obviously, the physical appearance of old women also lends itself to accusations of being witches. Then too, not being physically able to defend themselves makes them easy targets.

□ **'He must be using Zombies'**

Jealousy and envy play a large role in the accusations made against male witches (wizards).

In the past, most Venda males were subsistence farmers. Nowadays, however, most young people work away from the villages. They never see the older people going to or returning from the fields. If someone has a bountiful harvest, he is

suspected of achieving success only through the use of *zombies* (the living dead). Zombies are ostensibly resurrected from the grave by the casting of a magic spell by a witch. They only appear at night and are then made to work for those who control them.

In some cases a farmer might be using artificial fertilizers. If this modern man produces a much better crop than his neighbour he often becomes the target of witchcraft allegations. He may be accused of using zombies to do all his hard work. Thus the people of Venda live in fear of being seen to be successful or of being favoured above any other member of the community, since this would make them vulnerable to accusations of practicing witchcraft and disturbing the harmony within the community.

□ **'Users of Powerful Medicine'**

Any form of success, be it political, establishing a successful business or even scholastic achievements, are usually attributed to the supernatural and not to the individual's own efforts.

It is widely believed that to obtain personal success one needs to make use of magic medicines. These potions are made more powerful by the use of human parts, such as hands, ears, nose, lips, eyes and the genitals. The strength of the medicine to be used is further enhanced if the victim is young and virile, and if the parts are removed while the victim is still alive.

In the 1980s there were a number of publicised cases of medicine murder in Venda. In the period immediately after President Mphahlele's death, a public perception arose that many of those in high government positions were making use of secret medicine murders in an effort to ensure their political futures or to secure their positions and privileges.

□ **'The Youth are to Blame'**

In the political turmoil which engulfed many of South Africa's homelands from the mid-1980s onwards, the politicised youth played an ever-increasing role in activist campaigns. The corruption of the Venda government became an easy target. Widespread instability within Venda was fuelled by worker and student strike actions.

In July and August 1988, a five week-long student stayaway and worker boycott was sparked off by allegations of medicine killings. One of the demands of the students was the resignation of the Minister of

Justice, Alfred Tshivase, who was suspected of being involved in a number of medicine murder cases (Tshivase's brother had been hanged for a medicine murder in 1984). In mid-August he was relieved of his portfolio by Venda's new president, Frank Ravele, so that these allegations could be more closely investigated.

There was also a widespread conviction that the police were reticent in their investigations of the spate of medicine murders because government officials were allegedly involved. However, the charging of the Director-General of the Venda Intelligence Service, Theophilus Mutshaeni, with the murder of a two-year old boy went some way towards defusing tensions. President Ravele also appointed a Commission of Inquiry, chaired by the Chief Justice, Daniël le Roux, who was instructed to investigate 'the causes of the unrest and ritual murders in Venda during 1988'.

Prior to the 1980s alleged witches were most often exiled from a village if their witchcraft crimes were accepted or proved in the village court. In 1990 things changed since many of the witchhunts were spontaneous or the youth simply ignored the village court.

The release of Nelson Mandela once again emphasised the connection (in people's minds) between the unrest and accusations of witchcraft. On 12 February 1990, the day after Mandela's release, 80 000 people in Venda took off from work and flocked to a rally in Thohoyandou.

That evening a group of youths, marching back from the rally accused an old woman in the nearby village of Maungani of being a witch, stoned her to death, and put her body in a hut before burning it to the ground. On the same night, another old woman in Haramukhuba village was also accused of witchcraft and burned alive in her hut. By the end of March 1990 at least another eighteen alleged witches had been killed in a similar manner by groups of overtly politicised youths.

□ 'Rooting out Tradition'

After Mandela's release it appears that many of the Venda youth felt the time had arrived for the rooting out of all traditional beliefs. This stance seemed to be supported by the constitution of the South African Youth Congress (Sayco) which held as one of its principles that its members should strive for the upliftment and education of people in order to eradicate backwardness.

Superstitions were equated with backwardness and in villages throughout Venda groups of young people turned on anyone suspected of ever practicing witchcraft. Ironically, while attempting to eradicate superstitious beliefs the youth in fact sustained them by focusing on the so-called witches rather than on those reinforcing the beliefs in witchcraft.

In village after village youths went on the rampage burning and killing suspected witches. Under the cover of the indignation of the youth, many old rivalries, enmities and personal scores were often settled. It became easy for witchcraft accusations to be bandied about and once the stigma of practicing witchcraft had stuck, individuals became easy targets for witchhunts by the village youth.

Recourse to the old method of seeking protection under the Witchcraft Suppression Act became impractical since there were simply too many cases.

Consequently, those accused of witchcraft were now killed, whereas in the past fear of punishment by the authorities meant the perpetrators stopped short of killing. By May 1990 between 300 and 400 men, women and children, who were in fear of being killed on suspicion of witchcraft, were camping at various police stations in Venda, where they had taken refuge.

The problem of witchcraft in Venda is far more extensive than is generally recognised. Besides the reporting of the more sensational cases of witch burning or medicine murder, many cases are never reported. However, the problem is deeply rooted in the psyche of the Venda people and is closely tied to their spiritual beliefs.

Inevitably, the beliefs in witchcraft held by the general populace lead, in practically every village in Venda, to someone being suspected of practicing some form of witchcraft. Over the last two years a witchhunt, witch killing or medicine murder has occurred in almost every village in the homeland.

The 167 individuals who laid charges with the police under the Witchcraft Suppression Act during July 1989 to July 1990 came from 95 different villages in northern, western and central Venda. According to the chief magistrate an average of at least fifteen cases, involving witchcraft accusations, are heard every week in the five magistrate's courts at Thohoyandou. In the first three months of 1991, there were an

After Mandela's release it appears that many of the Venda youth felt the time had arrived for rooting out of all traditional beliefs

Over the last two years a witchhunt, witch killing or medicine murder has occurred in almost every village in Venda

A climate of instability and lawlessness encourages witch-hunts and a search for political scapegoats

estimated 40 witchcraft or medicine murders in Venda.

It seems that no political organisations were overtly or directly involved in Venda's witch burnings, even though the young people taking part in the witchhunts used political slogans or wore political T-shirts, and sometimes waved banners and flags of political groups. Some of the witchhunt mobs sang political freedom songs on their way to confront alleged witches, but the lyrics were changed to refer specifically to witches.

Furthermore, in a number of cases the killings appear to have been spontaneous. It would appear that no premeditated or political decision had been taken to kill all the suspected witches. Often the youths had intended merely to expel from the village those accused of practicing witchcraft. In certain cases control over the crowd was lost, however, resulting in violent mob attacks.

Politics of Witchcraft

Under the Ravele administration, between April 1988 - April 1991, there was a period of instability and lawlessness in Venda. The general political unrest undoubtedly encouraged people to take the law into their own hands. They thought they could do exactly what they wanted to do.

The attack on witchcraft started as a political attack on the government by accusing various ministers and officials of muti murder. In March 1990, for instance, a crowd of 10 000 marched on the president's office to hand over a skull found in a forest near Mbilwi village. They demanded the dismissal of the Minister of Local Government, Chief Milton Mphaphuli, who had recently been implicated in the disappearance of an old woman in this village. The crowd alleged that the skull was that of the woman who had disappeared. Chief Mphaphuli was suspended and later charged with ordering her murder for muti.

But the unrest continued, with the youths turning their attention from those accused of participating in medicine murders to alleged witches.

The politicisation of the rural areas played an important role. Prior to 1989 the ANC/MK cadres had gone out into the rural areas and politicised the population (in most cases these ANC members were

young teachers or students), trying to incite the youth to act against those in authority. However, the youth had taken action against witches to promote modernisation, that is, to root out superstition.

When the situation got out of hand, the ANC was forced to tacitly acknowledge that they had misjudged the situation. Directives were sent out and circulated in Venda telling the people that the witches were not the enemy of the people and that they should rather be concentrating on the bureaucracy, collaborators and informants. Both Azapo and UDF organisations in the area also publicly reprimanded youths who had gone around killing people while singing revolutionary songs and chanting slogans.

Nevertheless, in a statement dealing with superstition and the struggle, circulated in early 1990 by the Far Northern Transvaal Co-ordinating Committee of the UDF, it was acknowledged that those in the rural areas who joined the struggle against homeland independence were 'totally convinced that by witchhunting they are advancing the national democratic struggle'.

To a certain extent, the churches and schools were also to blame since few preachers or teachers openly condemned witchhunts. Some preachers even acknowledged the existence of witchcraft by discussing it in their sermons. By not coming out publicly against witchhunts, the churches and schools allowed the youth to regard witch killings as justified.

The Ravele government also exacerbated tensions by allowing a climate favourable to witchhunts to develop and by ignoring allegations against a number of high-ranking officials. The police also failed to act against the killings for two reasons: firstly, because they did not have confidence in the government and secondly, the spiritual beliefs of members of the police often resulted in a paralysing fear of becoming victims of witchcraft themselves.

However, Venda's new Ramushwana regime, installed by a military coup on 5 April 1991, seems determined to punish all those found guilty of witch killing or medicine murder. A number of cases have recently been heard in the Venda Supreme Court and the perpetrators punished with stiff prison sentences. It seems that this action has led to some decrease in violent incidents involving witchcraft. **IPVA**

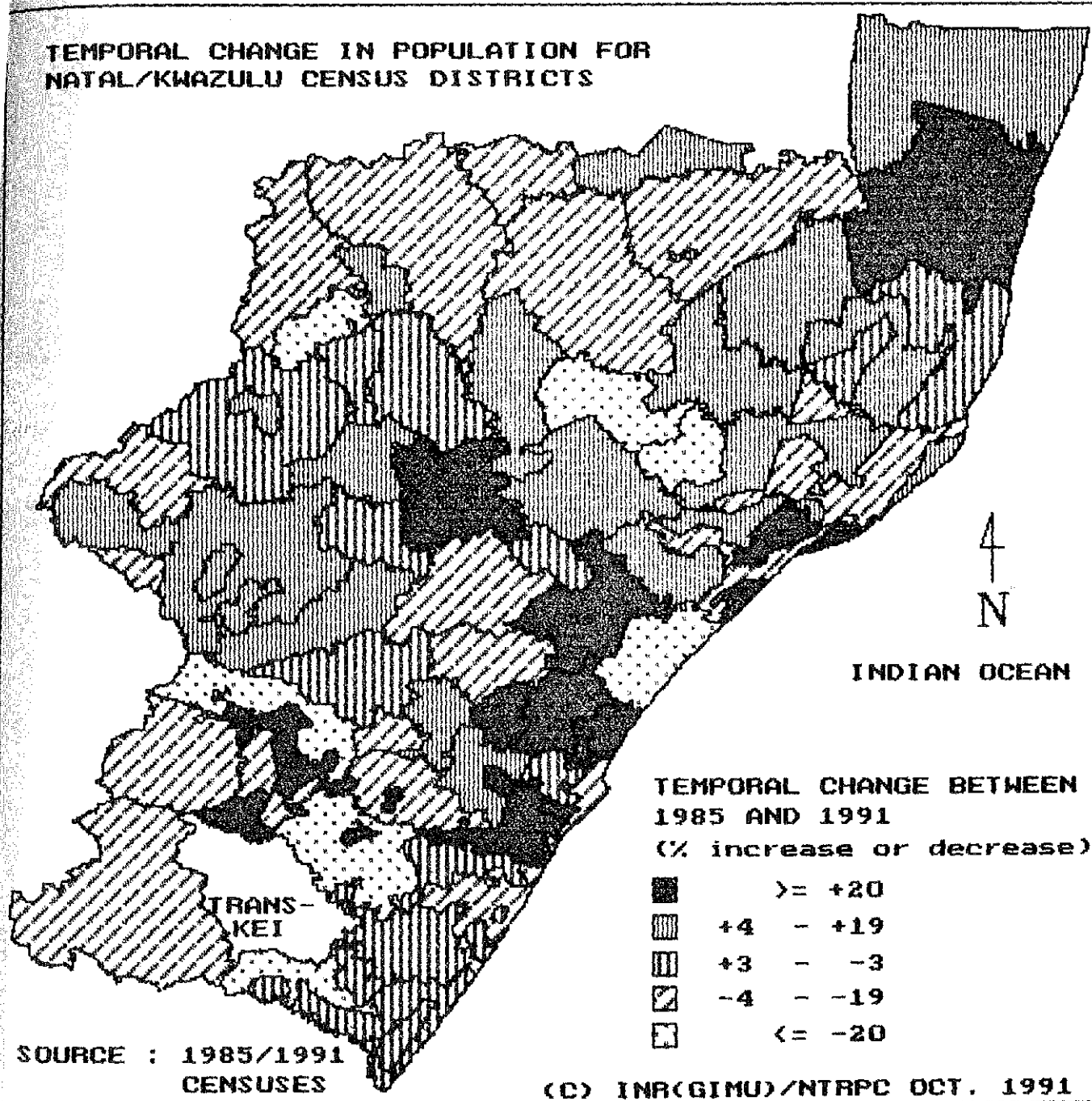
The politicisation of the rural areas in the 1980s has played an important role in the witch-hunts of Venda

URBAN

M O N I T O R

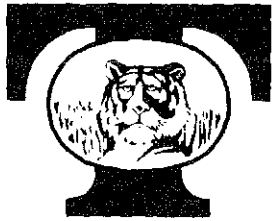
COMPARISON OF 1985 & 1991 CENSUS RESULTS

TEMPORAL CHANGE IN POPULATION FOR NATAL/KWAZULU CENSUS DISTRICTS



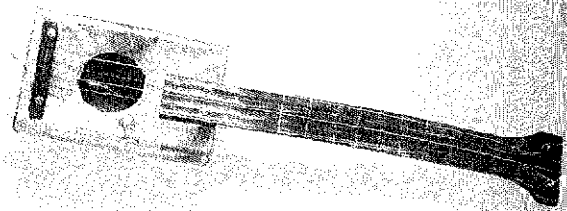
USING CENSUS DATA TO TARGET POVERTY RELIEF

○ A recent project undertaken jointly by INR, Chess, HSRC and CSDS for the Natal Regional Office of the Department of National Health and Population Development is using the 1985 census data for the smallest subdivision of the census in order to identify the most disadvantaged communities so that they can be targeted for food aid. Areas where each person in employment has more than 9 dependants and where adult female illiteracy exceeds 70 percent were identified. The reason for choosing these two criteria was that it was estimated that this would give a target population of 1 million people - 12.5 percent of the Natal/KwaZulu population. The schools and clinics in these areas were also identified thus providing the infrastructure through which food aid could be channelled into the area. The detailed 1991 census results will permit a still better identification of deprived areas since per capita income figures will be available.

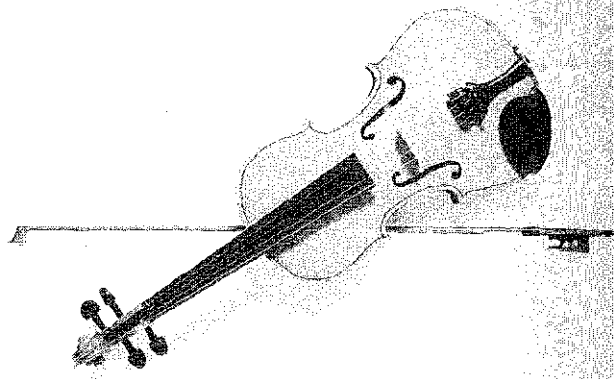


TIGER OATS

THE FUTURE
IS
EVERYONE'S
BUSINESS



You might
think they are worlds apart



Ingenuity. Craftsmanship. Universal qualities.
Like the talents that bring people together in appreciation of
creative excellence, JCI invests time and money enhancing these
qualities in people from all walks of life.

Johannesburg Consolidated Investment Company Limited.



JONSSONS

EDUCATION IS THE BIRTHRIGHT OF ALL
WHO LIVE IN SOUTHERN AFRICA.
SOUTHERN LIFE IS COMMITTED TO
HELPING EVERYONE MAKE THE MOST
OF THEIR HERITAGE.



Together, we can do more

Reg no — 01/02186/06

FINANCING HEALTH SERVICES

Di McIntyre, Health Economics Unit, Department of Community Health, UCT

Although the government has not disclosed the precise details of its overall health policy, four recent initiatives provide some insights into an important area of contemporary debate. In this review, Di McIntyre looks at the implications of the National Policy for Health Act, the proposed changes to the Medical Schemes Act, the 1991/92 budget, and the proposals for restructuring health services announced in Parliament on 13 May 1991.

For many years, the emphasis in health policy discussions in South Africa has fallen on the future structure and financing of public health services. The pros and cons of the increasing privatisation of health services, as well as the possibility of implementing a National Health Service (NHS) or a National Health Insurance System (NHIS) have been debated at great length.

Although the value of this debate is not disputed, it has caused the spotlight to fall away from a number of important current health policy developments. While future health structures are debated, existing public sector services, which would form the basis for a future NHS or NHIS, are being whittled away. What are the implications of recent state initiatives in this regard?

□ *The National Policy for Health Act*

The National Policy for Health Bill was enacted in 1990 shortly after the Minister of National Health and Health Services announced the desegregation of all hospitals. It was possibly for this reason that there was almost no public discussion of the Act and its implications.

Although the Act (No 116 of 1990) concentrates on the policy-making powers of the Minister and a range of advisory committees, it also indicates a fundamental shift in health financing policy. For the first time in South Africa, the principle that responsibility for health care rests with the individual has been enshrined in legislation.

This tenet is evident in the following statements: '... an inhabitant of the Republic, if he is capable of doing so, shall primarily be responsible for his own and his family's physical, mental and social well-being ... such inhabitant shall pay the costs incidental to his medical treatment ...' The Act does, however, concede that the government will share in this responsibility in that '... indigent persons shall be accommodated ...'

The government's definition of indigency has yet to be clarified, but it is unlikely to include the 80% of the population currently dependent on the provision of health services by the public sector (McIntyre & Dorrington, 1990). It is clear, however, that South Africans will be expected to make some financial contribution towards the costs of their medical care.

The South African government has in recent years pursued a mild structural adjustment programme, targeting a current account surplus and a reduction in the budget deficit. Hence its attempts to reduce government expenditure and to maintain weaker exchange rates - the former lowers the revenues to health services while the latter raises its costs.

In terms of health services, there is consequently a need to find alternative sources of finance. One alternative is the greater application of 'user fees', as suggested in the World Bank proposals (Akin et al, 1990) for the financing of health services in developing countries which emerged from just such a scenario.

Based on the assumption that individuals are both willing and able to pay for care which directly benefits them, the World Bank had encouraged developing countries to charge users of public sector health services, particularly for drugs and curative care. As it has been estimated that approximately 50% of the South African population lived below the subsistence level in 1980 (Wilson & Ramphela, 1989), however, the ability of the majority to pay for health services is questionable.

There are cogent arguments for charging 'private', medical aid patients for the use of public sector facilities. However, there is a growing body of literature which demonstrates the detrimental effects of poorly designed user-fee policies on access to health care, particularly in developing countries (Stanton & Clemens, 1989; Yoder, 1989).

Approximately 50% of the South African population live below the subsistence level and are unable to pay for health services

The new National Policy for Health Act indicates that the burden for financing health services will increasingly be placed on users

One of the few studies to be conducted in South Africa found that patient attendance for certain essential public sector health services (treatment of hypertension, diabetes and asthma) dropped significantly after an increase in day hospital tariffs (Frankish, 1986). There is enough evidence to suggest that user fees should not be extensively introduced without evaluating their long-term implications for equal access to health services.

The new National Policy for Health Act indicates that the burden for financing health services will increasingly be placed on individuals using these services. Furthermore, the government appears to regard its primary responsibility in terms of health financing as the support of indigent patients.

□ *The Medical Schemes Act*

The major impetus behind changes in the provisions of the Medical Schemes Act has been the rapid increase in private medical scheme premiums over the past decade (Broomberg et al, 1990). The primary objectives of the proposed changes are accordingly to improve the financial viability of the schemes and to increase the proportion of the population covered by them.

The major changes are as follows:

- Exclusions are no longer statutorily prescribed, i.e. medical schemes can now 'risk-rate' and exclude high-risk (and high-cost) individuals;
- Direct guaranteed payment to health care providers is no longer enforced, which is an attempt to reduce over-servicing by providers and over-utilisation by scheme members;
- Schemes may actually provide health services, thus opening the way for the formation of Health Maintenance Organisations and other forms of managed care which have achieved a degree of success in containing costs in the USA;
- Minimum and maximum benefits are no longer prescribed, which will enable schemes to offer a variety of packages with appropriately varied premiums. In this way, membership can be extended to lower income employees who cannot afford the relatively comprehensive packages that are currently available.

The first three changes are largely aimed at improving the ability of medical schemes to control costs and thereby prevent further membership losses. Although all four changes were formulated largely in

response to representations by medical schemes, they are complementary to the government's overall health financing policy.

Evidently, state policymakers hope that a larger proportion of the population will become medical scheme members and can thus be considered 'private patients' and not reliant on public sector services. The problems associated with these changes - such as what services will be available to scheme members when their limited benefits have been used up and they are 'dumped on the public sector - have not been adequately addressed.

□ *The 1991/92 Budget*

The government's intention to reduce expenditure on health care was again highlighted during the budget debate on 20 March 1991. The health budget increased by only 8,9% (*Argus*, 20/3/91) between 1990/91 and 1991/92 and thus lags behind overall government expenditure which is expected to increase by 14% over the same period. Given that health care costs tend to increase faster than consumer price inflation which is currently 14-15%, this signifies a real decrease in the resources available for public sector health care (Schwartz, 1987).

The Minister of Finance specifically referred to health care in the budget speech. He stated that the state's responsibility would increasingly shift toward '... the provision of primary health care services and the delivery of more affordable curative health services for the needy' (*Hansard*, 13 May 1991).

There is some confusion about the government's definition of primary health care (PHC) which may incorporate a very limited group of services. The Minister of Finance claimed that only 5% of public health expenditure was devoted to PHC, which appears to be based on the Browne Commission report's estimate that preventive care amounted to 4,6% of state expenditure on health (1987).

It is clear however, that the government wishes to reduce its expenditure on secondary and tertiary services. This intention was made more explicit earlier this year when the Minister of National Health and Health Services announced that health services were to be restructured.

□ *Restructuring Proposals*

The proposals for health service restructuring (*Hansard*, 13 May 1991) can

State policymakers hope that more people will become medical scheme members, and not rely on public sector services

be summarised as follows. Tertiary services will become part of autonomous academic complexes allied to the respective university medical schools and be responsible to the Department of National Health and Population Development (DNHPD). Secondary services will continue to be provided by provincial administrations. Primary health care provision will become the sole responsibility of local authorities. (At present, responsibility for PHC is shared by the DNHPD, provincial administrations and local authorities.)

With regard to the financing of health services, it was clearly stated that tertiary facilities should seek ways to reduce their financial reliance on central government. In particular, it was announced that the possibility of tertiary physicians undertaking private practice to augment income was being investigated and had been approved by the cabinet.

The proposals indicated that the government would continue to support Primary Health Care in that the PHC budgets of the three tiers of administration currently responsible for PHC provision would be combined and placed at the disposal of local authorities. It is somewhat surprising that the PHC budget was not increased, given the earlier statement that PHC would receive increasing attention. The potential savings from reduced fragmentation in PHC provision and administration are likely to be insignificant.

The government's commitment to the financing of PHC should not, however, be accepted as incontrovertible. The Minister also stated that 'This devolution of primary health care functions to local authorities implies that health services will become, insofar as possible, a community responsibility' (*Hansard*, 13 May 1991) which begs the question, will 'community responsibility' ultimately extend to the financing of these services?

Fundamental Shift

These recent developments indicate that there has been a fundamental shift in South African health policy, the primary objective of which is the reduction of government expenditure on health care. Reduced state expenditure is to be accomplished by shifting the emphasis in state responsibility to the provision of primary health care and services for the 'indigent'. Other public health services will have to consider

alternative sources of income. Ultimately, the burden for financing of health care will increasingly fall on individuals using these services. It is likely that these proposals will have significant adverse effects on access to health care for the majority of South Africans.

It is essential that greater emphasis be placed on current policy developments. The authorities responsible for determining health policy should be challenged to make their health plans open to public scrutiny. To date, there has been no single, clear exposition of state health financing policy. As the onus is being placed increasingly on health service providers to raise their own finances, it is advisable to minimise the associated uncertainties. This can be achieved by means of a formal, detailed public statement of government policy, well in advance of implementation, so that these institutions do not have to determine policy by inference.

In terms of the National Policy for Health Act, health care is now statutorily regarded as a privilege and not ultimately the responsibility of the government, save in exceptional circumstances. The administration and provision of health services are to be restructured. Further, the basic principles, structure and financing of our current 'National Health Service' may be radically transformed.

Yet there has hardly been any public discussion of these developments. If the pros and cons of a National Health Service or a National Health Insurance System are debated while ignoring the fundamental health policy changes occurring, we will be left without essential building blocks for either option in a 'new South Africa'. **DPWA**

Acknowledgement

The comments of Mr A Leiman on an earlier draft of this paper are gratefully acknowledged.

REFERENCES

- McIntyre DE & RE Dorrington. 'Trends in the distribution of South African health care expenditure'. *SAMJ* No78: 125-129, 1990.
- Akin J, N Birdsall & D de Ferranti. 'Financing health services in developing countries: An agenda for reform'. A World Bank Policy Study. Washington: World Bank, 1987.
- Wilson F & M Ramphela. *Uprooting Poverty: The South African Challenge*. Cape Town: David Philip, 1989.
- Yoder RA. 'Are people willing and able to pay for health services?' *Social Science Medicine* No29: 35-42, 1989.
- Stanton B & J Clemens. 'User fees for health care in developing countries: A case study of Bangladesh'. *SSM* No29: 1199-205, 1989.
- Frankish JG. 'Day hospital fees and accessibility of essential health services'. *SAMJ* No70: 285-288, 1986.
- Broomberg J, C de Beer, MR Price. 'The private health sector in South Africa: Current trends and future developments'. *SAMJ* No78: 139-143, 1990.
- Schwartz WB. 'The inevitable failure of current cost-containment strategies: Why they can provide only temporary relief'. *JAMA* No257: 220-224, 1987.

The current restructuring of health services is intended to reduce government expenditure on secondary and tertiary services

The emphasis in state responsibility will shift to the provision of primary health care and services for the 'indigent'

Case Study

Craig Clark,
Rural-Urban Studies Unit,
Centre for Social &
Development Studies,
University of Natal

A CIVIC ACCORD



As we move towards a post-apartheid society, many race-based institutions will be compelled to undergo dramatic changes to their structures and to their operations. This report examines the transformations taking place in local government, particularly in the light of recent debate around devising a new social contract. Although it represents an exception rather than a rule, the case study has important lessons for urban service delivery in South Africa.

A social contract is best understood as an agreement between two, normally-opposed interest groups, that they will attempt to seek out common ground and so act in concert for their mutual gain.

Several features would seem to be indispensable for such a contract to work effectively. The first of these is mutual respect for the sovereignty and integrity of the contractual partners. Both parties must willingly accede to participate in the contract. A second feature must be the identification of common interest. There must be a recognition of the fact that certain obstacles in the way of both parties are common to each party.

The basis of the social contract is the determination to co-operate in overcoming these obstacles. It may later broaden out to embrace other obstacles particular to each party, if the initial contract proves profitable.

At the local government level, a social contract could arise between the structures created by apartheid - white municipalities, (Indian and Coloured) local affairs committees (LACs), and (African) township bureaucracies - on the one hand, and opposition structures arising out of the popular struggle against apartheid - civic associations, residents' groupings, and even youth and local ANC structures - on the other.

In the current political climate, a mutual respect is emerging between such groupings in South Africa; there is a national commitment to negotiation, albeit a shaky one, and a growing awareness that the underdevelopment problems of the latter group are beginning to impact upon the communities administered by the former. The resolution of these problems can be best achieved by negotiation between these two groups. In time, this can lead to a closer rapprochement on other local government issues.

Within the Durban Functional Region, there exists one area which has embarked upon just such an

exercise in co-operative local government. This is the instance of the Greater Pinetown Area, embracing not only Pinetown, but also the cluster of informal areas to the south of Pinetown in Mariannhill. This example, while by no means typical of trends either within the DFR or within South Africa generally, nonetheless does offer some informative lessons to those concerned with the changing face of local government in South Africa.

The Case Study

The Borough of Pinetown is situated about 15 km inland of Durban. The site of major industrial development, Pinetown has flourished as a result of its location on the route between Durban, Pietermaritzburg, and ultimately, the PWV area. It is the second largest industrial centre (after Durban) in Natal, as well as a major commercial centre. It shares with other major industrial towns in the Republic a high level of services. The central business district, and its 'white', 'Indian' and 'coloured' residential areas, are predominantly first-world in character.

South of these areas, though still within the boundaries of the Borough, lies Mariannhill: a cluster of informal settlements which, in 1990, was home to an estimated 46 000 residents. The area originated when the fathers of the Mariannhill Monastery bought two farms, on which black converts were settled. The fact that these areas were in origin black freehold areas has largely determined the way they have developed, since such areas from an early stage took control of their own affairs.

As a result of the 1936 Land Act, the Mission was notified that no more blacks were allowed to own sites in South Africa. Although the Mission continued to provide sites, it could not issue title deeds. In the 1960s, large portions of the area were declared Indian and coloured group areas, and attempts were made to relocate people to the KwaZulu townships of KwaNdengezi and KwaDabeka.

In 1979, the Mariannhill residents organised a campaign of resistance which eventually succeeded in countering the attempts to relocate the communities. A residents' association was formed, and some years later the Department of Co-operation and Development rezoned the area for black occupation. After further attempts by the state to incorporate the area into KwaZulu, the decision to allow the settlement to remain within Natal was taken in 1987.

Service delivery to the Mariannhill region, as throughout the informal settlements on the DFR's periphery, is poor. Even Klaarwater, a formal black township outside the municipal boundary, is underdeveloped by contrast to Pinetown itself. The informal areas are largely unserved.

From 1975 to 1985, Mariannhill was controlled by a Development Board. After the area was declared a Black Development Area (BDA) in the mid-1980s, administration passed to the Natal Provincial Administration (NPA). There was dissatisfaction with this arrangement, mostly because there was little effective communication between the Mariannhill communities and the NPA. In addition, the area is predominantly 'Charterist' in political orientation, and there was suspicion of the NPA as an arm of the central state, and an unwillingness to be seen to be lending legitimacy to an illegitimate regime.

The New Agreement

The agreement concluded between the NPA and the Municipality of the Borough of Pinetown on 2 July 1990, was drafted at the behest of the NPA, although there was a considerable degree of negotiation between the two parties, and a number of directorates within the Pinetown Municipality made input into drafting the terms of the agreement.

In essence the management and development of the Mariannhill area became the responsibility of the Borough of Pinetown. The areas embraced by the agreement, with the exception of Klaarwater, were within the boundaries of the Borough of Pinetown as of 2 July 1990. The NPA specifically requested Pinetown to take responsibility for Klaarwater as well.

In terms of the agreement, the Borough of Pinetown assumed responsibility for the administration of the BDA as an agent of the Administrator of the Province. Money is provided by the NPA, and comes mostly from the National Housing Commission (NHC), on application from Pinetown. If the NHC does not have sufficient funding for a particular project, the NPA informs Pinetown that the loan has not been provided fully.

The NPA in effect provides money for projects, while the Pinetown Municipality, through consultation with the Mariannhill communities, attempts to assess the areas of greatest need. Four levels of service

provision are embraced by the agreement: large capital projects, other capital expenses arising out of these, a financial administration service, and the maintenance of service infrastructure. In addition, projects aimed at job creation programmes and facilitating informal sector activity are embraced by the agreement.

The cost of delivery of these services will ultimately be charged to the consumers, and some form of subsidisation of the service charge is currently envisioned. The ultimate long-term goal is to deliver, as much as is feasible given the difficult topography of the Mariannhill area, services of the same scope and quality as those delivered to Pinetown. In the short term, the goal is to provide service delivery up to a basic minimum standard.

The Civic Actors

Pinetown enjoys the benefits of a complete and efficient municipal apparatus along traditional apartheid-city lines. White ratepayers elect a nine-member Town Council, which in turn employs a bureaucracy comprised of directorates, i.e. Treasury, Town Engineering, etc. In addition, the Indian and coloured LACs are represented upon the management committee.

In Mariannhill, local government takes the form of civic associations. Each of the fifteen-odd communities is governed by a committee comprised of influential local persons. The civics emerged during the 1960s as residents' associations fighting state attempts to relocate the communities, and later to incorporate them into KwaZulu. After the declaration of the areas as BDAs, the civics mobilised around control over the influx of migrants, and service delivery.

A co-ordinating body, the Greater Mariannhill Co-ordinating Committee (GMCC), exists, but there is internal rivalry between the civics in the area, and consequently this organisation is frequently on the brink of dissolution.

The Pinetown Municipality inherited from the NPA an institution - the St Wendolins/Klaarwater Steering Committee - upon which representatives of the Mariannhill civics sat. This body, with which the NPA had nominally conducted negotiations around the issue of service delivery, underwent profound restructuring in the months following the conclusion of the agreement. Representatives of other communities, including the Indian and Coloured LACs, and the Mariannhill Mission Institute, were also invited to attend meetings; and the name of the body was changed to the Greater Pinetown Steering Committee (GPSC). It meets monthly to negotiate service delivery in the Mariannhill area.

The Mariannhill Mission Institute has a history of close contact with the communities and has acted as a

mediator between the communities and the local, provincial and national states; in addition, it is a major landowner, and played a key role in the development of the strong civic organisations in Mariannhill.

Delivering the Goods

The monthly meetings of the Greater Pinetown Steering Committee (GPSC) are evidence of a social contract in operation. While it would be naïve to pretend that negotiation over service delivery is problem-free, it is nonetheless clear that fruitful discussions have taken place.

Both members of the Pinetown Town Council and municipal officials have noted that the successes of the initiative are in a large measure due to Mayor Charles Van Eck's involvement as chairman of the GPSC. At GPSC meetings, members of the Mariannhill civics are allowed to make equal inputs into the deliberations, and their questions, needs and demands are met with sympathy. The chairman has repeatedly committed the Pinetown Municipality only to taking actions which are approved by the Mariannhill civics.

Although the representatives of the white local state occupy hierarchical positions on the committee, there is a genuine and commendable attempt to deal with the residents of Mariannhill as equals. Although there are areas of dissent between the Mariannhill civics and the Pinetown Municipality, both parties seem committed to the process of identifying common ground. Even on areas where there is disagreement, there exists mutual respect for opposing points of view.

In this respect, the negotiation process occurring in Pinetown and Mariannhill fulfills the conditions of a social contract. Rather than attempting to dictate to Mariannhill what will be done, the Pinetown Municipality attempts to identify, through consultation, the needs of the Mariannhill communities, and to meet those needs.

This attitude is borne out by the support which exists among municipal officials for the initiative. Certain municipal departments - notably the Treasury, Town Engineers, Health and Town Clerk's departments - were actively involved in drafting the agreement, yet it is significant that they see their role as one of mutual co-operation, rather than of patronage.

The extent of their commitment to the social contract is underlined by their perception of the best way in which to meet community needs. For example, the Municipality of Pinetown is committed to improving the material conditions of people so that they are eventually able to meet the full cost of service delivery.

A service charge boycott in effect in Klaarwater is

attributed to genuine grievances on the community side. There is opposition to the termination of service delivery to communities defaulting on service charge payments, and support for addressing the grievances of communities, conditional on the recommencement of payment. It is not thought feasible to recover the arrears owed, nor is the provision of bridging finance by the NPA seen as a viable solution.

Profound Implications

The Pinetown Agreement has profound implications for service delivery to under-developed communities, and thus for local government as well. It indicates possible further co-operation between the various Local Authorities (LAs) in the region, either in the form of an amalgamation into one LA, or in the form of a more loose association of LAs. (Just such a loose association of LAs in the Highway Area - Pinetown, Kloof, Westville, Hillcrest, New Germany and Queensburgh - has recently begun to emerge, on the initiative of Mr Van Eck.) This will result in a rationalisation of municipal functions, with greater economies of scale.

However, it might not fall to Pinetown to decide on the shape of local government in the area. White Pinetown actors identified a need for negotiation to take place at LA level to determine the nature of local government in the Pinetown area. There exists, at the level of both elected and appointed officials in Pinetown, an awareness that the Mariannhill areas will ultimately be part of a unitary LA, and will be represented on it through a ward system.

Although a minority retain ideas of racially-exclusive local government, amongst municipal officials and town councillors, many foresee a local government which will grant representation to all races. The nature of local government in Pinetown will remain structurally unchanged, and the only difference will be a large contingent of people of other race groups. Significantly, they speak of multi-racial rather than non-racial local government.

Profound changes for local government in South Africa are also likely to result from the establishment of the Joint Services Boards (JSBs) and the Regional Services Councils (RSCs). These bodies will take the decision-making function of local government away from the local level up to a higher level of technical expertise. This will not overload the communities with the technical difficulties of service delivery. The JSBs and RSCs will undertake technical planning for a large area, leaving the functions of maintenance and 'soft' services to the local level. IDPA

SOURCES

The Official Pinetown Brochure 1990, published by Caversham Brochures, Pinetown, on behalf of the Pinetown Municipality, 1990.

Cross C, S Bekker, C Clark, & C Wilson. *Searching for Stability: Residential Migration and Community Control in Mariannhill*. Unpublished report for the Department of Planning, Provincial Affairs and National Housing of the House of Assembly, prepared by the Rural-Urban Studies Unit, CSDS, University of Natal, 1991.

In Search of a New Morality

By Valerie Møller, Robin Richards and Theresa Mthembu,
Youth Centre Project, University of Natal

The Youth Centre Project (YCP) team at the Centre for Social and Development Studies completed a three year study of the leisure needs of township and peri-urban youth in June 1991. The main thrust of the research findings were reported in a special Indicator SA report, **Lost Generation Found: Black Youth at Leisure** (May 1991). In this sequel, the researchers consider the emerging role of youth centres in a changing South Africa.

There are compelling reasons why leisure choices may be critical for the new South Africa. Leisure may be one of the few domains of life where black youth have been able to demonstrate their creative and organisational talents. These will need to be carefully nurtured under a new leisure dispensation.

Informal social clubs for young people fulfil an important role in the sphere of non-formal education. They provide alternative support groups and resources for youth development outside of the formal religious, educational and political arenas. They also have the potential to serve as a training ground for the learning of leadership skills and democratic management styles.

Social clubs for the youth serve an important peer group function. They enable youth to get together and practice social skills while engaging in their chosen spare time pursuits, be it sports, music, dancing, drama, handicrafts or community service activities. In most cases, the clubs are self-initiated and run by young people themselves, who enjoy working toward self-defined goals and objectives.

The youth centre or club is by and large an integral concept for black youth which is capable of cutting across many of the leisure divides of age, gender, class, religious and political affiliation. They cater *inter alia* to scholars, students, workseekers, churchgoers, township residents, shackdwellers, etc. In the new South Africa, one can foresee the need for youth centres to serve the diverse needs of young people from different walks of life.

At the outset, it must be emphasised that the concept of a youth centre in South Africa is a fluid rather than a 'bricks and mortar' one. Furthermore, youth tend to use the twin concepts of the youth centre and the youth club interchangeably, which suggests that a strong association exists between human and physical resources.

Perhaps the major distinction between youth *clubs* and youth *centres* is an abstract one: youth report a higher degree of individual commitment in terms of regular attendance in the case of the clubs, whereas they feel that centres should operate on a more casual, 'drop in at will' basis. The advantage of this open-ended approach is that youth centres and clubs can more readily adapt to pressing emergent needs as they arise during a transitional period.

There are few examples of the concrete variety of youth centre. The YMCA may be an exception. In most cases, youth share facilities with other sectors of the community. Youth centres spring up where ever youth meet in milk bars, shopping centres, games arcades and even on streetcorners. The concept of a youth centre extends to the football and sports grounds, church buildings and community halls.

The results from YCP research conducted between 1988 and 1991 suggest that young people project their ideas of the ideal society onto their clubs and centres. The clubs prescribe positive social interaction, self-discipline and behaviour codes while the centre provides the backdrop and physical resources. These clubs occupy a variety of venues ranging from the backyard shack to school classrooms.

Acknowledgement:
The authors wish to thank the high school pupils participating in the joint Rotary Club leadership course in July 1991 and the organisers for their contribution to the debate on youth centres.

In response to the insecurity bred during the township unrest, youth yearn for a new morality in their youth centres

There is plenty of energy and goodwill among South Africa's younger generation to meet the challenges of an integrated society

In response to the insecurity bred during the township unrest, youth yearn for a new morality in their youth centres. The youth surveyed were optimistic about creating centres which would meet their ideals. Their optimism was based on the conviction that youth must pave the way for a more harmonious society. Youth indicated that there was plenty of energy and goodwill among South Africa's younger generation to meet the challenges of an integrated society.

Two case studies conducted before and after the turning point in South African history in February 1990 illustrate how youth centres could play a leading role in giving substance to the new morality:

In 1989, a new and centrally located 'bricks and mortar' youth centre in Pinetown (outside Durban) found that it was without a constituency. The YCP team was commissioned to investigate whether there was a need for a regional youth centre and what might attract youth to it. Youth in the local and neighbouring areas were consulted in a series of discussions with youth groups and high school classes.

The findings indicated that youth prefer regular neighbourhood centres over regional centres for reasons of accessibility and physical security. Under difficult socio-political conditions, township youth find it easier and safer to mix with young people they can identify, on their home turf. The proximity of club venues also saves on transport costs.

Results show that the *neighbourhood* youth centre should cater for daily needs. The *regional* youth centre, on the other hand, should cater for special events such as intergroup sports competitions, popular entertainment and social events. The Saturday night disco, well-supervised to meet parental approval, would be a strong drawcard for the 13-22 years age bracket. Late afternoon sessions for the younger groups would also meet a particular need.

The Pinetown inquiry indicated the need for flexible uses for regional centres. The multiple uses of youth centres was later substantiated by a nationwide poll. The priority uses according to poll results were that youth centres should:

- meet educational and training needs;
- meet recreational and fellowship needs;
- accommodate interest groups and clubs, given the scarcity of suitable venues.

A subtle probe was put to the Pinetown

youth about their willingness to share their youth centre. With few exceptions, the youth response was positive: youth centres should be non-partisan and non-discriminatory. Centres should operate on a non-racial, non-sexist basis and draw their membership from across geographic and religious boundaries. The usual fears associated with desegregation were expressed, however, concerning the 'swamping' of the centre by groups in terms of their area, age, ideology or interests.

The Pinetown youth proposed various means to carefully manage harmonious participation without hindering the casual friendly atmosphere they wanted in their centre. Suggested measures included balancing the participating groups in terms of their numbers, and staging multiple sessions for popular events to avoid overcrowding.

Two years later, in 1991, there are signs that a breakthrough may already have been achieved in youth aspirations for a new moral order in their youth clubs and centres. The outcome of a meeting with high school youth participating in a Rotary leadership training course during the July vacation is cause for optimism.

The youth were drawn from 22 schools in the Amanzimtoti/Isipingo/Prospecton area of Durban, with roughly equal representation from all race groups. The leadership training course operated from a primary school in the area. The YCP team met with the youth on the third day of the course to explore the new roles for youth centres in South Africa. During the meeting, the young people put forward their ideas for an ideal youth centre.

For these youth, the concept of a non-racial regional youth centre was no longer a lofty ideal but a reality which they were putting into practice. This was evident from the enthusiastic and productive exchange between the youth working on the research task in small breakaway groups made up of pupils from different schools. A set of guidelines for a new kind of youth centre was compiled by pooling ideas generated during the research session.

The youth centre concept elicited in the 1991 survey was essentially similar to the one put forward in 1989. Youth recommend that their youth centres should be efficiently managed but retain a friendly casual atmosphere. Screening of members would be essential to ensure that young

people uphold the normative behaviour code developed by the young people and subscribe to the aims of the centre.

How all this can be achieved may be a more controversial matter. Pinetown youth in 1989 recommended *economic controls* (joining fees and entrance fees), while the Amanzimtoti youth in 1991 advocated *social controls* (screening of new members through an elected committee).

The findings further suggest that contrary to popular opinion, youth are not alienated from the older generation - they wish to engage sympathetic adults as mentors, counsellors, and sponsors in their youth centre. The Amanzimtoti youth acknowledged the need for an experienced manager to coordinate their fundraising efforts. However, they envisaged that the chairman of the youth centre's committee would be a mature youth rather than a member of the parent generation.

Democratic management ensures that the youth centre caters for diverse interests associated with differences in age, gender, religious and cultural background. The regional centre operates as a headquarters and resource centre which stages central events and reaches out to the youth clubs in the area. The Amanzimtoti youth, possibly influenced by their training programme, stressed youth exchange programmes and community service.

A balance between educational and personal development and entertainment and pure recreational development would appear to be the key to a successful youth centre. The Rotary-sponsored youth recommended the following aims or roles for youth centres in the new South Africa:

- assist youth to define their role in the community and in society;
- create a sense of personal and social responsibility;
- promote fellowship and friendship across racial, socio-economic and religious divides;
- encourage the exchange of ideas;
- keep youth occupied with meaningful leisure activities;
- promote unity among youth based on social interaction (learning to work and play together); and
- create youth support groups (peer counselling).

The recipe above may provide a formula for creating a culture of social tolerance to replace the culture of violence in the

townships. YCP research suggests that youth clubs throughout South Africa are already earning 'Brownie' points by applying ingredients from the recipe.

Youth club members appear to be better adjusted in terms of their community role definition, personal responsibility and meaningful leisure activities. The peer counselling proposal has already been put into practice in the Durban region through a youth driven intervention which emerged from the YCP research project. A 'super' youth club which provides support services for other clubs in the area has been well received in Durban's townships and shack areas.

Temporary non-racial youth centres such as the ones run by Rotary and other community service organisations prove that regional centres can work in the interim period. For the longer term, consideration might also be given to an alternative concept proposed by the youth: decentralising the regional youth centre. The mobile youth centre reaches out to young people in the area to meet specific neighbourhood needs and to bring attractive events to young people.

The 'mobile' youth centre operating from a regional headquarter may strengthen the organisational principles underpinning the new morality without the rigidity of a bricks and mortar shell. The Kwasa community theatre group, an extension project of the Durban Playhouse which brings drama to the townships, operates along these lines.

Nevertheless, the flexible youth centre concept can only be a temporary measure. Mobile centres do not solve one of the most pressing problems which young people face in their leisure time. Although youth clubs, depending upon their size and composition can operate from modest and makeshift accommodation, there are too few venues to accommodate larger groups and events. Emergency situations related to township unrest has put communal venues under particular strain. Many churches and community halls have been converted into refugee centres and makeshift schools.

To conclude, the ideas which are giving shape to the youth centres of tomorrow have already been born. The challenge for the future will be to mould the flexible concept of youth centres to meet changing aspirations until the time is ripe to give them more permanent shape. **IPWA**

Youth Centres may provide a formula for creating a culture of social tolerance to replace the culture of violence in the townships

REFERENCES

- Moller V. *Lost Generation Found: Black Youth at Leisure*. Indicator SA Issue Focus. Durban: CSDS, University of Natal, 1991.
- Richards, R and V Moller. *The Feasibility of a Youth Centre for Pinetown: A Survey Evaluation of Young People's Aspirations and Expectations*. Research Report No2, Durban: CSDS, University of Natal, 1990.



Noreen Ramsden,
Training Coordinator,
Training & Research for Early
Education (TREE)

The education focus in the last edition of *Indicator SA* debated the lessons of comparative experience abroad for deracialising schooling in South Africa. The open schools policy is gradually creating multicultural classrooms to prepare children for the new South African society. In this article, an experienced preschool educator looks at the possibilities of reform on the bottom rung of the formal schooling ladder.

Multicultural education is attracting considerable attention as a policy option for helping to build a more united South Africa. It is now possible to move away from Christian National Education - a system that has had the opposite intent: building a mono-cultural education that maximises the child's positive sense of identity as a member of one cultural group, to the exclusion of all others. It was one of the chief strategies of 'grand apartheid' which strengthened existing barriers and erected new ones against multi-culturalism, separating not only 'European' and 'non-European' children by colour, but also major ethnic groups by language.

The necessity of affirmative action to bridge both the artificial and the natural divisions in our society, has resulted in a general acceptance that children should learn to balance their positive self-image as members of any one group, with understanding and respect for other groups. In democratic circles, there is a demand that education go further than this: it should promote equal rights for all no matter what groups they belong to - cultural, linguistic, religious, class, age and gender. The demand is for education that is pro-active and anti-bias (see *Indicator SA* Vol8/No4: 61-67).

The challenges facing formal schools in implementing multi-cultural, anti-bias education are formidable, including curriculum development, new syllabi, and new textbooks to be written and published. Preschool education is almost entirely outside the state education system, however, and has always been more free and creative. There are no syllabi or textbooks to be changed. There also are many existing multi-cultural preschools to serve as examples.

Significant multicultural bridge-building has been shown to be possible in the early education field. Working models of the accepting, tolerant, society we would like to become, have been provided. One of the favourable factors is the close parental involvement in early education, and the pragmatic fact that young children have a universal appeal and are not seen as threatening - as, for example, teenagers of another culture might be seen to be.

Another advantage for multi-cultural early education is the undisputed fact that young children pick up languages with great ease. While children are learning a first language, i.e. before the age of about seven years, they are developmentally at a peak for acquiring language, and they are able to learn another language, and even more than one, in parallel. They do not learn a second language by translating from the first, the way older children and adults have to do - they in effect have more than one first language.

The idea of all children in our land growing up fluent in an African language, as well as - most probably - in English/Afrikaans is an exciting one (see Brown: p23). Fluency in a language does not automatically mean that prejudice is eliminated, however. Many rural children growing up speaking an African language but consider this to be a servant's language and remain locked in traditional racist attitudes.

Children are very sensitive to any nuance of superiority or inferiority. Every effort will have to be made to ensure that all languages and cultures generally have demonstrably equal status in the schools.

Obviously, it is underlying attitudes that need to change. The preschool - small and

intimate, with close relationships with parents and staff - can be a force for such change. The first multi-cultural preschool I started was in Swaziland in the 1960s, where the racist colonial barriers were just beginning to fall.

Many of the parents were South African. It was rewarding to see their attitudes relax as their children made cross-colour friendships and as they met other parents on a basis of equality and shared interests. It did help that this was the fashionable school which diplomats' children attended - though this in turn led to English being the medium of the school. With up to ten home languages at the school, a second language was not what the parents wanted - though Siswati songs and phrases were learnt.

Important lessons can be gleaned from the earlier experiences of multicultural preschools. I was fortunate to be associated with a preschool established in Durban in 1987, dubbed in the press as 'A Bridge Over Troubled Water'. The majority of parents voted for the preschool to be English medium, though with some Zulu, and from experience it was obvious that English gained a higher status among the children. This unfortunate outcome should be prevented through sensitivity and affirmative action.

Language is of course only one of the factors to be taken into account in the multicultural preschool. There are many superficial customs such as table-manners (*do children chat at meal-times or not?*), food preferences, and clothes (*may small children, even girls, strip down when it is very hot?*). Other cultural differences come from a different ethos - for example, there is a rigid hierarchy of status, age and gender among most African and Indian families. A tradition of corporal punishment and other differences in child-rearing may exist.

It is important for the agents - founders, preschool staff, committee-members - in a multicultural school, to be aware of their own cultural bias, and to be open and accepting of others'. Time must be taken to build up good relations with the parents, so that from a position of trust, cultural issues and differences can be discussed, and a satisfactory conclusion be reached.

Parents who demand corporal punishment for their child often only need reassurance that discipline will be maintained. Parents who complain that their children are becoming 'cheeky', need to understand the need to build children's self-confidence for

school-readiness. But more often the need is to encourage parents to maintain their own culture, so that they make sure that family traditions are maintained at home.

Avoiding Assimilation

Multicultural preschool education is not assimilative (Morrel, in *Indicator SA* Vol8/No4: 66). A preschool does not take in two or three children of a 'secondary' culture and absorb them totally into the dominant culture - often alienating them from their roots. It may be difficult to hold the balance in the face of anxious parents who see English as the gateway to success for their children. Some parents even farm their children out to English-speaking families, without considering the emotional and social cost.

All those concerned need to be assured that children will be more stable, and will learn to think and reason more easily if the home language is retained. English needs to be phased in, through natural exposure, as a pleasurable learning experience.

At our preschool in Durban, we held staff development meetings regularly, to help us focus on the objectives of the preschool and to strategise how to implement them. As a multicultural team we shared both problems and successes, and helped each other to overcome our own bias. Parent meetings were held monthly, at their own request, to discuss topics such as 'Bringing up children for a new democratic South Africa'. We discussed early education and how parents could be involved. The parents themselves asked for, and organised, social occasions so that they could get to know each other.

We avoided introducing different cultures in an artificial and self-conscious way as we felt this could be very divisive. We did not have a 'Hindu' or 'Zulu' teaching theme with an emphasis on the differences between 'them' and 'us' in houses, clothes, food etc. Instead, we took as a theme something we shared in common, e.g. *my home, weddings, parties, people who help us*, etc. We emphasised the similarities of human experience, and brought in the rich diversity of culture as something to be accepted and appreciated.

The various religious celebrations were shared by all as a special kind of party! Visits by grandparents and family members were encouraged, as stories of the 'old days' help children to understand or at least get a feeling of tradition.

Significant multicultural bridge-building has been shown to be possible in the early education field

Children should learn to balance their positive self-image as members of any one group, with understanding and respect for other groups

A Ministry for Children should be established to coordinate a holistic approach to the needs of children in a more caring society

Preschool Models

While preschool education has great potential for introducing multiculturalism, it has many and various problems of its own. Only a very small percentage of children in socio-economically deprived communities attend effective early childhood educare (education and care) centres. In fact, only about 2 per cent of children overall have any early educare, and many children are in 'backyard' creches that are overcrowded, with poor facilities and where they are lucky if their most basic health needs are met.

The various state education departments are almost all withdrawing from early education except for a 'pre-basic' one year course attached to primary schools. These pre-basic or bridging classes are mostly taught by primary school teachers, and the classes are large (often 40 or more), with little equipment and no parent involvement. They follow the pattern in France where almost all the children have this type of preschool education, and where the state of primary education has been giving grave cause for concern, recently.

The system is contrary to three of the proven criteria for effective early education:

- small classes;
- teachers trained in a developmentally appropriate curriculum; and
- involvement of the parents.

The main reason given for the withdrawal of state support for early education is financial - but support for alternative low-cost systems has not been considered. One can only deduce that the present educational systems are too hidebound in a bureaucratic straitjacket and/or that the authorities are trying to ensure that a no-frills, *mono-cultural* option will be affordable to local, mostly Afrikaans, communities.

Early childhood education could not only be cost-effective in helping black children with English - necessary even if more mother-tongue education is introduced in primary school - but it has been shown to be cost-effective in English-speaking countries. The Ypsilanti-Perry Project (1982) showed a 50 per cent increase in scholastic achievement measured by lack of repeated years and in completion of Grade 10, among others.

In Britain there has been a study of 6 000 children who commenced school on the same day (Osborn & Millbank, 1987).

While socio-economic factors were predictably the most potent in influencing school achievement, early childhood education was a significant factor in promoting later achievement. It is worthy of note that there were no significant differences between children who had had the high-cost 'pre-primary' education and those who had the low-cost and parent-run preschool, playgroup experience.

Other alternatives include parent-support programmes such as 'Hippy' in Israel, home-educare or child-minding, and factory-based educare centres. The latter are among the centres pioneering multi-cultural early education in South Africa. With 15-30 per cent of preschool children needing all-day educare centres, employers and trade unions share to a considerable extent in the responsibility for educare.

Another interesting pilot project is Preschool English Literacy for Teachers (Pelt), at the University of Zululand, which aims to encourage English in the local preschools. This may be an acceptable substitute when a multicultural team of teachers, in rural areas, is a pipe-dream.

Millions of rands are being wasted at present on 'black' primary education, where it takes on average 12 years for a child to complete the first seven years of school. The chief bottle-necks are the first year, where children start with almost no pre-literacy and pre-mathematical experiences for school readiness, and standard three when English is introduced as a medium of education. Effective multi-cultural preschool education will help to eliminate both these bottle-necks, as the present system continues - and will be cost effective under any new system.

A creative approach is needed for effective multi-cultural early education in South Africa. All available resources need to be mobilised and coordinated - community resources, funding agencies, big business and all the relevant state departments (education, health, welfare and manpower). It is also essential that the rights of the child (see UN Declaration of Childrens Rights, *Indicator SA Vol 8/No 4:68*) are enshrined in the new Constitution. Lastly, a Ministry for Children should be established to coordinate a holistic approach to the needs of children in a more caring society. **IPQA**

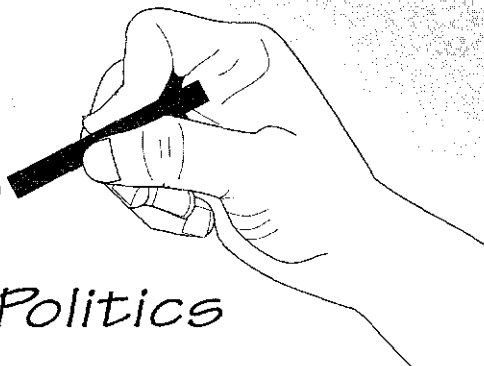
REFERENCES

- Ypsilanti-Perry Project. Michigan: HighScope Foundation Press. 1982.
Osborn, AF & JE Millbank. *The Effects of Early Education*. Oxford: Clarendon, 1987, quoted in 'Opening the Doors of Learning to all Children' unpublished material by Ann Short, Early Education Consultant, Cape Town.

Acknowledgement

I would like to acknowledge the work of Ann Short, a pioneer in the pre-school field.

Blackboard Power



The New Teacher Politics

Duncan Hindle, Department of Education, University of Natal

Two significant developments have recently taken place in the arena of teacher politics: the launch last year of the South African Democratic Teachers Union (SADTU), and the recent launch of the National Professional Teachers Organisation of South Africa (NAPTOSA) this year. An executive member of Sadtu examines the development of these two organisations, their objectives and relations, and their likely impact on future educational development.

Teachers have an important role to play in the reconstruction of education in South Africa. Teachers are presently involved in a major regrouping exercise, and will hopefully make use of their increased bargaining power to influence what goes on in the classrooms of the future. However, broad schisms are apparent between the two major teacher organisations which pursue very different goals. These divisions could result in major conflicts which will hinder progressive educational change.

Like most other South African institutions, race has been the dominant separating factor in teacher organisations, leading to separate bodies based within each of the ethnic Departments of Education. This tendency has been carried even further, where, for example, the approximately 1000 'white' teachers in the (black) Department of Education and Training (DET) schools have formed a separate organisation.

Geographic determinants have also influenced teacher organisations, with either separate or semi-autonomous federal structures in each province, as well as in each of the 'homelands'. Language has further divided the white teacher organisations, with Transvaal, Natal and the Cape having separate structures for English and Afrikaans speaking teachers. Lastly, to a limited extent, the level of education has had an influence too, with (for example) technikon and university educators opting for particular organisations to promote their interests.

In terms of all these divisions, there were approximately thirty different teacher bodies in 1989. The African Teachers Association (Atasa), the largest federation, had four provincial affiliates, as did the United Teachers Association (Utasa). The Teachers Association (Tasa) had a unitary structure, reflecting a largely Natal-based organisation. White teachers were bound to be members of a recognised association, and these in turn were compelled to affiliate to the Teachers Federal Council, a statutory body which the state recognises as the sole consultative forum on matters concerning teachers.

Besides these established organisations, there were a number of progressive or emergent structures which emerged post-1984, largely driven by those politicised students of 1976 who had now become teachers. Most of these were regionally or even township based organisations (e.g. *inter alia*, the since dissolved Wectu, Detu or Edasa). The National Education Union (Neusa) was the only national structure which openly identified with the liberation struggles of the 1980s. All of these were structures of resistance, some of which were restricted under Emergency legislation.

Divisions between these established and emergent bodies were in relation to broad socio-political issues (rather than educational beliefs), and polarisation was strong. Established bodies were perceived by emergent structures as 'puppets' of the state, and obstructions en route to liberation; emergent structures as

Broad schisms between the two major teacher organisations could result in major conflicts which will hinder progressive educational change

Divisions between the established and emergent teacher bodies related to race and broad socio-political issues rather than educational beliefs

The new political climate in South Africa has divided teacher bodies between 'unionists' and 'professionals'

undifferentiated *politicos*, informed only by the 'liberation before education' thesis.

The artificial divisions of the past, and this simplistic political dichotomy, have recently given way to a more elaborate and complex array of positions. While these have largely coalesced around two bodies, namely the SA Democratic Teachers Union (SADTU) and the National Professional Teachers Union of SA (NAPTOSA), we should expect a certain amount of reshuffling over the next few years. Nevertheless, the nature of these organisations has been defined and will probably remain largely intact in the near future.

The Unity Talks

SADTU was launched in 1990 after more than two years of teacher unity talks. The process began in Harare in 1988, when a consultative conference was called by the liberation movements, hosted by the Zimbabwe Teachers Association (ZIMTA) and supported by the All-Africa Teachers Organisation (AATO) and the World Confederation of Organisations of the Teaching Profession (WCOTP). All existing teacher organisations attended this meeting, and agreed on a number of principles upon which unity could be forged. Cosatu were mandated to act as facilitators of this teacher unity process.

The unity talks were convened during a period of severe repression inside South Africa, and at times the differences in outlook produced a deadlock. Progressive structures sought on occasion to withdraw because of a perceived lack of progress amidst the deep crisis in education, but were persuaded to remain. It can be concluded however that in the process of debate, new perspectives developed on both sides, as very different understandings of politics and education confronted one another. The end product, SADTU, is qualitatively different from any of its components.

The 'National Teacher Unity Forum' debated the nature, form and purpose of a united teachers organisation, while acting also as an immediate response to particular manifestations of the education crisis. These responses informed the style of the yet to be born structure, but the central debate was around the structure of the new body.

On the one hand, arguments for a

federation were strongly put by the established bodies, who perhaps feared the dissolution of their organisations, and saw a federation as a pragmatic (and even temporary) acceptance of a presently divided education system. On the other hand, emergent bodies argued strongly in favour of a unitary structure, as a means to reconstruct from scratch the terrain of teacher politics, and as a pro-active move towards a unitary, non-racial education system.

The final outcome was that SADTU emerged as a unitary, progressive organisation, reflecting a victory for the left, while incorporating the undisputed capacity of the established bodies to deliver professional and organisational services.

A number of the initial participants in the unity talks, and even some of the later entrants (the NTS and TTA), failed to sign the unity agreement. Their reasons for doing so were not uniform, but reflected a general problem with the eventual character of SADTU, which they perceived as politicised and overly militant.

Nevertheless, SADTU has obtained international recognition from both major world federations, and has wide local recognition as the teachers organisation in the democratic movement. SADTU is the only teacher group on 'the Mandela delegation' engaged in ongoing talks on education with President de Klerk.

Artificial Divide

The most common international division of teachers is on the grounds of a polarity which is crudely posed as being either (progressive) 'unionist' or (traditional) 'professional'. This issue has divided teachers in most modernised nations, as well as the international teacher federations. The WCOTP and International Federation of Free Teacher Unions (IFFTU) embody these in their own names, yet initiatives are presently being taken towards a merger of these organisations, in recognition of increasingly coincidental positions.

Because of South Africa's particular legacy and the ability to find broad consensus on issues of resistance, a division on these grounds has not been a recent feature among our teacher organisations. However, the new political climate has seen this division re-emerge in South Africa. (African teacher organisations were rent

apart by it in the 1950s (Hyslop, 1990).) While this division is presently forging new alliances among South African teachers, it is important to recognise that the nature of the divide is not new to South African teacher politics, or elsewhere.

As teacher organisations move from 'constitutional debates' into the equally political terrain of educational debate, the knife of ideology will initially be sharpened and cut deep.

SADTU was launched in 1990 with the support of the labour and liberation movements. It openly identified with the political agendas of these bodies and with educational transformation based on the principles of 'people's education'. Within one year, this union has signed up over 40 000 members. Despite the lack of formal recognition, SADTU has become a major player in the educational terrain. Its strong union stance has been tempered by a constitutional commitment to development, especially in relation to its own membership, and it uses the term 'union of professionals' to describe itself.

The launch of NAPTOSA in 1991 has further delineated this divide, much to the relief of the state. (Although President de Klerk met with representatives of NAPTOSA before it was even launched, and praised its intended formation, he has not yet granted SADTU an interview despite numerous requests.)

NAPTOSA has attempted to force a contradiction, and to capture the 'professional' element of teaching. They have distanced themselves from SADTU by including the term 'professional' in their name, and by their early press statements which showed an antagonism to political issues and unionist practices. An emphasis on professionalism is interpreted to mean a refusal to engage in industrial (mass) action, backed by the somewhat empty rhetoric that their 'concern is for the child'.

This tactic is unlikely to be successful, as SADTU has effectively bridged the artificial divide between teacher unionism and professional responsibilities. It has shown an equal concern for matters political and matters educational, as reflected in the establishment of a national 'professional matters' committee, which will formulate and pursue educational development, based on the fundamental principles of non-racialism, non-sexism, and justice. At the same time, it has refused to separate these areas of engagement.

SADTU has taken the position that the unionisation of teachers is a necessary condition for teacher-led professional and educational development. It sees no inherent contradiction between a strong organisation, able to defend and promote the rights and interests of teachers, and the professional work of these teachers.

While strategic political means may not always coincide with long-term educational aims, international practice is suggesting that the two are not only mutually compatible, but in fact necessary and complementary. This position is captured in the theme for the first Congress of SADTU in October 1991, namely the call to 'Unionise for Democratic Professionalism'.

It is clear, therefore, that South African teachers have coalesced around standard polar opposites, and no middle ground currently exists. It can be argued that this polarisation is potentially a good thing, encouraging debate around educational issues, and especially around the fundamental political underpinnings of any educational process. The possible dangers of intra-school disputes in an intolerant society must also be acknowledged, however, especially where strong hierarchies allow for an abuse of power and victimisation.

Educational Development

SADTU has committed itself to a programme of educational development, and NAPTOSA by definition will focus primarily on 'professional' matters. There is justified optimism that the renewed vigour of South Africa's teacher organisations will therefore impact positively on the reconstruction process. However, in relation to organisational allegiances, teachers may contribute diversely to educational transformation, making for a less than spectacular effect.

A shared collective vision would greatly enhance the chances of any programme, but this is not likely in the near future. For some, development may be pursued along the radical lines of 'people's education'; others may favour a liberal, individualistic approach; yet others will undoubtedly aim for a conservation of much of the status quo in education (Ashley, 1989). While these are being contested, education could be the loser.

SADTU is likely to vehemently oppose any proposals which look like entrenching the

Polarisation can encourage debate around educational issues, especially around the fundamental political underpinnings of any educational process

The renewed vigour of South Africa's teacher organisations will impact positively on the reconstruction of education

The central issue dividing teacher organisations in South Africa is the delicate balance between identity and diversity in education

privilege of elites. It has rejected the DNE's Education Renewal Strategy, and argues instead for a single national system of education, with a high degree of centralised, democratic control. Education will be viewed as a pro-active ingredient in the socio-economic development of oppressed classes, rather than a reflection of the present structures of inequality based on race, class and gender.

For its part, NAPTOSA, while committed to a non-racial future, remains a diverse organisation. Africanist leadership is deputised by conservative Afrikaner. The Natal Teachers Society (NTS) and Transvaal Teachers Association (TTA), representing liberal interests, have been somewhat marginalised, as has the Inkatha-aligned Natal African Teachers Union (Natu).

The NAPTOSA vision of education builds upon the 'diversity' paradigm in its own organisation, with maximum devolution of power to local communities. This control will be paid by increased parental contributions - a privatisation tendency which will not redistribute access to education, and would favour a decentralised model. Their work among teachers is likely to focus on technicist solutions to the problems of multi-racial classrooms and resource shortages.

What is evident is that debates around schooling are bound to emanate from this conjuncture. Whether or not these divisions are productive remains to be seen. The central issue dividing the two organisations can be identified as the delicate balance between identity and diversity in education. It will affect all issues like admissions, resource allocations and curriculum matters (including language policies and examinations).

This matter is not likely to be finally resolved, but a number of points seem to favour the dominance of SADTU in the short term at least. The major one is SADTU's international standing, as well as its close alliance with organisations such as the National Education Coordinating Committee (NECC). Since its launch SADTU has become a prominent force within the NECC, and the agendas of the two bodies largely coincide today.

What about the relative strength of SADTU and NAPTOSA, as measured by the size of their membership, and the commitment of their members to engage in the struggle to transform a failed education system? While


NAPTOSA claims a massive 100 000 members, this is calculated on the basis of a federation in which all existing membership has been incorporated. Further, white teachers are obliged by law to belong for employment purposes, while KwaZulu teachers are expressly forbidden to belong to SADTU. While SADTU has 40 000 members who have joined of their own volition, it could be expected that in an open referendum the numbers would be more evenly balanced.

Conclusion

Whatever the personal or organisational ambitions, South Africa's teachers will be forced by circumstance to engage with some form of educational change towards the non-racial classrooms of the future. Whether this involves a simple deracialisation of schools, within conventional paradigms, or a significant break with the pedagogies of the past, is the subject of another article (see Morrell and Squelch in *Indicator SA* Vol8/No4: 61-67).

What can be concluded is that the engagement of teachers in the process of educational reform will not be uniform, or even cohesive. For the near future at least, different teacher organisations will continue to exist, with widely differing views about the endpoint, as well as the route to reform.

The degree of polarisation in society generally will probably influence the extent to which the international tendency towards the centre is followed in South Africa. Meantime, severe tensions may emerge in the struggle to create a new system of education, some of which may reshape the organisational terrain even further. It can only be hoped that these tensions will become creative elements rather than destructive.

South African teachers should feel fortunate to be able to engage with a system where virtually everything is 'up for grabs'. Few such opportunities exist in the world - many teacher unions in Africa are engaged in rearguard actions defending their positions. South African teachers have no justification for doing so; it is their responsibility to use their collective strength to positively influence the future direction of education in South Africa. 

REFERENCES

- Ashley M. *Ideologies of Education in South Africa*. SATA, 1989.
Hyslop J. In M Nkomo (ed) *Pedagogy of Domination: Toward a Democratic Education in South Africa*. Africa World Press, 1990.
Wolpe H. *Perspectives in Education* Vol12/No2, 1990.

In a way, South African teachers are fortunate to be able to engage with a system where virtually everything is 'up for grabs'

INDUSTRIAL

M O N I T O R

HEALTH AND SAFETY IN THE CHEMICAL SECTOR

FIGURE 1
MERCURY IN URINE LEVELS

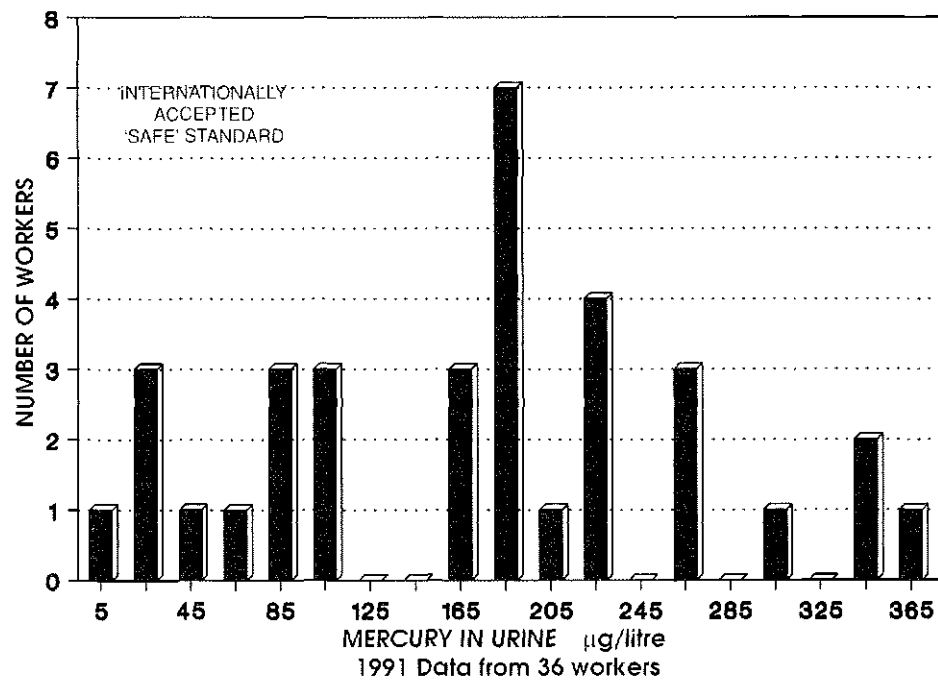
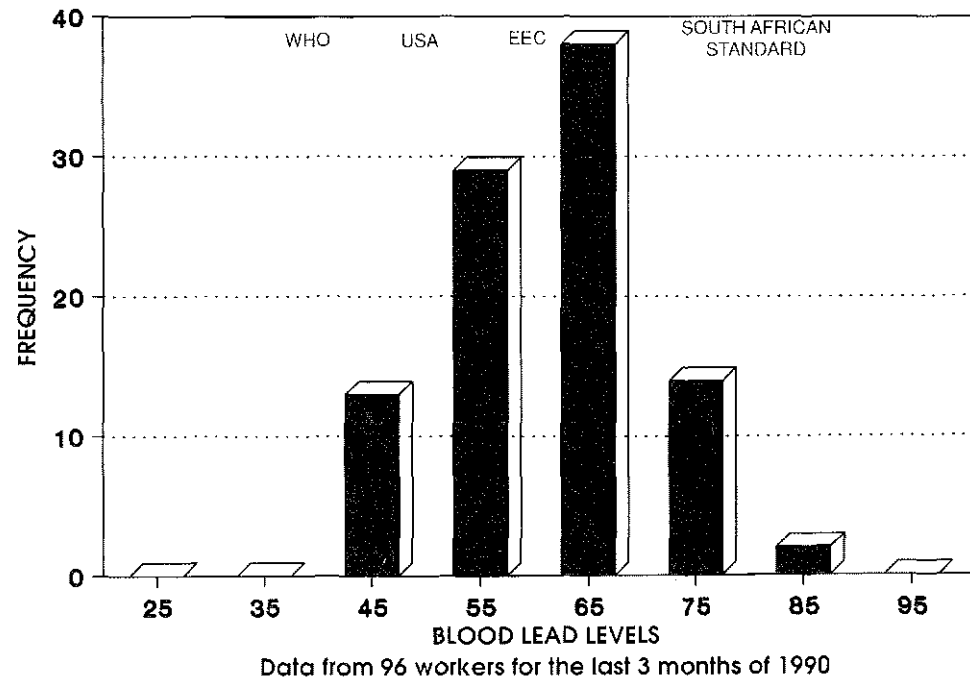
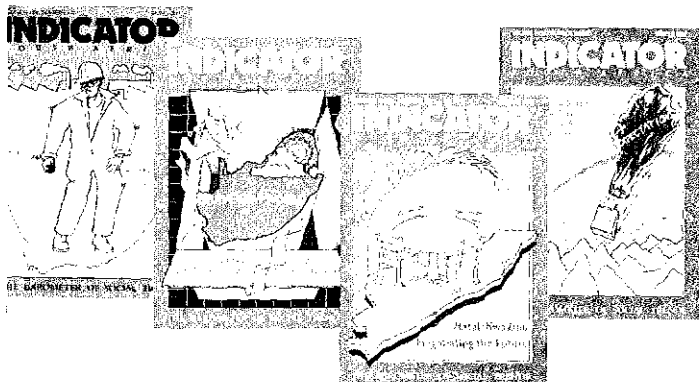


FIGURE 2
BLOOD LEAD LEVELS

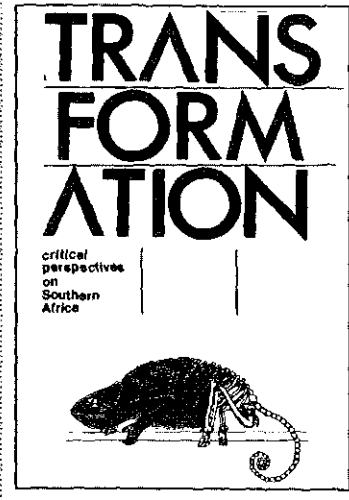
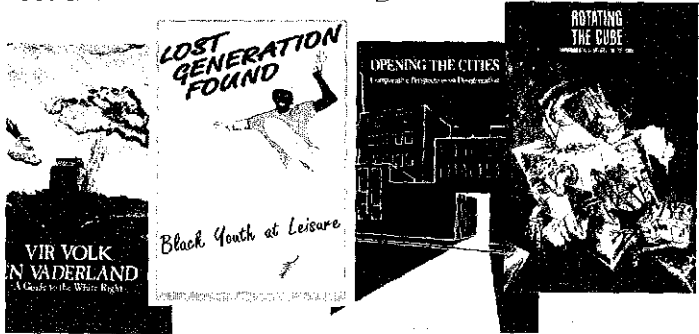


See Colvin on 'Occupational Hazards' in this monitor: pp82.

INDICATOR
S O U T H A F R I C A
CATALOGUE 1982 - 1991



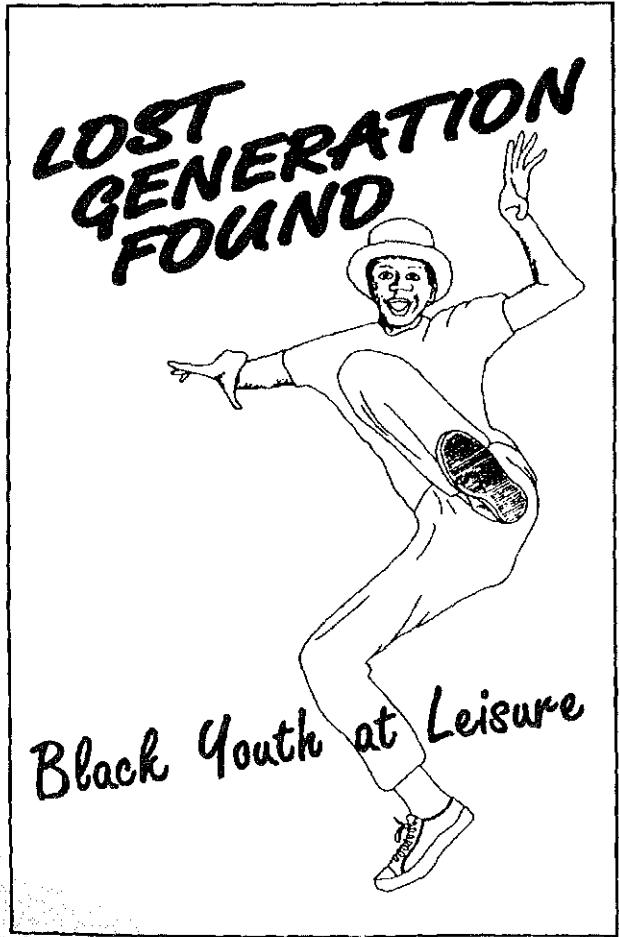
Available free of charge from Indicator SA



TRANSFORMATION provides an outlet for discussion on forces that shape South African society and its potential for transformation. It considers historically and currently, the class nature of society; political, cultural and ideological domination; the state constitution; capital accumulation and economic consequences of crisis; and the political options of different classes.

TRANSFORMATION is a quarterly journal and is available by subscription from:
TRANSFORMATION, P O Box 37432,
Overport 4067 South Africa

	RATES				
	Southern Africa (R)	United Kingdom & Europe (£)		North America (\$)	
		Air	Surface	Air	Surface
Individuals	22.00	18.00	12.00	25.00	18.00
Institutions	40.00	34.00	28.00	48.00	40.00
Single issue	6.50	5.50	4.50	7.50	6.00



A joint publication from Indicator SA and the Youth Centre Project

The challenging findings of a three year research programme sponsored by the Konrad Adenauer Foundation

The first study of its kind on a controversial subject that concerns all South Africans

Proposals for a post-apartheid youth policy

Order by direct mail from
Indicator Project SA, Room 262 MTB,
University of Natal
King George V Ave, Durban, 4001, South Africa
Telephone: (031) 816 2525/816 2369
Fax: (031) 816 2359

Authors
Valerie Møller, Robin Richards, Theresa Mthembu

May 1991: 64 pages.
Cost: R25 (local), \$20 (abroad) (incl airmail postage)

Clothing Sector



Shane Godfrey,
Industrial Relations
Project,
University of Cape Town

A series of sectoral case studies is being researched in an attempt to understand the dynamics in each sector and how these will affect the level of collective bargaining. The first case study draws on interviews conducted with manufacturers and workers in the clothing industry in the Western Cape, where the SA Clothing and Textile Workers Union (SACTWU) has demanded the formation of a national industrial council but clothing manufacturers have strongly resisted the initiative.

In the early 1980s a number of the progressive trade unions reconsidered their initial rejection of industrial councils. Although remaining committed to plant level bargaining, they started a process of engaging with these centralised bargaining structures. The reasons for this shift have been well documented, but not much attention has been given to the subsequent attempts by these unions to restructure those industrial councils.

The Industrial Relations Project (IRP) at UCT recently completed an extensive overview of the industrial council system in South Africa between 1979 to 1990. Probably the most important finding was the extent to which the unique mix of factors and forces that characterise each industrial sector determine the type of bargaining structure that emerges in that sector and the level at which it is situated. As a consequence, it could be argued that there is no 'ideal model' for bargaining structures - what is appropriate for one sector might, for a complex of reasons, be entirely inappropriate for another sector.

A second important research finding is that the factors and interests that contributed to the formation of a particular bargaining structure can become entrenched in that structure, which, as a result, becomes inflexible and resistant to change. The history of bargaining arrangements in a particular sector is therefore critical in trying to understand the opposition from certain quarters to demands for changes to bargaining structures and to bargaining levels.

Regional Bargaining

The clothing industry has historically displayed a high degree of centralisation of bargaining in the form of large and stable regional industrial councils. In 1925 the first industrial council was established in the Transvaal and had its first agreement published in the same year. This was followed by industrial councils in the Cape and Natal in 1936, the Eastern Cape in 1938, and finally, a council for the OFS and Northern Cape in 1961 (Barker, 1962; Saldru, 1990). These five councils were all formed by regional employer associations and what were essentially regionally based trade unions.

The Garment Workers Union of SA (GWUSA) was the sole trade union party to the councils in the Transvaal, Eastern Cape, and the OFS and Northern Cape; the Garment Workers Industrial Union (Natal) (GWIU) was the sole trade union party to the Natal council; and, the Garment Workers Union of the Western Province (GWUWP) was the sole trade union party to the Western Cape council. The unions were all of a significant size but, after the failure of GWUSA to extend their organisation to the Western Cape in the 1930s and 1950s, they were to remain firmly rooted in their particular regions.

Bargaining arrangements in the clothing industry have therefore displayed a very strong regional character historically, which was consolidated by the regional nature of the organisations participating on the industrial councils.

There is no 'ideal model' for bargaining structures - what is appropriate for one sector might be entirely inappropriate for another sector

The emergence of a national trade union in the clothing industry inevitably focused attention on the regional nature of bargaining arrangements

These arrangements were not challenged until late in the 1980s because the progressive trade unions had little or no impact in the sector for a considerable period of time after the Wichahn reforms. It was only in 1985 that the affects of the progressive trade union movement started being felt in the industry, following the merger of the National Union of Clothing Workers and GWUSA to form the National Union of Garment Workers (NUGW), and then in 1987, with the merger of GWUWP and GWIU (Natal) to form the Garment and Allied Workers' Union (GAWU).

The process was taken another step forward by the merger later in 1987 of the NUGW with the Textile Workers Industrial Union and the National Union of Textile Workers (NUTW), to form the Amalgamated Clothing and Textile Workers' Union of SA (ACTWUSA). There were now only two trade unions in the industry (i.e. ACTWUSA and GAWU) and in September 1989 they merged to form SACTWU (*Work in Progress* No59:24-29). For the first time in the history of the industry, workers in all regions were organised in one national trade union.

The changes had, however, not only been quantitative. The series of mergers had seen an increased influence within the industry of a different style of unionism, which had come to be associated with the post-1973 progressive trade union movement.

This trend was most notable with the formation of ACTWUSA by the National Union of Textile Workers. The giant union that was to emerge in 1989 was firmly within the fold of COSATU and was a very different union to the ones that employers had faced only a few years before. One indication of this is the rapid increase in weekly wage rates in the last four or five years, e.g. in the Western Cape the machinists' wage rate has risen from R77,00 in the second half of 1986 to R184,50 in the second half of 1991, an average increase of just under 28% a year.

The emergence of a national trade union in the industry almost inevitably led to attention being focused on the regional nature of bargaining arrangements. The formation of SACTWU constituted the major change in the equation that had historically sustained the regional bargaining structures. However, the focus was sharpened by SACTWU's strong commitment to achieving uniformity of wages and conditions of employment in the industry. It was this aim that was to inform

SACTWU's demand for a national industrial council, and it has led to the union developing a clear policy around the need for national, industry-level collective bargaining (*SALB* Vol15/No4:50-53).

Centralised Bargaining

The clothing industry is characterised by a number of features that are particularly conducive to centralised bargaining. Firstly, the industry is extremely competitive, and the low capital requirements needed for entry combined with its labour intensity make competition between firms on the basis of labour costs a persistent feature. Historically, the established clothing manufactures have been able to restrict this competition through centralised bargaining in the industrial council and the extension of legally binding minimum wages and conditions of employment to all manufacturers in the region.

Allied to this is the fact that the clothing industry is characterised by a large number of small to medium sized firms. For example, in 1985 there were 1 231 establishments countrywide, of which 727 employed less than 50 workers. The average employment size of the firms in that year was 100 employees. In the Western Cape in 1990 the average employment size of firms covered by the council was 125 employees, who were employed in a total of 433 firms.

However, the large number of small to medium sized firms has not restricted union organisation, which has achieved a remarkably high level of membership. For example, in 1982 over 88% of the workers covered by the five councils were union members. In the Western Cape at the end of 1990 union membership stood at 97% in 80% of the firms covered by the council (*Industrial Council Report, 1990; SACTWU, 1990*).

From both the employer and the trade union points of view it is therefore imperative that there is some form of centralised bargaining.

On the one hand, the many small employers have been able to protect themselves from having to face a highly organised trade union on their own, by way of a centralised bargaining structure. In so doing they have come to rely on the skills and resources of the employers' association in negotiating with the relevant trade union. This has enabled them to avoid the costs of

The clothing industry is characterised by a number of features that are particularly conducive to centralised bargaining

employing an industrial relations manager and thereby retain a very lean management structure, which is essential to limit overheads and maintain competitiveness.

On the other hand, the larger employers have tended to dominate the employer associations and have been able to negotiate wages and conditions of employment that they can live with but which many smaller firms say are driving them out of business. From the trade union's perspective, the very large membership, spread as it is over numerous smaller firms, makes it unfeasible to rely entirely on plant-level bargaining.

These factors have meant that historically the industry has been characterised by stable centralised bargaining structures, albeit at the regional level. The industrial councils in this industry have remained relatively stable throughout the 1970s and 1980s, a period in which centralised bargaining in many sectors has gone through a turbulent time. Probably the most important reason is that plant-level bargaining did not arise much in the clothing industry, and the problem of actual wages (bargained at plant-level) versus minimum wages (bargained at the industrial council) has not been a major destabilising force as it has in certain other sectors.

Plant-Level Bargaining

As with many other industries where there were industrial councils, prior to 1973 there was no tradition of plant-level bargaining in the clothing industry. This factor contributed to the stability of the councils and to a large extent to the bureaucratisation of the trade unions that participated on them.

In certain other industries the emergence of a progressive trade union meant the rejection of the industrial council by that union in favour of a policy of vigorous plant-level bargaining. When the union later reconsidered its opposition to the industrial council and entered this forum, it did so on the basis of continued plant-level bargaining. This demand for dual-level bargaining has, in certain sectors, caused employers to leave councils, and as a result, some councils have either collapsed or become dangerously unrepresentative.

The clothing industry has, however, not experienced this problem. There was no progressive trade union in the clothing industry with a policy of plant-level

bargaining that challenged the established unions. As outlined above, the formation of SACTWU was via a series of mergers that incorporated all the existing unions in the industry. It became the sole trade union party to the councils without having to challenge any established trade union and its accession to the councils therefore took place with the minimum of disruption to bargaining arrangements.

The clothing industry has had a tradition of no plant-level bargaining which survived right up to the formation of SACTWU. This has meant that the union has not had to face any grassroots pressure from members for plant bargaining for actual wages as opposed to industrial council bargaining over minimum wages. Moreover, workers have shown strong solidarity in the push for uniform wage rates across the regions, which has given impetus to the drive for greater centralisation of bargaining.

In fact, employers argue with some justification that actual wages are bargained at the industrial council. This argument has to some extent been accepted by SACTWU in the Western Cape by its signing of what is known as 'the Side Agreement', which GAWU entered into after the *Rex Trueform* strike in 1988.

The strike took place over a demand by *Rex Trueform* workers for a R15,00 a week increase on the council rates and the right to bargain at plant level. It soon mushroomed into an industry-wide issue and was only resolved when the employer association agreed that the settlement at *Rex Trueform* would be extended to the entire industry. In return, the employers demanded that the union undertake to bargain wages and other substantive conditions at the industrial council only. The union's agreement to this was formalised in the signing of the 'Side Agreement'.

The 'Side Agreement' states that 'the industrial council shall be the sole forum for the purposes of negotiating the matters regulated in the main agreement and any other matters which seek to improve the remuneration of employees'. It goes on to state that 'No demands relating to matters regulated in the main agreement ... and any other matters which seek to improve the remuneration of employees, shall be submitted to an individual employer or the employer's organisations during the currency of that Agreement'. This agreement effectively eliminated the issue of the dual-level bargaining of wages in the industry in the Western Cape.

As with many other industries where there were industrial councils, prior to 1973 there was no tradition of plant-level bargaining

Workers have shown strong solidarity in the push for uniform wage rates across the regions, giving impetus to the drive for centralised bargaining

A National Council

The first priority for SACTWU after its formation was to get uniformity of wages and conditions of employment at the five regional councils. This they have almost achieved at the three major councils through vigorous bargaining and the mobilisation of members behind the demand for uniform wages. (The weekly wages of sewing machinists, who make up about 60% of the workforce in the industry, are shown in the accompanying box.)

Western Cape	R184,50
Western Cape (Country Areas)	R180,00
Natal	R182,50
Transvaal	R170,00
Eastern Province	R147,73
OFS and N Cape (Kimberley and Bloemfontein)	R121,00
(Kroonstad)	R116,85
(Parys, Frankfort and Vredefort)	R106,20

As the Transvaal works a 40 hour week compared to the 42,5 hour worked in the Cape and Natal, wages in the three biggest regions are now very close to parity. However, wages are only one of the areas where uniformity has to be achieved and there are a number of other important areas that still have some way to go, e.g. weekly working hours and benefit fund contributions.

Ironically, by achieving uniformity the trade union is undermining one of its most persuasive arguments for many employers in the Western Cape. Given that the Western Cape has by and large the most favourable conditions for workers and that clothing manufacturers are competing with each other nationally, many employers in the Western Cape have a keen interest in seeing the other regions brought up to the same level so that they can compete on equal terms. And for this reason they show some sympathy towards the demand for a national council.

However, the union has in a fairly short period of time managed to achieve virtual uniformity without a national council and as a result this argument has lost a lot of its force as an incentive to induce Western Cape employers to enter such a council.

Another stratagem that SACTWU has employed is to arrange that the agreements in the regions expire at the same time, i.e. in June of each year. This means that negotiations will be taking place in all the

regions at the same time each year, which will allow the union to mobilise its members nationally behind a common set of demands at all the councils.

SACTWU have also formed a National Forum to discuss issues of common interest with employers at a national level. The employer organisations in the other regions agreed to participate in the Forum some time ago but the Cape Clothing Manufacturers Association refused. It appears that many manufacturers in the Cape feel that the Forum is a ploy to lure them onto a national body, which would soon evolve into a bargaining forum and ultimately a national council.

However, there is a strong body of opinion in the Association that is not convinced by this argument and at a recent meeting of the Association it was decided to participate in the Forum. Participation is, however, subject to certain conditions:

- Firstly, the Forum should not be used for collective bargaining.
- Secondly, it must not be used as a vehicle by the union to push its demands for a national council.
- Thirdly, discussions cannot lead to demands which could result in industrial action, litigation, arbitration or mediation.
- Fourthly, the employer association reserves its right to withdraw from the Forum.

At present there are only two items on the agenda of the National Forum, namely training and international competitiveness.

Employer Objections

The objections of clothing manufacturers in the Western Cape to a national council can be divided into three broad categories.

The first objection that is emphasised most strongly by many manufacturers, boils down to a question of logistics. They argue that the logistics of employers organising at a national level, the process of obtaining a common mandate from all the regions, reporting back to the regions during negotiations, etc. would be prohibitive. Negotiations would become very much more expensive and time consuming, the negotiating process would probably be dragged out because of the difficulty of getting agreement from all the regions, and the bargaining relationship between employers and the trade union would become extremely unwieldy.

The first priority for SACTWU was to get uniformity of wages and conditions of employment at the five regional councils

Although a national employer organisation, the National Clothing Federation (NCF), does exist in the clothing industry, the regional employer associations, which are all affiliated to it, have historically had autonomy with regard to labour relations. Underlying this objection is the recognition that SACTWU will probably be a much more unified and cohesive body at the proposed national council than a national employers organisation, and will consequently hold the balance of power at the level.

The second major objection arises from a lack of 'trust' that employers have for the union. They argue that the union does not honour agreements, it is not capable of carrying its constituency, and that it lacks 'professionalism'. Put simply, they are saying that the bargaining relationship is not yet 'mature' enough at a regional level, to be talking about a national industrial council where the stakes are much higher and the issues potentially much more complex.

The third objection rests on a belief that, despite the fact that there is now a national trade union and manufacturers compete in a national market, there are still a variety of differences between the regions. In short, a national industrial council will not be able to cater for the economic and social circumstances of each region. Allied to this is the fear that the Cape could be drawn into a national strike over an issue that is being disputed in another region and in which manufacturers in the Cape have no real interest.

One can draw out a common thread from these three objections. As far as many employers are concerned the regional bargaining arrangements have worked very well up to now and they see little reason why they should be rushing into a national industrial council when all they can see are problems and no real benefits. The advent of a national trade union in the industry has not yet been able to convince Western Cape clothing manufacturers to discard a bargaining structure that has historically served their interests well and in which they have retained a position of considerable strength.

Future Arrangements

Although the majority of manufacturers in the Western Cape have opposed the demand for a national industrial council,

many contend that they have an open mind on the issue. If the union can convince them of the benefits of a national council and can show them some sort of a model that is workable, then they will not have a problem in changing their position.

In fact, some key manufacturers believe that a national industrial council is inevitable and argue that employers should start engaging with the union over the issue now, in order that they have a say in the structure of the council and are not at a later stage forced into a bargaining structure that they find unsuitable.

It is this argument that holds the most promise for the search for an appropriate bargaining structure in the clothing industry. And it is one that coincides with union thinking on the issue. Rather than trying to draw up a blueprint for the national council, the union is committed to the process of *negotiating* a structure that is suitable to the interests of all the parties. This strategy recognises that a bargaining structure must cater for the needs of all the parties if it is going to function effectively for any length of time and, importantly, if it is going to benefit the industry as a whole.

The openness to negotiate the structure of the proposed national council is a position that acknowledges the complexity of the issue and the need for compromises by both sides before an appropriate bargaining structure is going to be arrived at. If employers and the trade union can remain committed to this process, there is reason to believe that both parties will be able to restructure the historic arrangements that they are presently bound by. The bargaining structure that is created as a result of such a process should have the potential to answer both the social and economic needs of the parties. IDA

Some employers argue that the bargaining relationship is not yet 'mature' enough at a regional level, to establish a national industrial council

Other key manufacturers argue that an industrial council is inevitable and could be structured to suit everyone's interests

REFERENCES

- Annual Report for the Industrial Council for the Clothing Industry (Cape), 1990:6.
- Barker HAF. *The Economics of the Wholesale Clothing Industry of South Africa, 1907-1957*. Johannesburg: Pallas Publication, 1962.
- SACTWU Diary, 1990.
- Saldru. *Industrial Council Wage Rates in South Africa (1978-1988)*. Cape Town: Saldru, University of Cape Town, 1990.
- Work in Progress. 'Garment Workers: a huge new union'. WIP No59, 1989:24-29.
- South African Labour Bulletin. 'The case for centralised bargaining'. SALB Vol15/No4, 1990:50-53.

OCCUPATIONAL HAZARDS

Dr Mark Colvin, Industrial Health Unit, Department of Sociology, University of Natal

The President's Council Report on a National Environmental System (October 1991) raises serious issues about industrial health hazards, the public's right to know, and environmental pollution beyond the factory gates. In this context evidence collected by the Industrial Health Unit (IHU) shows that a number of chemical companies in Natal are posing a health threat both to their workers and to surrounding communities.

Why have occupational and environmental hazards been allowed to develop over many years and yet gone largely unrecognised? Probably the most important reason is that industry in South Africa has been allowed to operate without adequate safeguards on potential health hazards that they might create.

Although our factory inspectorate, whose duty it is to 'police' health and safety problems, has substantial powers to regulate industry, these powers are seldom used. Unfortunately, our inspectorate is understaffed, ill equipped and undertrained. This renders the inspectors unable or reluctant to effectively enforce workplaces to maintain adequate standards.

Allied to this problem is the established South African tradition of maintaining walls of secrecy around numerous aspects of civil life. The public has no automatic right to information on environmental contamination that in most countries would be taken as granted.

Neither do employees have an automatic right to know of the dangers to which they are exposed in their workplaces. Frequently, management will not inform workers about the health effects of industrial exposures, nor will they release information on toxicity levels within the workplace.

This combination of a lack of effective regulation on industry and the restrictions on access to information by the public has meant that responsibility for maintaining standards has largely been in the hands of company management. Unfortunately, 'self-regulation' does not always work as economic interests often take precedence over longer term health considerations.

Beyond Factory Gates

One of the more serious occurrences of occupational pollution is the much publicised case of a chromate producing factory in Durban. In this instance, a German multinational company has caused

substantial ill health amongst its workforce by exposing workers to extremely hazardous chromate dust. One in three of a total of 216 recently retrenched workers now have large holes in the septum that once divided their noses into two halves. To our knowledge, this is the highest prevalence rate of such lesions ever recorded.

More worrying in this case, however, is the fact that this same dust is a potent cause of certain forms of cancer. Already, our information is that workers in this factory have been contracting this lethal disease in numbers well above the expected rate.

But the problem does not stop at the factory gates. This same factory has been dumping its waste material at a site near the plant. Drainage from the dump site has resulted in chromates being found in the Umlaas canal where Department of Water Affairs officials have said that levels have been 'unacceptably high'.

Another well-publicised case of environmental pollution was the mercury contamination of spring water that occurred near a mercury processing plant near Durban. *Earthlife Africa* took samples from the sediment of a spring near to the plant. Tests showed that mercury levels were raised, with one sample being over 100 times the recommended limit.

From this same mercury processing plant the IHU has obtained the medical monitoring results of 36 workers. These results show that 86% of the workers have mercury levels in their urine that are over the internationally accepted safe limit (Figure 1: Industrial Monitor cover). Over 70% of the workers have urine mercury levels that are more than twice the recommended limit. Because mercury is highly toxic to the nervous system and other organs these results are cause for concern.

In another case, north of Durban there is a lead producing plant in which the entire workforce of 96 workers has more lead in their blood than is recommended by the

'Self-regulation' does not always work as economic interests often take precedence over longer term health considerations

World Health Organisation (Figure 2: Industrial Monitor cover). If these same workers were employed at a factory in the USA, 87% of them would immediately have to be withdrawn from the production process (on full salary) until their lead in blood levels had come down to safe levels.

Outside the workplace, related issues of community pollution are also cause for concern. At Canelands, a village 30 km north of Durban, residents are concerned that emissions from a nearby pesticide factory are affecting their health. When the easily recognisable odour blows from the factory onto their homes they complain of getting itchy eyes, sore throats, headaches and other annoying symptoms. Residents have noted how numerous trees in the area have died and other plants grow strangely or not at all since the factory started producing pesticides about four years ago.

The list goes on. *Earthlife Africa* have also highlighted the dangers posed by poorly controlled toxic waste dumps. Residents of Merewent, just south of Durban, complain of foul smells coming from the Genref refinery. They also complain about particulate fall-out that stains washing on the line and paintwork on cars and walls.

Obviously, not all chemical companies are guilty of occupational or environmental pollution. Many are actively involved in eliminating or reducing toxic emissions both for sound commercial reasons and also in order to comply with legislation. But the problem remains that many other companies are still posing an unacceptable health risk to their employees and, in certain cases, to the surrounding community.

Industrialists point out that many of the health hazards in the chemical industry are inherent to particular processes. This is a partial truth. Certainly mercury, lead and chrome compounds are a few amongst many substances used in the chemical industry that are extremely toxic. However, the technology does exist to enable workplaces to use these chemicals in such a way as to keep occupational and environmental exposures within acceptable limits.

Prior to the recent events at the Durban chromate factory, the previous 'record' for rate of nasal septum perforations occurred in a plant in China in the early 1950s. However, the prevalence of perforations in the workforce at the latter plant was reduced from 25% in the 1950s to only 3%

in the early 1970s by employing suitable technology.

The chemical industry's rejoinder usually is that installing ventilation and other forms of health orientated technology is often expensive and renders marginal factories economically unviable, especially now when the economy is in recession. This is the threat that is used to defend current practices against criticism from organised labour or environmental groups.

The crucial question is - how does one balance the benefits of maintaining production with the consequent effects on people's health and the environment? There is no simple answer. There is no readily available formula which would enable us to objectively reach the correct answer every time.

In the end, it is the task of civil society to decide on how to balance the equation. And this is the central issue. In order for people to make such decisions, they have to have the information on which to base their judgments. It is this vital information that the public lacks in South Africa.

The Right to Know

Historically, our society has a strong tradition of denying the public access to information. Whether in the interests of 'state security' or other dubious rationales, we are unable to obtain information that should be our automatic right. This cloak of secrecy is often used to hide questionable practices in many spheres of activity.

The chromate plant in Durban provides a classic example. For several years, workers in this plant have been trying to get from management the results of monitoring chromate dust levels. As the risk of contracting chrome-caused diseases is related to the amount of exposure, the exposure records are of direct interest to the workers. However, management has steadfastly refused to release this information.

The refusal to provide workers with health-related information runs completely contrary to current international practices. Arising out of ILO and WHO conventions and recommendations, most countries have enshrined in their legislation the right of workers to have access to all information pertaining to health and safety. The 'right to know' is now an accepted part of industrial relations all over the world.

Many companies are posing an unacceptable health risk to their employees and, in certain cases, to the surrounding community

The technology now exists to enable workplaces to use chemicals in such a way as to keep occupational and environmental exposures within acceptable limits

Most countries have enshrined in their legislation the right of workers to have access to all information pertaining to health and safety

In the United States, for example, a worker or her/his union has the right of access to company records relevant to health and safety. This includes all studies done on dust, chemical or noise levels ('industrial hygiene' reports), anonymous group results of medical tests done on workers and detailed information on all chemicals used in the workplace. They also have the right to documents in the possession of the Occupational Safety and Health Administration (comparable to our factory inspectorate) including inspector's notes.

Certain chemical companies in South Africa have realised that it is good industrial relations practice to provide information to their employees and their representatives. By doing so they avoid the inevitable mistrust that develops in a workforce when health-related data is deliberately kept from them.

The 'right to know' principle also needs to be extended to communities beyond the workplace. For example, the extent of pollution in our rivers or the levels of airborne toxins should be public knowledge. Acceptance of this right is growing in South Africa, even within state institutions. The *Environmental Report* that was released in October this year by the President's Council comes out strongly in support of greater access to environmental information by the public.

The Environmental Report released in October by the President's Council strongly supports greater public access to environmental information

Leaked CSIR reports show that the Wentworth/Bluff area in south Durban has one of the highest levels of air pollution in the country. The levels of toxins, including sulphur and nitrous oxides, produced by local industry and motor vehicles frequently exceed safe levels, particularly in the winter months. Monitoring of this pollution is done by the Durban City Council but when the Wentworth Ratepayers Association requested access to the monitoring data they were refused.

In a similar fashion, the Durban City Health Department refused to give *Earthlife Africa* information on toxic dump sites, such as the one used by the chromate plant, on the grounds that the information was 'confidential'. In fact, the Hazardous Wastes Act of 1973 makes it an offence to disclose any information about toxic waste without the written permission of the Director General.

At Canelands, residents have good reason to believe that they are suffering ill effects from the air pollution caused by the pesticide factory. A pilot study by the IHU

has demonstrated that there is an abnormal level of skin and respiratory complaints within in the community. However, here again information is being withheld. Although the factory has monitored chemical emission rates they simply refuse to reveal to the community the content or extent of environmental contamination.

The reason for the lack of decisive action by the authorities is probably due, in part, to the lack of occupational and environmental health specialists in their employ. The factory inspectorate focuses almost exclusively on safety problems in industry with very little emphasis on health matters. Another reason is that the authorities are reluctant to 'rock the boat'. Private communications with inspectors reveal that they are required to not be too vigorous in their investigations.

Cleaning up the Act

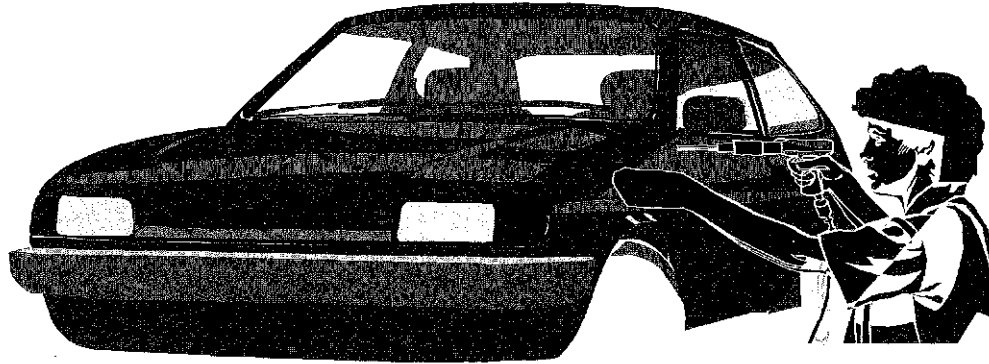
The limited research undertaken by the IHU demonstrates conclusively that workers in a number of chemical plants are being exposed to dangerously high levels of toxins. The existence of adverse health effects within the community because of environmental pollution is more difficult to prove. However, we believe that there is enough evidence of environmental pollution in certain areas to warrant further urgent investigation.

What is needed now is for research to be done into the more hazardous elements of the local chemical industry. These investigations should be done with the cooperation of all interested parties including company management, trade unions, community organisations and environmental groupings. In addition, results from the studies should be made available to the public.

All routine pollution monitoring should, as a matter of course, be made public. Publication of this data on a regular basis in the commercial press would go a long way to keeping the public informed as to the degree of pollution in their environment.

In the 'new South Africa' the community, whether in the workplace or in the residential areas, will rightfully demand access to this sort of information. Disclosure, along with more vigorous action and public accountability from health authorities, will go a long way towards ensuring that industry cleans up their act. **IPQA**

A Life-time Affair



Toyota's New Model

Niccoli Natrass, Department of Economics, University of Cape Town

This sequel to Johann Maree's analysis of the German model of co-determination (Indicator SA Vol8/No4: 85-88) turns to the Japanese model of industrial relations in the motor industry, with specific reference to Toyota. The preliminary analysis is based on recent visits by the author to the Toyota plant in Durban, a visit to the Toyota plant in Nagoya (Japan), interviews with management in Japan and Durban, and discussions with shop-stewards in Durban.

The motor industry illustrates much of what is disturbing about the South African manufacturing sector. Sheltering behind high tariff barriers, periodically hamstrung by strikes and hostile labour relations, seven major producers compete aggressively for the domestic market. None has a market share sufficiently large to allow for adequate advantages of scale and learning. Hence, as consumers know too well, the unit cost of motor vehicles is very high.

There is clearly a case for the gradual lifting of protection in order to place pressure on low profitability firms and encourage rationalisation within the industry. But market related measures such as this will not be sufficient. Neither will the implementation of state-of-the-art technology. Changes will also have to be made in the field of industrial relations if motor production in South Africa is to compete at all successfully with foreign producers.

Just in Time

The highly automated yet flexible Toyota Production System is widely regarded as a manufacturing ideal. Re-programmable robots, computerised quality control and quick die changes allow for several models

of car to be efficiently assembled on the same line. The flow of parts to the production line is streamlined and inventory is pared down to the bone. This combination of technological and organisational innovation has spawned new jargon in academic literature such as 'flexible specialisation' and 'just-in-time production'.

But the system involves more than just sophisticated technology in combination with innovative factory lay-out and production design. Relatively harmonious and constructive labour relations are an equally important part of the success story.

In Japan, highly skilled teams of workers contribute significantly to a process of ongoing productivity improvements. In 1990 for example, over two million suggestions were submitted by workers to management in the Nagoya plant. This works out at roughly 35 suggestions per worker and of these, 97 per cent were implemented. Trade unions regard productivity improvement as a priority rather than as a problem to be fiercely negotiated over. Industrial relations are co-operative and strike action has not affected production since the early 1950s.

Many commentators have provided cultural explanations for the constructive character

The Japanese system of labour relations encourages enterprise rather than industrial level bargaining

of Japanese labour relations. To some extent, the argument has validity. Social values prioritise co-operation, loyalty and deference to persons in authority. This minimises open conflict and is obviously an advantage to managers. As Dore argues, 'the oppression workers feel ... comes from inner compulsion bred from submission to the norms and targets which the organisation has set for them' (1982: p.xxi).

It would, however, be a mistake to focus only on the cultural dimension. The nature of the bargain between Labour and Capital is an equally important part of the explanation. After all, the Toyota Motor Corporation was crippled by strikes in Japan in the immediate post-war period. Industrial harmony arose only after workers were incorporated into the company in more meaningful ways.

The essence of harmonious industrial relations is that employment is understood by both labour and management to be a life-time affair. Rather than hire and fire as the company goes through the business cycle, Toyota keeps a relatively stable labour force. The implicit bargain is job security and profit/productivity bonuses in return for worker co-operation, dedication to productivity growth and agreement to work over-time when necessary.

There is a greater convergence of interest between Labour and Capital in each enterprise than there is amongst workers within the industry

Under these conditions, it makes sense to invest heavily in skilling the labour force. A better trained work-force can contribute more significantly to productivity improvements and can be applied more flexibly within and between plants.

Enterprise Bargaining

The life-time employment concept in conjunction with productivity/profit bonuses, points to the possibility of constructing a co-operative bargain in which the interests of workers are made more synonymous with Capital. By giving workers a direct interest in the economic performance of the firm, this system discourages harmful strike action. However, the threat of strike action remains present and the memories of the early post-war period of industrial turmoil keeps management dedicated to constructive co-operation with the labour union.

An important corollary of this system is that it encourages enterprise rather than industrial level bargaining. Where workers have a direct stake in the company, there is a greater convergence of interest between

Labour and Capital in each enterprise than there is amongst workers within the industry.

Under these conditions, the relative weakness of industrial unionism in Japan is not surprising. Class struggle between Labour and Capital still exists, but it takes a very different form. Bargaining over the distribution of economic surpluses takes place at the level of the firm. Workers gain little by uniting across the industry and in fact have an interest in the demise of rival firms (and by implication the misfortune of workers in rival firms).

A further implication of enterprise-level bargaining is that management is more likely to adopt a constructive and trusting attitude towards the work-force. With an enterprise focus, management is better able to control the circumstances under which strikes do and do not take place. Strikes do not occur for reasons which management in individual firms can do nothing about. Management will thus have greater confidence in the durability and integrity of plant-level bargains and is more likely to inform the labour union fully about the firm's economic position.

In the light of these arguments, it appears that enterprise-level bargaining has distinct advantages over that at the industry level. However, enterprise-level bargaining is advantageous to workers only if management adopts a constructive attitude to labour and agrees to secure employment contracts and productivity and profit related bonuses. In Japan, the relatively tight labour-market provides management with the incentive to deal fairly with the labour-force.

Closer to Home

Things are rather different in South Africa. The existence of labour surplus coupled with unenlightened and often racist styles of management, has resulted in unbending managerial practices at the level of the firm.

South Africa has a long history of bargaining at the enterprise level, but for the most part, it has resulted in paltry gains for labour. The development of industrial-level organisation is a direct result of this. In South Africa, workers have seen their interests as best pursued by collective organisation against 'the bosses' (defined collectively) in the industry. This has eroded the potential for meaningful

enterprise-level bargains such as those found in Japan.

The question of applying Japanese managerial practices in South Africa under these conditions is thus highly interesting. With reference to Toyota, it appears that the introduction of elements of the Japanese industrial relations package can have perverse rather than progressive impact.

The Toyota plant in Durban (which operates under a franchise agreement) has developed a peculiarly South African variant of the Toyota Production System. The flexible production line operates on imported Japanese technology and is capable of assembling several models at the same time. However, the Durban plant is noticeably more labour-intensive than the Japanese plants. Spot-welding, for example, is done by robots in Japan but by workers in South Africa.

On the organisational front, the Durban plant has introduced a just-in-time system of component supply and inventory flow. However, given that relationships between firms in South Africa are less stable than they are in Japan, the Durban plant has to make certain allowances for hick-ups in the supply line. Consequently, some stock-piling of strategic components is necessary.

As with the technological and organisational angles, labour relations in the Toyota plant at Durban manifest an odd mixture of Japanese concepts and South African specificities. Take for example the concept of worker initiated productivity improvements. Since the mid 1980s the plant has been promoting the concept of *quality circles* (i.e. group-based productivity improvement schemes) and more individually oriented improvement schemes such as the *siyacabanga* (meaning 'we think') programme (Dewar, 1990).

The success of these schemes is unclear. Although workers participate in them, there appears to be widespread dissatisfaction with the associated rewards.

Drawing Comparisons

As in Japan, the rewards for productivity improvements at Toyota's Durban plant are nominal. In Japan, the best ideas are usually rewarded with drinks to be consumed by the work group during the lunch break or after work. In Durban, workers are presented with a Toyota key-ring or mug

(after putting forward three improvements) and with T-shirts after suggesting several more improvements.

However, the nominal character of the rewards has a very different significance for workers in Japan than it does for workers in South Africa. In Japan, where workers benefit directly from improvements in productivity and where participation in quality circles has a positive impact on promotion prospects, the nominal nature of the reward for specific ideas is not a problem. In Durban, where there is no direct link between productivity and wage growth, workers suspect that management simply appropriate the benefits of improved productivity in the form of higher profits.

Rewards are more significant when it comes to cost-saving improvements in the Durban plant. If a worker suggests a change which can easily be quantified in terms of direct cost-saving advantages for the firm, then the worker is paid a proportion of the savings in cash.

The problem that workers have with this scheme is that they feel inadequately equipped to evaluate the extent of cost-saving associated with the ideas. The workers suspect middle-level management of appropriating ideas originating on the shop-floor, costing them and then pocketing the reward. Whether these beliefs are true or not is irrelevant. The point is that there is a distinct absence of trust on the part of workers as regards the operation of this scheme. This is bound to limit its effectiveness.

If there is no direct link between productivity and wage growth, workers suspect that the benefits of improved productivity go into higher profits



Positive institutions in the Japanese context appear unfair and paternalistic to black workers in South Africa

An additional problem with the implementation of Japanese concepts is the differing interpretations of what is involved. For example, in Japan, a great stress is placed on the benefits accruing to workers in the form of 'recognition' by peers and management. Given that workers are united in the belief that they are better off if the firm improves its relative position, they react positively to productivity improvements originating from their work-mates. Furthermore, in the light of the tightly organised system of employee evaluations, employees improve their promotional prospects when they come up with good ideas. Thus 'recognition' has a material dimension as well.

In Durban, the concept of 'recognition' has a very different meaning. Management regards it in a very paternalistic way as a 'pat on the back'. Managers fondly assume that black workers are grateful for the recognition provided them in the form of presenting their ideas to management at 10.30 on a Friday.

The workers have a rather different understanding. For those I was able to talk to, 'recognition' meant far more than a round of applause at a presentation. They believed that recognition ought to bring with it improved promotional prospects - and there was widespread dissatisfaction with the fact that it appeared not to. Workers complained that the better jobs were allocated on a racist basis or in accordance with criteria which were never adequately explained to workers. They had almost no faith in the fairness of the system.

In the absence of secure employment conditions and trusting relations between Labour and Capital, the implementation of Japanese industrial relations concepts will have limited if not perverse effects. Positive institutions in the Japanese context appear unfair and paternalistic to black workers in South Africa.

The Lessons

One possible conclusion from this comparative study is that Toyota South Africa should adopt the whole Japanese industrial relations package rather than elements of it. This means approaching employment as a life-time affair, and constructing more co-operative relations with labour so as to strike mutually beneficial enterprise-level bargains.

One could of course argue that it makes little sense for management to provide life-time employment guarantees when the market is unstable and a plentiful supply of labour exists. However, the advantage to management of a more stable work-force would be that it becomes more profitable to invest heavily in training workers. With a multi-skilled work-force, labour can be applied more flexibly and this should contribute significantly to competitive advantage.

It is interesting that Toyota (Japan) and Toyota (South Africa) have very different attitudes to training workers. In Japan, great stress is placed on training workers to perform tasks at different workstations, to move from one line to another, and even one plant to another. In South Africa, 'rotational training' is provided - but only at the request of the worker. No incentive appears to exist for workers to gain other skills. Rotational training is provided not as a company priority or necessity, but rather as a means to alleviate boredom on the part of workers who become frustrated with their jobs.

Given the lack of incentives associated with the training, it is unsurprising that relatively few workers request it. According to one of Toyota's managers at the Durban plant, the reason for this is simply that 'blacks like repetitive tasks'. According to the workers I spoke to, they could see little point changing jobs because of the trauma associated with learning a different set of movements. 'Why move from a job you know to one you don't', one worker told me, 'you just expose yourself to being shouted at by white supervisors'.

Unravelling the legacy of racism and hostile labour relations in South Africa will not be easy for either foreign or domestic companies. Management is likely to remain hostile while labour is organised into militant industrial unions. At the same time, labour will remain suspicious of management as long as racist and paternalistic attitudes are widely tolerated in companies. Developing more trusting and cooperative relationships will be difficult, but necessary. *UFOA*

REFERENCES

- Dore R. 'Introduction' in S Kamata (ed), *Japan in the Passing Lane*, New York: Pantheon Books, 1982.
Dewar S. 'Total Worker Involvement at Toyota', in (ed) M Anstey, *Worker Participation*, Johannesburg: Juta, 1990.

Unravelling the legacy of racism and hostile labour relations in South Africa will not be easy for either foreign or domestic companies

**Indicator Project South Africa.
Contributing to informed debate among South
African decision makers of all persuasions.
Will you join them?**

In this climate of change and reform, access to facts behind the emotive issues is essential. This is the rationale behind *Indicator SA* — to bring the South African debate into the open. To provide a forum where all sides can be heard. To provide data analysis, trend diagnosis and policy prognosis.

The result is a quarterly journal divided into five monitors:
political, economic, rural & regional, urban and industrial.

Indicator SA is available by subscription and from selected bookshops.

Free — by subscription only

As part of our service to subscribers, you will receive at least two major reports on conflict issues in addition to your four *Indicator SA* editions during your subscription year.

These reports are definitive studies of restricted circulation and are highly prized.

As a subscriber you receive them free!

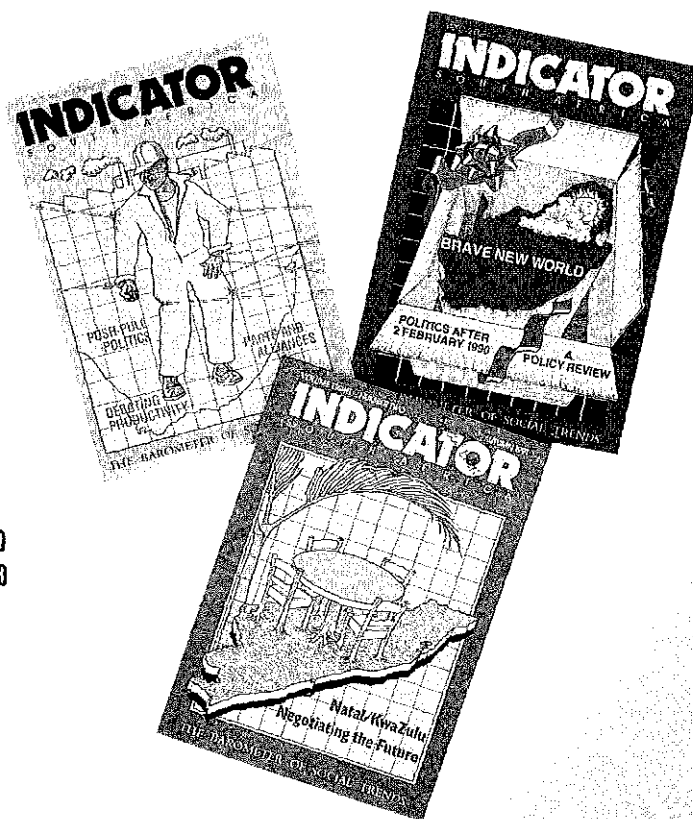
Rates

Individual, institute, practice, other	R150,00
Overseas - non-corporate	\$150,00

For information on corporate/donor subscription rates and advertising facilities, please contact:
Indicator Project South Africa
Centre for Social & Development Studies
University of Natal
King George V Ave
Durban, 4001
South Africa
or contact the Liaison Officer at (031) 816 2525/2369.

Subscribe now

If you are committed to South Africa, as an individual or in a corporate environment, *Indicator SA* makes essential reading.





University of Natal

INDICATOR PROJECT SOUTH AFRICA

Centre for Social and Development Studies

University of Natal • King George V Ave • Durban • 4001 • Tel. 816 2525 or 816 2369

00000001

This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 Licence.

To view a copy of the licence please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>