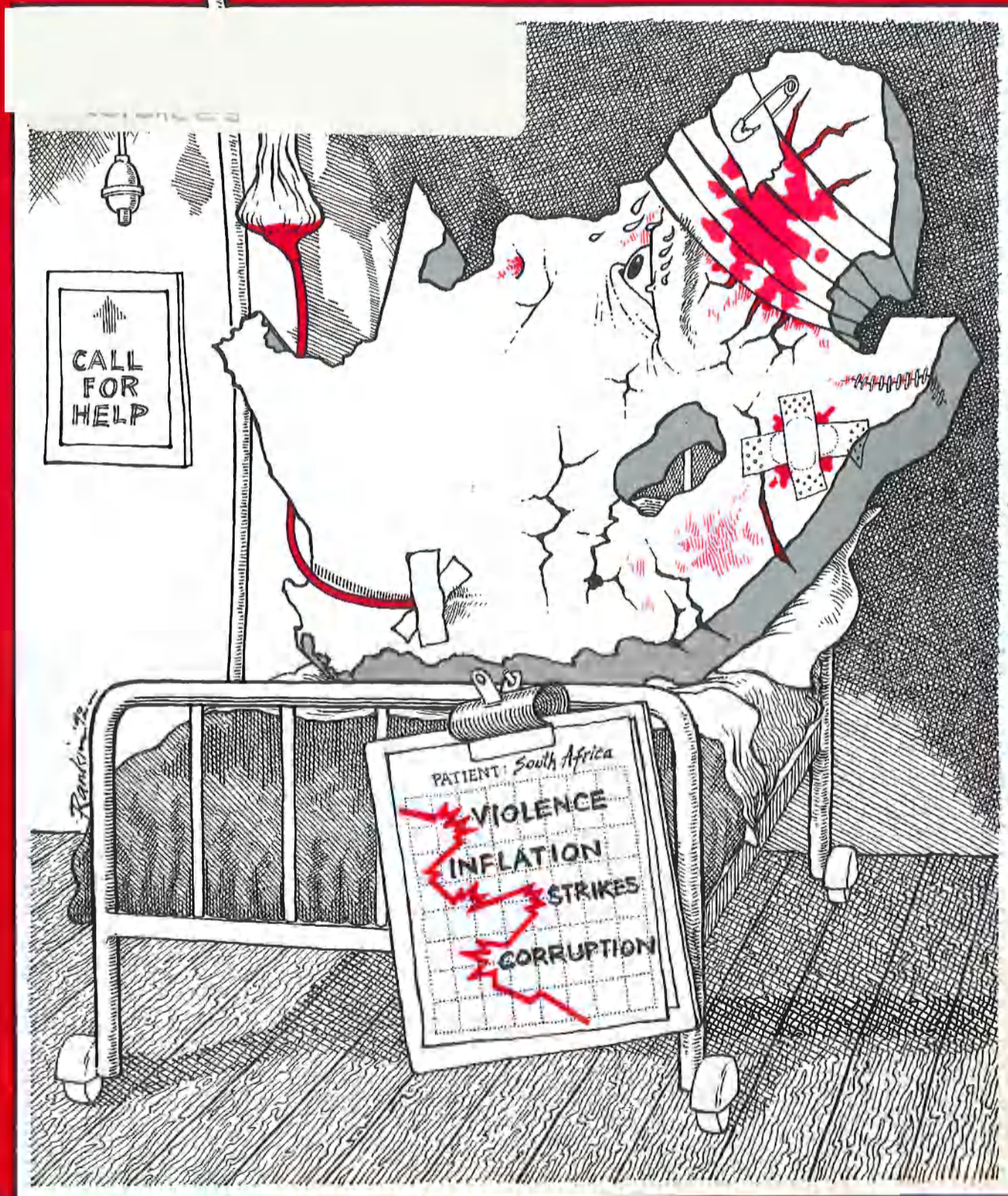


VOLUME NINE NUMBER THREE

WINTER 1992

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 Institute 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
- Chamber of Mines of SA • Colgate-Palmolive (Pty) Ltd
- Data Research Africa • Development Bank of Southern Africa
- Durban Metropolitan Chamber of Commerce • EMSA • ESKOM
- 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 • Nampak • 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
- South Africa Foundation • Sanlam • Sappi • SA Sugar Association •
- SEIFSA • South African Breweries Ltd • Southern Life
- Standard Bank Investments Corp Ltd • Starcke Associates
- Stellenbosch Farmers Winery Ltd • Suncrush Limited
- Swiss Development Agency • TEK Corporation • Tiger Oats Ltd •
- Tioxide Southern Africa • 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

LIBRARY
22 JUL 1992
Institute of
Development Studies

**“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



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*
Conflict Research *Antoinette Louw*
Secretary/Marketing *Pat Fisser*
Marketing Assistant *Charlene Nel*

EDITORIAL COMMITTEE

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

• COVER ILLUSTRATION *Jeff Rankin, Clear Pictures*
• REPRODUCTION *WS Repro and Multigraphics* • PRINTING *The Natal Witness*

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 3

W I N T E R

1 9 9 2

POLITICAL MONITOR

Myths of the New Nation: Soviet/South African Parallels	<i>RW Johnson</i>	7
Regional Tier Reforms	<i>Jeff McCarthy</i>	11
Frying Big Fish: Campaigns against Corruption	<i>Robert Klitgaard</i>	13
The CP Broedertwis: Restarters and Volkstaters	<i>Janis Grobbelaar</i>	17
PAC Politics after Codesa	<i>Evangelos Mantzaris</i>	21

ECONOMIC MONITOR

The Fiscal Challenge: Avenues for Tax Reform	<i>Andre Roux</i>	27
Economic Outlook	<i>McGrath and Holden</i>	32
Monopolies: The Big Bad Wolf	<i>Smith and Brann</i>	35

RURAL & REGIONAL MONITOR

People on the Move: Migration Streams in the DFR	<i>Cross, Bekker and Clark</i>	41
Case Studies of Shantytown:		
Upgrading Besters Settlement	<i>Taylor and van Horen</i>	45
In the Land of Canaan	<i>Libby Ardington</i>	47
Down Kennedy Road	<i>Stavrou and Luckin</i>	49
Inward Development: Solutions to Urban Sprawl	<i>Behrens and Watson</i>	51

URBAN MONITOR

Political Conflict in Natal, 1989 - 1992	<i>Antoinette Louw</i>	57
Mayhem in the Midlands: Battle for Bruntville	<i>Anthony Minnaar</i>	60
The Ghosts of Trust Feed	<i>Mary de Haas</i>	65
Slow Motion: Implementing the National Peace Accord	<i>Daniel Nina</i>	69

INDUSTRIAL MONITOR

Nationalisation: The Commanding Heights	<i>Jessica Schroenn</i>	75
Growth Industry: Domestic Tourism in South Africa	<i>Karen Kohler</i>	81
A Gender Agenda: The New Women's Coalition	<i>Pat Horn</i>	85

WINTER OF DISCONTENT

A flurry of major events which began with the Boipatong crisis led to the temporary collapse of negotiations at Codesa, a series of strikes, mass action campaigns and renewed international pressure, in rapid succession in mid-1992. As *Indicator SA* went to print with this mid-year edition, South Africa appeared on the brink of a worsening crisis facing what could aptly be described as our 'winter of discontent'.

The illustration on our main cover personifies the body politic in a hoary state of ill-health. South Africa in mid-1992 is afflicted by a complex of too many ailments. Do these social, economic and political symptoms of transition reflect a society in the throes of a great rebirth or a slow decline? Are we in search of a quick fix for the patient when the cure necessarily lies in a process of slow recuperation?

We need a diagnosis of the basic maladies before we can find the proper treatment. The single most important statistic quoted in the media at present is that more than 7 600 people have died in political violence since President de Klerk's landmark speech on 2 February 1990: some 3 400 in 1990, 2 580 in 1991 and 1 660 to date in 1992. The continuity of intense civil conflict over the last three years is clearly shown on our political and urban monitor covers (see data trends). The massacre at Boipatong in mid-June 1992 brought home the severity of this ailment.

What causes public despair is that the profound stresses in our society are increasing precisely at a time of reform and negotiation. The truism that periods of democratisation and transition are the most dangerous and unstable gives little succour. The theory that a period of reform and heightened expectations followed by a period of recession and frustrated aspirations creates a volatile climate, similarly brings no relief. The most such theories do is to contextualise and explain the high levels of political violence.

The urban monitor of *Indicator SA* carries a special focus on political violence in the Natal region within the national context. Four prominent analysts assess *inter alia* the limitations of the National Peace Accord and the Goldstone Commission, judicial findings on the role of the security forces and vigilantes, the struggles between hostel-dwellers and community residents, and the prospects for free and fair elections in the power struggle between Inkatha and the ANC.

In other monitors, contributors prescribe practical cures and policy solutions to other ailments which complicate South Africa's condition:

- RW Johnson warns that ethnic and regional interests cannot be submerged in the rhetoric of 'nation-building', and that we face major challenges of national political and economic integration. He draws some cautionary comparisons between the South African and Soviet experience.
- Jeff McCarthy looks at NP and ANC proposals for third tier reforms to democratise government and balance the struggle between centralised and regional power blocs in South Africa.
- Janis Grobbelaar comments on CP demands for regional self-determination and assesses the prospects for the revival of a non-racial Afrikaner nationalism.
- Bob Klitgaard identifies a culture of corruption in the public sector, and mixes the kind of strong medicine administered in other societies to root out corruption. He argues that preventive systems offer the best cure in the long term.
- Smith, Brann and Schroenn reconsider the debates on the merits and disadvantages of industry monopolies and nationalisation, recognising the evident tensions between economic rationality and socio-political objectives.

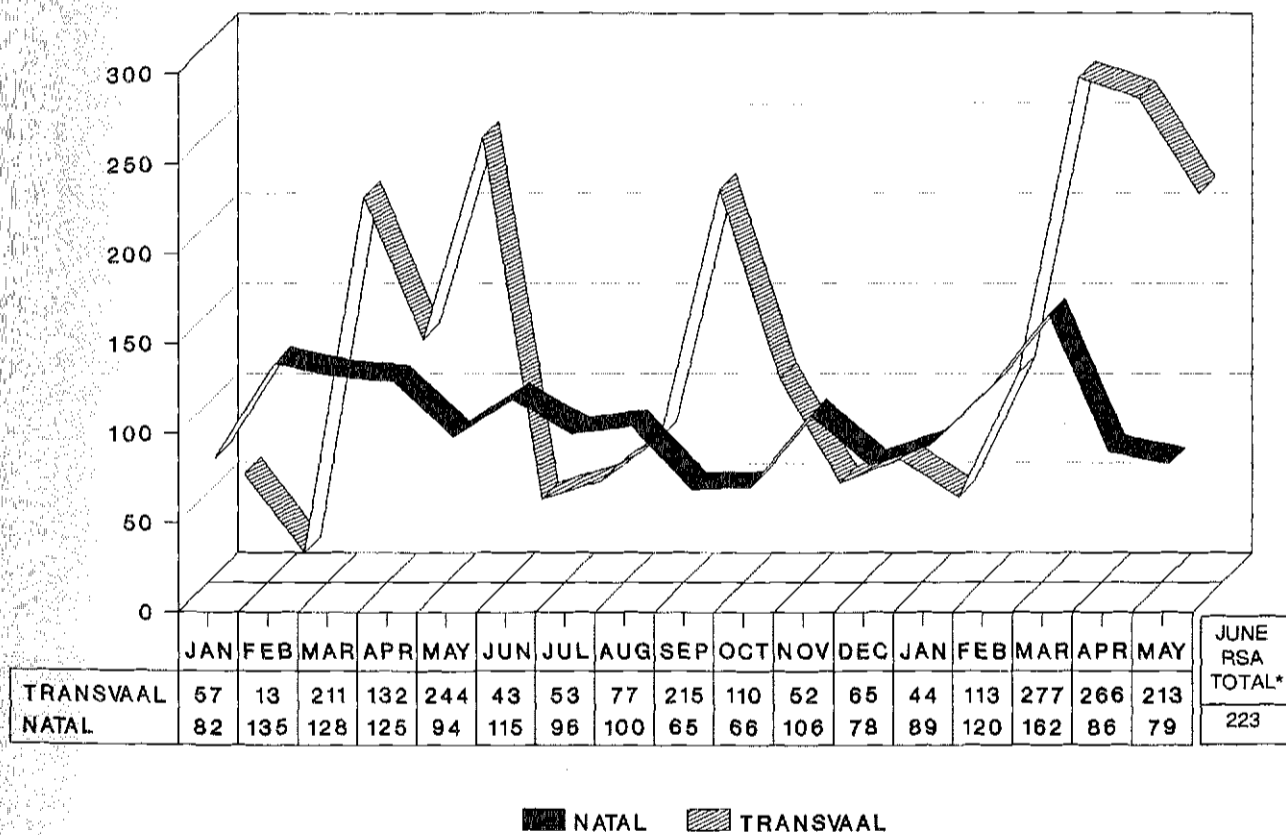
It is obvious from these articles that there are no simple solutions or quick fixes for South Africa. The ailments are long-established and the symptoms are persistent. But there are long-term remedies which might revive the body politic given the chance. We hope our readers find some consolation in the proactive solutions proposed by our contributors along with their hard-headed realism!

Some exciting news on the publishing front. *Indicator SA*, in a collaborative venture with the Institute for Social Development at the University of the Western Cape, will shortly be issuing a new special report in our *Issue Focus* series. Entitled, 'Transforming the Economy: Policy Options for South Africa', this 250 page report will make available a series of international debates between eighteen leading economists from the political, public and private sectors. It is divided into stimulating sections on macro-economic, fiscal, monetary, social, labour, growth and development policy.

Graham Howe, Editor
June 1992

POLITICAL MONITOR

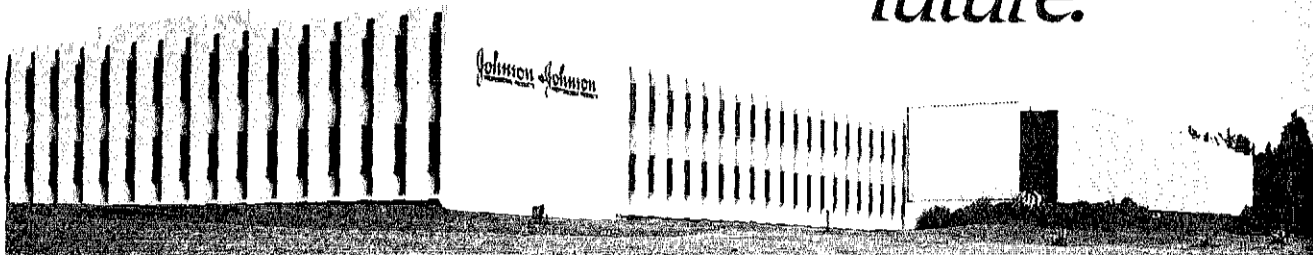
FATALITIES IN POLITICAL CONFLICT JANUARY 1991 TO MID-1992



Note: * This figure is for the period 01-06-92 to 23-06-92

Sources: Human Rights Commission
Natal Monitor
Black Sash, Pietermaritzburg
Centre for Adult Education, University of Natal, Pietermaritzburg

*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 PROFESSIONELLE PRODUKTE
P.O. Box 273 New Road, Halfway
Halfway House 1685 House, Tel 805-2110

Helping the hands that heal.

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

RW Johnson
Department of Politics, University of Natal

The meeting between Boris Yeltsin and President de Klerk in Moscow in early June represented a historic dialogue between two of the great reformers on the world stage. Although they represent government and society which traditionally lie at opposite ends of the spectrum, both states are in the throes of a national crisis with broadly similar features. A visiting political analyst from Oxford teases out some of the parallels: nation-building myths, regional fragmentation, born-again ethnic movements, economic crisis and fierce political grievances.

South Africans are being enjoined from all sides to sink their differences of race, ethnicity, religion and class in order to come together as a 'new nation', to be ruled, as in the past, by a centralised state. Intellectually, this project dates back to the Cold War world of the mid-1950s - a world of communist fronts and the Bandung Conference, of McCarthyism and of third world nationalism still in its euphoric phase - and yet this project may now come to birth in the vastly changed international environment of the 1990s. For the old world order changed irreversibly in 1989: the era born at Yalta and Bretton Woods now clearly lies behind. And already one may descry at least the principal features of the new era:

□ *the fracturing of established states*

Thus far we have seen the former USSR fracture into fifteen states and Yugsolavia into four (with the question of Macedonia still pending). In Africa we have seen the birth of Eritrea and as multi-partyism spreads the OAU will probably have at last to surrender the notion that colonial boundaries are sacred. It is difficult, for example, to imagine that either Sudan or Zaïre could survive the coming of democracy as single states. The same question must, at least, be posed in relation to the advent of democracy in South Africa.

□ *the emergence of smaller entities*

There does appear to be a size principle at work in this process: large states (as well as undemocratic states) are vulnerable to break-up simply because geography makes that an option as a way out of deep-rooted conflicts. One must expect fissiparous tendencies to grow in India and China - and for Russia to continue to fragment. Already one can find governors of major Russian cities like Vladivostock making their own foreign trade deals and there is increasing

Myths of the New Nation

SOVIET/SOUTH AFRICAN PARALLELS

pressure for the ex-Soviet Far East to detach itself from its Western half in order to gravitate towards Japan's zone of influence.

The application of this principle to South Africa needs little emphasis but it might be noted in passing that nowhere else in the world has democratic government been achieved in a state the size of South Africa without resort to federalism.

□ *the failure of state power*

Fragmentation is only one possible outcome within a wider contemporary phenomenon, the collapse of the state. The Soviet, Yugoslav and East German states not only collapsed (as did all the other East European states) but are now actually extinct. In Africa we have seen the complete collapse of state power in Liberia, Ethiopia (Addis Ababa was, by the end of 1991, the largest city in the world with no police force) and Somalia. Zaïre, Mozambique and Angola are close to the same fate. But reports of a breakdown into banditry and warlordism now emanate not only from these states but from Albania, Georgia and Rumania, and the real danger exists that Russia could collapse back into its pre-Romanov structure of great city-states (Kiev, Muscovy, Novgorod etc).

In increasingly wide parts of the world the failing efficacy of state power is revealing the medieval fundamentals of the state, with political power flowing to whichever local strongman is able to guarantee a supply of food and water and a modicum of security. This phenomenon is already visible in parts of South Africa. The real question here may be not so much which political party is to control the future state but whether that state can prevent the further growth, at its own expense, of warlordism and petty feudatories.

South Africa, like the ex-USSR, is poised between three political and commercial supra-national blocs in the global arena

The Bolsheviks long boasted of their enlightened recognition of national self-determination, cultural rights and extensive federal arrangements

□ *dominance of the G7 bloc*

The large migratory flows occasioned by these political earthquakes have produced strong reactive movements of racist nationalism within the highly-developed world of the 'Group of Seven' (G7). The greater reality is that the G7 states - Britain, Canada, France, Germany, Italy, Japan and the USA - are evolving at speed into three supra-national blocs which are ever more self-sufficient, both politically and commercially. These three blocs, both now and for the foreseeable future, will dominate the planet.

The most striking effect of this G7 dominance has been the ability of the highly developed states to dictate increasingly unequal terms of trade (despite the 1973-80 OPEC revolution) with primary producers. This process - which seems likely to continue - lies at the root of the debt crisis and the governmental collapse of many third world states. It has also threatened to relegate down the economic order those industrialised states such as the ex-USSR, Australia, New Zealand and South Africa which are still heavily dependent on the export of primary commodities. The key question facing such states is what form of (subordinate) relationship they will be able to build with the three power blocs of G7, the choices ranging, in order of desirability, from incorporation through clientage to complete marginalisation.

Australia and New Zealand will doubtless be absorbed into the East Asian bloc but South Africa, like the ex-USSR, is poised between all three blocs.

The Soviet Case

The question of South Africa's insertion into this tripolar system will only be settled over the relatively long term. Of far more immediate significance is the question of national fragmentation. Specifically, what lessons for South Africa may be drawn from the fate of the USSR?

The Soviet case is intriguing precisely because it was not a simple one of the repression of national minorities: indeed, the Bolsheviks long boasted of their enlightened recognition of national self-determination, with the full expression of cultural rights and extensive federal arrangements.

Of the USSR's 128 nationalities only 23 have populations of over a million and 15

of these had their own republics. Beyond that there were twenty 'autonomous republics', eight 'autonomous national regions' and ten 'national districts'. Under Stalin, however, federalism was almost wholly negated, stirrings of national self-assertion were crushed, there was a de facto Great Russian chauvinism and the question of national compatibility was submerged, along with so much else, beneath the regime of terror.

It took time for centrifugal trends to become apparent even after de-Stalinisation and the relaxation of terror, and it was only under Brezhnev that open agitation began among the Lithuanians, Crimean Tatars, Jews, Armenians and Volga Germans. Brezhnev dealt with the problem with his customary hypocrisy. The nationalities problem was declared to be 'solved' and (some of) the latter three groups were allowed to emigrate, while local elites within the republics were bought off by Moscow turning a blind eye to their growing corruption and nepotism.

In extreme cases local republican elites used their new autonomy to set up virtual mafia networks and to discriminate against other minorities (including Russians) in their midst. But Moscow always insisted that while a republic's First Secretary might be drawn from the relevant nationality group, his second-in-command would generally be a Russian or at least a Slav, there to maintain a watching brief for Moscow.

The fact that greater freedom had thus led to corrupt and undemocratic government does not seem to have been a major grievance: Soviet citizens were used to that anyway. And the claim, now often heard, that the growing stagnation of Brezhnevism led to a bitter festering of national grievances is only partially true. Really vociferous protest was heard from only two directions:

- First, from groups such as the Crimean Tatars, Volga Germans, Jews, Chechin and Yakuts, all of whom lacked the economic and administrative base for a separate institutional existence. Such groups demanded (unrealistically) their own republics or, alternatively, the right to emigrate.
- Second, from the Baltic states, where the legitimacy of the Soviet yoke had never been accepted. Ultimately, the national revolutions here were far more akin to those seen in Eastern Europe and were fiercely anti-communist in a way that was not true elsewhere in the

ex-USSR, Independent Lithuania, Latvia and Estonia did not apply for membership of the new Commonwealth of Independent States. Moldavia which, like the Baltic states, was only incorporated into the USSR as a result of World War Two, represents an almost similarly straightforward case of separatism in its wish to rejoin Rumania.

Beyond Nation or Ethnicity?

The sense of national grievance in the rest of the USSR was far weaker. Again, two different situations may be distinguished:

□ *the southern (non-Slavic) republics*

With the exception of Kazakhstan these republics are characterised by a high degree of ethnic homogeneity. Autonomy not only meant the collapse into corrupt local fiefdoms but the increasing use of the local language to a point where Russian was often seldom spoken (and where each new generation spoke it less than its predecessor). In practice such republics were fast slipping out of Moscow's control and even 'central' institutions like the Army and KGB had a tendency to 'go native': when Edward Shevardnadze was given the task of cleaning up his native Georgia he had to call in the Moscow KGB because the local KGB had become so entwined with the local mafia networks who were running the republic.

Many such republics accused Moscow of inflicting environmental damage and monoculture cropping on them, but there was also a nagging resentment that the Russian language was exclusively used in all the central Soviet institutions such as the Army, the KGB, the central government and in higher education institutions. A Georgian physicist, for example, could speak Georgian in his local Academy of Arts and Sciences but would know that to play in the big league - to become a member of the Soviet Academy in Moscow - he would have to speak Russian. Elites in other fields were similarly conscious that the price of getting on was a degree of Russification. In the Asian republics written languages were initially invented in an Arabic script but later a Cyrillic script was imposed upon them, as it was also in Moldavia.

These grievances mattered - but were not really acute, certainly not while the local elites were allowed to feather their nests and hand out jobs to their families, and while they all enjoyed local autonomy and

federal handouts. Such Communist Party-based elites happily persecuted the local nationalists whose dreams could only threaten their own positions.

□ *the Slavic republics*

Russian was widely spoken in these republics, whose own languages were anyway close to Russian. Ukraine was always aware that it was a 'have' republic which lost from the process of federal redistribution and the Chernobyl disaster was a cause of bitter reproach against Moscow. Both republics felt they were being culturally overwhelmed by Russia but with only comparable levels of resentment: parents would, for example, voluntarily, if a little guiltily, put their children into Russian-language schools to help them 'get on'.

Again, it would be wrong to speak of a burning sense of national grievance - and in any case Ukraine, like Yugoslavia, is a recent construct and strongly divided: western Ukraine, formerly part of Poland, felt separate and looked west; eastern Ukraine contains 12 million Russians and looked to Moscow. Here too a Party boss like Kravchuk felt no compunction about harrying the local nationalists.

In the complaisant atmosphere of Brezhnevism, official doctrine held that separate nationalisms were withering away in a process of *sblizhenie* (the drawing together of peoples), preparatory to *sliyanie* (a full fusion of peoples). By the 1970s Party theoreticians like Academician PN Fedoseev had begun to speak of a new 'Soviet nation', an identity beyond nation or ethnicity: 'a new historical form of social and international unity of people of different nations'.

All this was swept away in 1991 as the failure of Gorbachev's *perestroika* became brutally apparent. The Party elites in power in the republics saw the central government collapsing, panicked at the thought that they might share Gorbachev's fate and that the hour of their local nationalists might finally have struck, and so put themselves at the head of independence movements instead. Nobody doubts that had Gorbachev made an offer of full federalism in 1987-88, the essentially conservative republican elites would have accepted it without difficulty and the Commonwealth of Independent States (CIS) might never have been born (though probably nothing could have held the secession of the Baltic states and, perhaps, Moldavia). There was little real anti-communist feeling and, indeed, the

Regional grievances were not acute in the ex-USSR while local elites enjoyed autonomy, patronage and federal handouts

The lessons from the Soviet case are that regional secession will occur if local elites cannot see a future for themselves within the national system

Economic failure leads to political fragmentation, even if national/tribal minorities have not been particularly oppressed or politically cohesive

The process of fragmentation is greatly assisted if political and administrative divisions are already along ethnic/linguistic lines

new independent leadership was generally made up of the old Party bosses keeping their positions as born-again nationalists.

Lessons for South Africa

The lessons for South Africa have to be seen within a context in which potential for secessionist movements exists, even though the centre of the political stage is currently held by those who preach the gospel of 'the new nation' and 'the new South Africa', the local equivalents of *slibzhenie* and *sliyanie*.

In this high period of post-apartheid euphoria the arrival of *glasnost* is justly celebrated but the outcome of *perestroika* is yet to be seen. Already secessionist demands are on the table from one group with a clear, if tenuous, economic and administrative base - Bophuthatswana, and from another (white CP-supporters) whose territorial base is still unclear. A KwaZulu-Natal breakaway remains a threat at one remove. The coming to power of a radical ANC government in which Africans and communists play a preponderant role could well produce the potential for a breakaway for an Afrikaans-speaking coalition of whites and conservative coloureds in the Western Cape.

The lessons from the Soviet case are that such outcomes depend quite largely on the extent to which local elites can see a future for themselves within the system. Whether such a future exists depends crucially on the degree of economic success the restructured central government can deliver.

Nothing de-legitimated the Gorbachev regime so much as its economic failure, just as the economic failure of African nationalism up and down the continent fatally undermined whatever new institutions the newly independent states settled for. The South African case already owes much to this factor - the collapse of the currency and falling real incomes under PW Botha fatally sapped the popular legitimacy of an *ancien regime* which had, until then, at least been able to offer growth and stability. If a new post-apartheid regime were unable to offer as much, the popular legitimacy and confidence it enjoyed would vanish very quickly indeed.

In such an environment, the Soviet example suggests, the pressures towards political fragmentation are quick to develop, even if national/tribal minorities have not been particularly oppressed or politically

cohesive hitherto. It is more that when confidence in the efficacy of the central state fails, these lower level identities simply become the natural repositories of social confidence and political organisation. People and elites alike fall back on them because that is what there is.

No ideology of a 'common nationhood' is proof against this - indeed, the very phrase soon becomes treated as a provocation in itself. Nor is the much-haunted power of central institutions (the SADF, SAP, SABC, the parastatals etc) able to hold the situation for long: the world's biggest army and secret police force, the Red Army and KGB, were unable to prevent the dissolution of the USSR.

Inevitably, the process of fragmentation is greatly assisted if political and administrative divisions are already drawn up along ethnic/linguistic lines, as was the case in the USSR. In South Africa the old provincial and homeland frameworks provide only a very rough-and-ready basis for the forces of fragmentation; probably secessionist forces would see them as bases from which to expand their territorial claims, a dangerous and messy option.

Again, as in the Soviet case, a generous offer of federalism made in good time could well be enough to reassure the crucial local elites on which so much hinges. It is not enough for the central government to appoint unrepresentative token members drawn from dissident minorities: in pre-Gorbachev Moscow a number of major positions were held by radical Latvians, a fact which did nothing to assuage the grievances of the mass of Latvians who felt quite unrepresented by such figures. Having Joe Slovo or Jeremy Cronin in a future South African government would, for example, do nothing whatsoever to make whites feel better represented.

As in the case of the ex-USSR, however, one realises that while South Africa could fragment at the edges, the overwhelming bulk of the population would be left in a situation where territorial fragmentation offered no way out: those who live in the Northern and Eastern Cape, along with most Free Staters and Transvaalers, would find themselves in their own version of the Russian republic. For that is the final truth: the challenges of *perestroika* can only be evaded for so long by resort to nationalist rhetoric and born-again ethnicity: in the end the challenges of political and economic integration have to be met head on. **TEQA**

REGIONAL TIER REFORMS

Jeff McCarthy, Department of Geography, University of Natal, Pietermaritzburg

If we look around politically at the moment, who really mobilises regionally? Inkatha, the CP in the Western Transvaal, a number of bantustan elites ... (Platzky, 1992)

Both the NP, DP and ANC have proposed new models for restructuring the lower tiers of government. A brief review follows on the key challenges facing metropolitan and regional government in the era of constitutional negotiations.

The crisis of local and regional government during the 1980s centred upon a complex interdependence of legitimacy and fiscal considerations. Put simply, racial divisions between local and regional government structures were both politically unpopular and financially unviable.

The legitimacy crisis of local and regional government deepened during the decade. Black Local Authorities, Local Affairs Committees and white Municipalities were the principal divisions at the local level, and homelands and provincial administrations were the primary divisions at the regional level. The legitimacy of all these divisions was strongly challenged by popular protest movements, whereas the financial non-viability of black local authorities and homeland governments posed major practical problems of administration.

During the mid-1980s, government thinking about how to respond to these difficulties centred upon two considerations: the need to counter protest through authoritarian measures (hence the emergence of so-called Joint Management Centres or JMCs along with local and regional government restructuring); and the need for the development of new systems of multi-racial (though not non-racial) co-operation in practical problem-solving and decision-making at the local and regional levels of government. One outcome was the system of eight (later nine) so-called 'development planning' regions initiated by the Department of Planning during the early 1980s, and subsequently adopted as the operational basis for much of the Development Bank's work.

Another result of mid-1980s priorities was the system of so-called Regional Services Councils (RSCs) or (in Natal) Joint Services Boards (JSBs), which were initiated by central government to respond to problems of planning co-ordination and servicing at the metropolitan scale. These RSC/JSB areas were smaller than the so-called planning regions, with an average of five RSC/JSB's per planning region.

What both initiatives had in common is that they transcended the racial basis of local and regional government, and attempted to augment it with new administrative entities based on functional-geographical considerations. Nevertheless, it is important to also notice that there were no new, elected and non-racial local and regional government

structures proposed for such regions. Rather, they simply became novel units of bureaucratic control, administration and development planning. The political inputs into this administration and development planning process still came from bodies that were framed within the terms of a racially-based constitution (for instance, the racially exclusive local authorities). Hence for example, the so-called planning regions received inputs from homeland and provincial politicians, and the RSCs and JSBs were administered by representatives of white, black, Indian and coloured local authorities.

With the advent of the de Klerk era little thought or effort was initially devoted to issues of local and regional government restructuring, either by the NP or the ANC. Instead, the focus was on establishing processes of de-racialisation and negotiation at the central level.

ANC/NP Policy Convergence

Government's intention to restructure its own politics and policies on a non-racial basis became evident with the repeal of the Population Registration Act and the Abolition of Racially-Based Land Measures Act (1991). Its propensity towards negotiations, even at the level of local government, was moreover reflected in its 1991 Interim Measures on Local Government Act. This effectively empowered existing (usually white) local government structures to enter into negotiations with proximate (usually black) local authorities, or other such bodies, with a view to joint arrangements for new multi-racial local politics and administration. In essence, however, this Act continued the pre-de Klerk trend of multiracial cross-border reforms, rather than the post-de Klerk emphasis on non-racialism.

The ANC argued that the envisaged process tended to empower the existing racially-based authorities. Indeed, because of these perceptions a recent policy discussion document by the ANC's Department of Local and Regional Government rejects outright the Interim Measures for Local Government Act as a viable basis for local government reform (ANC, 1992a). It envisages instead a process of local government restructuring that must be part of a pattern of 'national transformation' - a somewhat vague notion that is not elaborated upon, but which appears to refer to the need for a central veto over local government reforms initiated locally.

On the other hand, the same document indicates that 'the ANC supports the principle of local government reform through local negotiations within such a (national transformative) framework'. Recently, the ANC had supported 'local Codesa's' around local government arrangements in several cities, as well as the continuing involvement of the ANC in the Johannesburg Metropolitan Chamber. This suggests there is some flexibility on the issue of locally-based processes of negotiation towards both interim local

government structures and longer term local constitutional change.

At the regional scale there has been a remarkable convergence of thinking between the government and the ANC. This consensus has not, however, been reached without a measure of dissent within the ANC itself. A recently issued policy document, produced by the Constitutional Committee of the ANC, suggests ten regions for South Africa's second tier of government (ANC, 1992b). These regions almost exactly mirror the 1981 Department of Planning's regional borders (the main differences are those that occur in the Transkei/Border area so as to apparently achieve unity of the 'Xhosa' people). Criticism from within ANC-aligned circles of this stance is that the so-called ten regions 'seem to be a negotiating tool to appease current sub-national power blocks' (Platzky, 1992a). This is a thinly veiled reference to compromise with homeland governments and right-wing groups, which could retain and even expand some of their local power through the ANC's regional proposals.

Although the ANC's Department of Local and Regional Government has rejected the NP's Interim Measures for Local Government Act as a mechanism for achieving local government reform, its new policy document on local and metropolitan government indicates a modulated and considered position which is not very different from that which had been suggested, say, by centrist organisations such as the Democratic Party and the Urban Foundation.

The new ANC local government document argues however that racially-based local authorities must be 'disestablished' and that the boundaries of local authorities must be drawn so that 'the entire functional area of a city, town or rural area is incorporated, including its industrial area and artificially created Bantustan and commuter towns' (ANC, 1992a). For the rest, it sees local government functions much as they are now, although there is emphasis upon affirmative action, openness and democratisation of the civil service, redistribution, local economic development, participatory community development and, of course, non-racialism.

Relative Power Balance

The former UDF activist, Wittenberg (1982), in a critique of the ANC's proposals for regional government, suggests that from a mass-democratic perspective, there is more to gain from a strong local and metropolitan tier than there is from strong regional ties, as previously proposed by the ANC's Constitutional Committee (ANC 1992b):

Experience suggests that anything bigger than the areas currently covered by the RSCs/JSBs inhibits popular participation. This suggests that the fundamental regional unit should be an entity akin to the English county.

Of course there need not ultimately be a choice between either the larger regional or the smaller metropolitan tier. Rather the issue is one of the relative emphasis and powers accorded to each. The author's experience with local and regional government challenges is consistent with Wittenberg's view: that is, that priority ought to shift to the RSC/JSB or county scale of 'regional' government. However, new, empowered metropolitan regions need not conform to existing RSC or JSB boundaries. Indeed, the first challenge we need to grasp in the restructuring of local and regional government is that of regional definition.

It is possible to envisage an inclusive, popular process of regional definition, in terms of which the *inside* of regions (with fuzzy boundaries, if necessary) become identified first along with their primary developmental and reconstructionist challenges. Only subsequently does one need to get into the geographic and technocratic detail of boundaries, perhaps bringing in the expertise of a non-partisan delimitation commission. If such a process is set in train, I will predict that we will find that 'meaningful' regions, for the average citizen, are probably a lot smaller than the nine planning regions identified by government in 1981, and now being emulated by the ANC's Constitutional Committee with their proposal for ten regions: that is to say, there would be smaller regions at the level of the rural county, or the level of the metropolitan region.

It is recognised that regional boundaries established in 1910, or later, through the creation of homelands, may seem a suitable 'practical' point of departure for striking political compromises. Yet, as Platzky (1992a) observes, if pragmatism alone is at stake the question still arises 'why adapt the DBSA proposal and ignore metropolitan areas and RSCs which are more viable functional units?'

There is of course much work remaining to be done on the future of the regional tier. A metropolitan or rural county focus upon local economic development and post-apartheid reconstruction may provide a sensible point of departure. Most important of all, however, is the need for agreement upon a process for initiating metropolitan and regional government restructuring in a 'bottom up' way, and which allows for some autonomy from the restructuring of central institutions. There are many parties which claim to support decentralised government and/or a measure of local participatory democracy. The challenge of the 1990s will be to ensure that the commitment is not merely rhetorical. **IPWA**

REFERENCES

- African National Congress. 'A New System of Local and Metropolitan Government for South Africa'. Johannesburg: ANC Department of Local Government, 1992a.
- African National Congress. 'Ten Proposed Regions for a United South Africa'. Cape Town: Centre for Development Studies, University of the Western Cape, 1992b.
- Platzky L. 'Regional boundaries: Is the ANC giving in to ethnic federalism?' *WIP Sup 2*, 1992a.
- Platzky L. 'Regional Development Planning in South Africa - a Critical Look at Historical Processes'. Unpublished manuscript. Cape Town: Development Action Group, 1992b.
- Wittenberg M. 'Regions and Regional Government in South Africa: a Critique of the ANC Policy document'. Unpublished manuscript. Pmb: Geography Dept. University of Natal, 1992.

Frying Big Fish



Campaigns against Corruption

Robert Klitgaard
Visiting Professor,
Department of Economics,
University of Natal

South Africans have been outraged by several recent corruption scandals in government. Popular reactions range from moralism to cynicism, as they do worldwide. 'Corruption is like sin, it's always there'. Will it take a moral revolution to eradicate this political disease? A visiting professor from Harvard University looks at what citizens can do when the people on top are corrupt, or worse, when the whole system is corrupt.

In 1990, Tanzanians debated a proposed national campaign against corruption. The public was skeptical. On the front page of a government-run newspaper, a lecturer at the ruling party's ideological college wrote, 'We have the Anti-Corruption Squad under the President's office, the Permanent Commission of Inquiry, the Leadership Code, the Control and Discipline Commission of the Party and courts of law. What else do we need?' Despite it all, corruption reigned supreme.

At about the same time, an article published in Guatemala illustrated another alarmingly widespread view. 'When in a society the shameless triumph', the author began, 'when the abuser is admired; when principles end and only opportunism prevails; when the insolent rule and the people tolerate it; when everything becomes corrupt but the majority is quiet because their slice is waiting ... perhaps it is time to stop being a Quixote; it is time to review our activities ...'

Corruption breeds moralism and despair. In my own work, I have tried to urge a different approach. Instead of viewing corruption as a problem of individuals who need better morals, corruption is a problem of systems that need better information and incentives. Instead of despairing, we should be optimistic. Experience in other countries shows that corruption can be controlled, although sadly never eliminated.

I have studied and participated in successful anti-corruption campaigns in several countries. Perhaps surprisingly, the strategies that yield results have some common features:

- They take steps to break what might be called the culture of corruption and irresponsibility, which means in the first instance 'frying big fish'.
- They strengthen systems to prevent corruption and inefficiency which means more transparency and improved incentives.
- They involve public and civic organisations in the campaign for responsibility and efficiency in government.

Culture of Corruption

A culture of corruption and irresponsibility follows from years of abuse. People begin to expect corruption and to perceive corruption even when it is absent. A pervasive cynicism develops about government and big business. Indeed, a characteristic of underdevelopment is the defeatist attitude that nothing can be done about such problems.

Fortunately, we know from experience in many poor countries that corruption can be reduced if never eliminated. An important lesson from such experience is this: one has to break the culture of corruption by frying big fish in public.

A cynical population does not believe mere words. It asks for actions. And it does not place stock in actions against the little guy, such as a low-level bureaucrat or a minor tax evader. For the public to believe that an effective campaign for responsible government is truly underway, big fish must be fried.

Corruption is not so much a matter of ideology or culture or even morality as it is one of motive and opportunity

An example is Mexican President Carlos Salinas's bold prosecution of *La Quina* (the head of the powerful PEMEX labour union) and top members of his own party. In Hong Kong's successful anti-corruption campaign in the early 1970s, a key step was the extradition and prosecution of a corrupt former commissioner of police, who had retired with millions in the United Kingdom.

The big fish can be major tax evaders, preferably from the party or parties in power. (If only opposition figures are attacked, the culture of corruption will not be cracked.) Or the big fish can be high-level bureaucrats and officials in public enterprises, as in the Philippines and Singapore. The big fish may be people in government who are clearly living beyond their public salaries, even if it cannot be proved that they achieved their wealth corruptly. In Singapore and Hong Kong, where the burden of proof has been shifted, rich officials must prove, if asked, that their wealth was achieved legally.

Big fish need not be strictly speaking 'corrupt'. They may be the friends or family of leading officials who themselves have been appointed to high office. The perception of nepotism is the enemy of change. It is worthwhile considering ways to change that perception by replacing appointments perceived to be nepotistic while simultaneously passing new rules that forbid the hiring of close relatives without strict meritocratic checks.

'Frying big fish' may mean conviction in court. But it does not have to. It may be enough that publicity is generated against the big fish, that their names are ruined, to send a powerful signal to the populace that the rules of the game have changed. In the Philippines, the tax commissioner knew it would take two years to convict corrupt officials. He went ahead with that legal process, but he also let the press have lots of information about the people and their offenses. The resulting torrent of investigative reporting led to shame (and three heart attacks), which both deterred corruption and helped to change the popular belief that the 'big boys' are exempt.

How can South Africans crack down on big fish? How can the government overcome the perception that big offenders, tax evaders, or bribe-givers go unpunished? What kinds of 'frying' might there be, aside from the inevitably slow process of the law?

Incentive Strategy

But just as the best medicine is preventive, so too a strategy against corruption cannot end with the prosecution of the guilty. In the case of corruption, prevention means analysing systems.

Corruption is not so much a matter of ideology or culture or even morality as it is one of motive and opportunity. Public servants have the motive when they are poorly paid, when pay is not linked to performance, when the rewards from corruption are high, and when the chance of being caught and the penalties if caught are small. Public servants have the opportunity when they have monopoly power plus discretion minus accountability. Therefore, the starting point for fighting corruption is the systematic reform of the motives and opportunities facing public officials. A campaign against corruption must improve incentives, reduce government monopoly power, limit the discretion of officials, and improve systems of accountability and information.

A similar analysis may be made of corrupt institutions in the private sector. Except for embezzlement and a few other forms of corruption, it takes two to tango: someone inside the government, and someone outside. But for purposes of this article, let us focus on public sector reforms.

A campaign against corruption should not be billed as an attack on civil servants but as a challenge to them. The government should work with officials in each ministry to create specific goals and measures of success. Part of their pay and promotions should be linked to achieving those measures. Officials should be enabled to earn an honest living and to show that they are getting results. At the same time, we must improve information and control systems so that both good and bad behavior are more easily discovered.

Incentive problems in the public sector will become a key development issue in the 1990s. Change is underway. Many countries are experimenting with incentives linked to measurable results in the public sector. For example:

- performance contracts with public enterprises, where some part of pay depends on efficiency measured in terms of pre-set goals;
- sharing user charges with government officials (this has enjoyed success in Nigeria);
- setting school-level performance

A campaign against corruption must improve incentives, reduce monopoly power, limit the discretion of officials, and improve systems of accountability and information

measures and then having other teachers evaluate how well schools are doing and giving successful schools bonuses that are shared among employees (e.g. in the US):

- competition between the public sector and the private sector in performing certain public services (such as job placement, road repairs, auditing, etc.);
- sharing increases in customs revenues with customs officials;
- sharing reductions in construction costs for equal quality work (based on independent audits) with responsible officials. Often the reductions reflect simply a reduction or elimination in expensive kickbacks; and,
- sharing tax revenues or bill collection or savings from detected corruption with those responsible.

A recent book called *Paying for Performance* reviews the literature on efforts to link compensation with measurable results (Blinder, 1990). It draws two general conclusions. First, linking pay to performance does lead to greater efficiency. Second, it is important that those doing the work be involved in setting the measures of their own performance. The need for employee involvement is especially important in the public sector.

Linking pay to productivity is not easy, even in the private sector. Rosabeth Moss Kanter's book on business in the 1990s, *When Giants Learn to Dance*, has a chapter on the generic problems of incentive systems in corporations. She says the five key tradeoffs in incentive systems are individual vs group contributions, whole agency vs units, discretion of management vs automatic or target-based goals, relative to base pay vs relative to the value of the contributions to the agency, and a single system vs. multiple systems. Many of these problems are even harder in the public sector, where outputs are more difficult to measure and politics are paramount.

Despite the problems, sooner or later we must recognise that our public officials now face perverse incentives. In the public sector, working harder or better is not necessarily rewarded. Saving the government money-cutting costs, raising quality, discovering and rooting out corruption, teaching students more - does not result in a higher salary or better benefits. Given low pay and no incentives, it should be no surprise when government does not work well.

The issue of incentives is not the old issue

of the *level* of government salaries. Rather, it is the *linkage* between pay and achievement that is at issue.

Changing incentives involves several steps. One must begin to redefine the organisation's objectives. Then one must specify measurable results and collect information on their achievement. Finally, some part of pay and other benefits, such as promotions or training or travel or office size, must be linked to the results. Successful efforts to fight corruption often involve these same steps.

To the South African government, one might pose several questions for high-level brainstorming. How might one initiate *experiments* with public-sector incentives? It is advisable not to begin with the whole government at once, and remember the issue is not a simple raise in pay. Instead, one might start in key areas where incentive experiments could be self-financing - for example, taxes, public works, customs, public enterprises, detecting fraud and corruption, and so forth. Can part of the money saved through greater efficiency be promised to employees if and only if they are successful? What incentives can be created for the prevention, the reporting, and the prosecution of fraud, waste, and abuse in government?

Involving the Public

The greatest enemy of corruption is the people. This is why almost every new government - elected or not - justifies itself by promising to combat the corruption of the previous regime. It knows that the people despise corruption and understand the corrosion of incentives that it entails.

Successful campaigns against corruption involve the people. For example, take Hong Kong's Independent Commission Against Corruption. The ICAC had three components. One concerned prosecution and went after big fish. Another stressed prevention and worked with government agencies to make systematic reforms.

The third component involved the people. Six citizen oversight bodies acted like boards of directors over various of the ICAC's activities. The ICAC also set up offices in the *barrios*. These offices joined together employees of the ICAC, members of the *barrio* council or local government, and citizens, meaning housewives and business people but, importantly, *representatives of civic associations*.

What incentives can be created for the prevention, the reporting, and the prosecution of fraud, waste, and abuse in government?

The greatest enemy of corruption is the people - this is why almost every new government promises to combat the corruption of the previous regime

The corruption scandals mean it is time for South Africa to rethink institutional strategies for promoting responsibility and efficiency in government

Should new offices be set up inside government, which would have the power to investigate corruption and to work on preventive reforms?

The civic associations brought both competence and credibility. Take auditors' and accountants' associations, for example. They know a lot about detecting corruption. They also have a strong reputation for honesty and, because they are not of the government, for independence as well.

The people can be an invaluable *source of information* about where corruption and inefficiency occur. They can be tapped for reports of isolated cases as well as chronic problems - they know where government is working and where it is not. This does not mean, of course, that every anonymous accusation of corruption is to be believed. In fact, most are false. But a trustworthy body with technical competence to investigate corruption can sift through the reports it receives from the people, looking for patterns and for cases that are important and systematic. This is what the ICAC did in Hong Kong - with the people's involvement.

In the case of South Africa, can one imagine a campaign against corruption that involved civic associations, professional *gremios* of accountants and lawyers, local councils, and labour unions? Could such an effort work in South Africa? How might it be structured as an experiment? What parts of the central government would participate and how?

Inside allegedly corrupt agencies, is there a need for a credible, competent, central location where complaints can be made and abuses reported without fear of reprisals? Experience in other countries shows that such mechanisms can be effective.

For example, in the successful effort to clean up the Bureau of Internal Revenue in the Philippines, the new director created such an internal body. He talked with many employees, who were not willing to name the corrupt but would readily say that Mr X and Mrs Y were honest and good. He selected six of the honest heroes and brought in six young CTA's to work with them.

This team carried out special studies for the director, investigated cases at random, and served as the place where employees could report irresponsibility and inefficiency. In time, a public hotline was installed, where the people could also complain. Again, many reports of corruption are inaccurate or self-serving, perhaps most; but the open line of communication for people within and outside the organisation was crucial to the reduction of corruption.

What about government-wide? Would it make sense to create something like Hong Kong's Independent Commission Against Corruption? The ICAC was more than an investigatory body; it also took on the roles of prevention and of interacting with the public in a two-way flow of information. Should South Africa also have an institution that saw its mission as going beyond the uncovering and prosecution of scandals?

Back in the USA

South Africa is embarked on the road to a new era of democracy. One challenge is the managing of macropolitical reform. But the corruption scandals remind us that it now may be opportune for the government to move at another level: to rethink *institutional strategies* for promoting responsibility and efficiency in government.

The beginning of a practical approach is to leave moralisms and despair aside, at least temporarily, and analyse corrupt systems of incentives and information. This means demystifying corruption and treating it as a problem of public policy and management.

To stimulate such a rethinking, South Africans might work through several clusters of questions:

- What can the government do to break the culture of corruption, for example, by frying big fish?
- How can the government prevent corruption and promote efficiency by redefining objectives, limiting monopoly, clarifying discretion, promoting accountability, and linking public-sector rewards to results?
- How can the public be involved in the campaign for responsibility and efficiency in government?
- Should new offices be set up (inside government agencies and/or at the government-wide level) perhaps as an experiment, which would have not only the credibility and power to investigate reports of corruption but to work on preventive measures and systematic reforms?
- In the battle against corruption, how can civic associations, unions, and professional organisations be involved? **IPWA**

REFERENCES

- Blinder AS (ed). *Paying for Productivity: A Look at the Evidence*. Washington DC: The Brookings Institution, 1990.
- Kanter RM. *When Giants Learn to Dance: Mastering the Challenge of Strategy, Management, and Careers in the 1990s*. New York: Simon and Schuster, 1989.
- Kilgaard R. *Controlling Corruption*. Berkeley and Los Angeles: University of California Press, 1988:ch2.3.

THE CP BROEDERTWIJS RESTANTERS AND VOLKSTATERS

Professor Janis Grobbelaar
Department of Sociology,
Unisa

What are the consequences of the referendum result for the Conservative Party and the future of Afrikaner nationalism in South Africa? More significantly, how will internal struggles in the CP, as a result of the referendum, influence their position on national negotiations at Codesa and more importantly, the future of Afrikaner nationalism?

It would be foolish to suggest that the referendum result has once and for all shown that the 'ultra right-wing' is a negligible force in South African politics. This would be to discount the impressive track record, historical role and resilience of Afrikaner nationalism in South Africa.

The weight and meaning of the numbers of No referendum voters should be briefly considered in this debate. The outcome of the 17 March 1992 referendum on constitutional reform among South Africa's legally classified white voters is widely known. Approximately 31% or 875 619 people exercised a No vote, notwithstanding the massive media and state campaign for a Yes vote. Such a sizeable group of white No voters can obviously play a potentially significant role in the discourse and trade-offs of contemporary South African politics.

If both Donald Simpson's (*Citizen*, 19/3/92) and CP research estimates are to be believed (personal communication, May 1992), 150 000 to 200 000 CP supporters voted Yes in the referendum. This would translate into a CP support base of roughly 1,1 million people. How do we interpret the nature of the dynamics involved in 200 000 'shifting' CP supporters? Are they not a reflection of the tensions, capriciousness and transience wracking South Africa's white power holders in general and Afrikanerdom in particular?

Attempts to consider these questions should take cognisance of Lawrence Schlemmer's arguments (in the previous edition of this journal) in relation to the existence and significance of major contrasting interpretations of de Klerk's Yes referendum mandate, in the negotiations at Codesa. He suggests inter alia, that the Yes vote cannot be interpreted to mean that

whites 'endorse[d] negotiations with a future ANC-dominated government in mind' or that whites accepted the possibility that the NP would indeed 'negotiate itself out of power' (*Indicator SA*, Vol9/No2, 1992:7).

In the aftermath of the referendum and Codesa Two, new splits in traditionally white political formations and in particular, divisions and regroupings amongst the CP and its Afrikaner nationalist associates appear to be imminent. In this regard note should be taken of comments in the CP newspaper, *Patriot*, over the past few months. Its intrepid editor, ZB du Toit, has been gently hinting at political fusions and reconstitutions around the notion of an Afrikaner nationalism which is reinvigorated and stripped of all racial connotations.

The referendum result reflects proportionately close numerical divides amongst whites in the Transvaal, OFS and North Western Cape areas when compared with the rest of South Africa. Excluding the commercial heart of the PWV, namely the geographically small referendum regions of Johannesburg and Germiston, these areas reflect a potentially debilitating and tenuous statistical cleavage between white powerholders:

	YES	NO
Pietersburg		56,8%
Pretoria	57,3%	
Roodepoort	52,3%	
Kroonstad	51,5%	
Bloemfontein	58,5%	
Kimberley	54,4%	

(Source: *Indicator SA*, Vol9/No2, 1992)

Considerable evidence exists as to the potential for ultra-rightwing destabilisation of the transition process in South Africa

In the wake of the referendum result the CP is being forced to confront the fact that its participation and showing has lost it influence

In short, these figures reflect a considerably higher proportion of No votes amongst the six aforementioned regions than in general. The mean No vote for these regions - 47,2% - indicates a 'positive' differential in the region of 15,9% (i.e. as compared with 31,3% of No votes for the country as a whole).

Whilst these results appear to exclusively reflect on its regional strength and the parameters of the main thrust of CP support - as it crystallised in the first general election the party fought (1987) and was consolidated in the 1989 general election - they also demonstrate uncertainty, flexibility and political instability amongst white interests in these regions.

Moreover, throughout the referendum campaign the CP and its allies refused to accept the political consequences of a majority Yes vote in terms of democratic practice. They argued and continue to argue that their fight for self-determination and survival would inevitably persist. In the face of the NP's tenuous negotiation mandate at Codesa and the strength of the No vote, the negation of the CP and more particularly Afrikaner nationalism would be shortsighted, in at least the above geographically congruent and economically significant areas.

It may be argued that therefore that the NP government's control is proportionately as well as ideologically fragile, and that considerable evidence exists as to the potential for ultra-rightwing destabilisation of the transition process in South Africa (at least in the short term).

Internal Tensions

Tensions around policy, strategy and leadership already existent in the Conservative Party and wider (post-1982) Afrikaner nationalist network, have seriously worsened since the 1989 general election (Grobbelaar, 1992). This despite the often euphoric CP response to interim by-election wins such as Potchefstroom in early 1992.

In the wake of the referendum result the CP is being forced to confront the 'fact' that its participation and showing has inadvertently lost it influence. The CP is as a result unable, via its chosen constitutional and parliamentary route, to institutionally focus meaningful pressure on government power-sharing policies. In short, it appears to have lost its influence in white politics.

In consequence the NP is at present claiming the overwhelming and undifferentiated support of the white power-holding constituency. (This, notwithstanding the undeniable confusion and contrary interpretations surrounding the Yes mandate). Not only government and the public media but also the international lobby, the ANC and the other negotiators at Codesa Two have been able in comparable fashion, to negate the significance of the CP. In a nutshell, in Afrikaner nationalist terms, the decisive battle within the parameters of the old South African constitutional script for political power has been lost within this context.

The loss may well serve in a paradoxical sense to clear up some of the existing, growing confusion in ultra-rightwing politics. The rejuvenation of Afrikaner nationalism in a new guise, together with the disintegration of its chief organisational infrastructure the CP, although an extreme option, is possible. Or alternatively and in the ringing words of an ultra-rightwing journal: 'we must accept the challenge of the great internal transition of becoming a true national movement' (*SA Observer*, Vol35/No7, 1992:4).

There has been rife press speculation on the CP's future, particularly in the aftermath of the expulsion of two CP members of parliament from the party since the referendum. In a sense they have served to promote the notion of the impending demise of Afrikaner nationalism and of the CP as relevant actors on the South African stage.

Interviewed by the author, CP spokespeople agreed that the party was required to 're-evaluate its strategy' as a consequence of the referendum result. For their part, the excommunicated CP members of parliament, Koos van der Merwe and Koos Botha are officially viewed as individual problems rather than as representative of long-seething policy, leadership and strategy tensions.

New Proposals

After the referendum, the party formally appointed seven constitutional and strategy committees to study the outcome as well make recommendations on future strategy. They reported to the parliamentary caucus as well as to the CP head committee which announced on 6 June 1992 a series of policy proposals and future plans.

The CP's new *konsepbesluite* (suggested decisions) are concerned with addressing the crisis within the party. They are suggestions, which if accepted will change its land claims in South Africa. In principle they argue for a (uncertain) revision of existing policy, the so-called CP policy of partition, which lays claim to '1913/1936 Land Act' South Africa, i.e. in essentially 'Grand Apartheid' or Verwoerdian terms.

The newly announced policy (*Rapport*, 7/6/92, *Beeld* 8-9/6/92) laid claim in somewhat dubious terms to a smaller portion of South Africa's land mass (than was previously the case). The CP presently holds thirty-nine parliamentary seats in the House of Assembly - thirty in the Transvaal, seven in the OFS and two in the Cape. The communique essentially advocated that these areas (plus any other areas that wish to), should become the territory in which white Afrikaners will practice self-determination or political domination in a proposed confederation or commonwealth of South African states.

Towards this end, the party is only willing to negotiate with the recognised leaders of *volke* (nations). This policy excludes, for example, the ANC. It allegedly does not represent a *volk!* (It should be remembered that a strategy of 'divide and rule' has served Afrikaner nationalism well in the past).

In an about-turn, the CP has recently begun to talk to the NP on constitutional issues. Interestingly, the NP has allocated a high powered team under the leadership of Roelf Meyer, newly appointed minister of Constitutional Development, to engage this task. The importance of this step should not be underestimated. Until now the CP has refused to negotiate with the NP outside of the norms of parliamentary practice. The NP is viewed as having sold out white Afrikaner interests to the enemy.

Emotionally, the divide between these brothers (*broedertwis*) is extremely bitter, particularly since the day of de Klerk's landmark reform speech, *Rooivrydag* or Red Friday (2 February 1990). Hence the CP's hitherto failure to take up any of de Klerk's invitations to engage the NP or the Codesa negotiation process.

One final significant point needs to be noted about the CP's policy proposals. The CP head committee statement issued on 6 June 1992 also announced the general congress subsequently held on 27 June 1992. The party's parliamentary caucus is

not, it should be pointed out, empowered to make or change policy. It is only a general congress, a biannual event, that can do this. The congress could not break the impasse. The strength of the rebels forced Treurnicht to devise a new holding strategy.

The CP Divide

Whilst the CP elite has been careful, clearly as a matter of pressing caucus discipline, not to promote division, it has become obvious through a series of recent interviews that the party is indeed reaching a point of crisis. The battle lines are evidently drawn. In the language of party 'insiders', division has come to be expressed by the notions, *volkstaters* and *restanters*.

↳ *volkstaters*

The *volkstaters* (the 'homelanders') are the rebels within the confines of the Conservative Party. Their discourse departs from the notion that white Afrikaners have essentially lost their political power, their land and hence their ability to determine their own future. According to spokespeople in interviews with the author, their purpose is to promote and bargain for Afrikaner nationalist self-determination by (almost) all possible means.

These means could singly or in combination include:

- participating in Codesa;
- reconstituting Afrikaner nationalism so as to ensure its moral acceptability as a legitimate force both at home and internationally (i.e., attempting to strip away its racial base);
- creating new alliances across existing white Afrikaner party-political divides (e.g. incorporating Afrikaners from the NP, DP and perhaps, even the ANC);
- replacing the CP leadership with one better able to provide a new vision;
- splitting the CP;
- incorporating more fully Afrikaner nationalist 'think tanks' such as the *Afrikanervryheidstigting* under Carel Boshoff and the *Eenheidskomitee 25*;
- giving serious consideration to and devising proposals within the context of a federal option which grants regional Afrikaner self-determination;
- striving toward radical geographical secession, including the *Afrikanervryheidstigting's* proposals for the relatively uninhabited North Western Cape; and finally,
- negotiating with the ANC in a spirit of 'reconciliation'!

The volkstaters aim to promote and bargain for Afrikaner nationalist self-determination by all possible means

The restanters are the apartheid traditionalists who cling to the notion that political power will remain in white hands

The CP will now attempt to engage all the significant political players so as to promote and legitimate the notion of Afrikaner nationalist self-determination

REFERENCES

- Afrikaner Freedom Foundation. 'Codesa and Afrikaner self-determination'. Pretoria, 1992.
- Beyers A. *Hansard*, May 1992.
- Boshoff CWH, CJ Jooste, MR Marais en DJ Viljoen. 'Die volkstaat as Afrikanerbestemming'. Pretoria: SABRA, 1989.
- Booyesen H. 'Boerevolkstaat kort en kragtig'. Pretoria: Oranjerwerkers Promosies, 1985.
- Bruwer PF, HF Verwoerd, BHA van den Berg, M van Heerden, JW Fischer. 'Afrikanerland - 'n gebiedsaanduiding'. Morgenster: Oranjerwerkers Promosies, 1990.
- Ebersohn W. 'Kodesa en die regse opsie'. *Die Suid-Afrikaan*, No39. Cape Town, 1992.
- Grobbelaar J. 'Ultra-rightwing Afrikaners: a sociological analysis'. D Litt et Phil. Pretoria: Unisa, 1992.
- Grobbelaar J. 'Bittereinders: Dilemmas and dynamics on the far right'. *South African Review* 6. Johannesburg: Ravan, 1992.
- Jooste CJ. 'n Volkstaat vir Boere-Afrikaners'. Pretoria: Afrikaner-vryheidsstigting, 1991.
- Jooste CJ. 'Grondwetlike beskerming vir Suid-Afrika se minderhede'. Pretoria: Afrikanervryheidsstigting, 1992.
- Oranje-Perspektief. Lynnwoodrif: Vereniging van Oranjerwerkers, 1992.
- Raath AWG. 'Selbbskikking en sesessie'. Pretoria: Afrikanervryheidsstigting, 1992.
- Schlemmer L. 'Codesa after the referendum'. *Indicator South Africa*, Vol9/No2. Durban: Centre for Social & Development Studies, University of Natal, 1992.
- The South African Observer*. 'Moment of Truth For Right-Wing Leaders'. Vol35/No7, Pretoria, 1992.

Ultimately, according to its spokespeople, the *volkstater* group in the CP is committed to working towards a 'viable' and 'reasonable' option for Afrikaner nationalist self-determination within the parameters of the changed playing field in South Africa. In the view of one of its leading figures, Afrikaners need an ideal, a reconstituted vision towards which they can strive and fall back on - an *Israeli opsie* (Israel option).

The time frame is regarded by this group of *volkstaters* to be extremely pressing. They fear that 'reasoned' opportunity is passing them by, and immense pressure is therefore building up within the CP. Violence is seen as a real but last option and understood to be doomed to failure unless a morally justified and 'fair' vision drives and underpins it. Andries Beyers - member of parliament for Potchefstroom and CP general secretary - is favoured by many for the position of leader either of a 'new' or of an alternative political formation.

□ *restanters*

The *restanters* (the 'left-overs') are essentially the apartheid traditionalists within the Conservative Party. Their position is rooted in the context of their history as powerholders in South Africa; in the notion that white people legally own two-thirds of the land in South Africa and that political power, no matter how tenuously, is still vested in their hands. Codesa is seen as doomed to failure. The *restanters* plan to pick up the pieces and reconstruct South Africa in their own image.

Party slang has labelled these claimants of *die erwe van ons vader* (the land of our forefathers) racists, to distinguish them from the so-called *volkstaat* Afrikaner nationalists. Perhaps the *restanters'* most outstanding characteristic is their refusal and/or apparent inability to accept that new rules are regulating the South African politics. Their intransigence appears to be the most direct cause of the ongoing strife within the CP.

At present, these more easily recognisable scions of apartheid are in control. Their command of the CP was illustrated by the communique issued by the party on 6 June 1992. These proposals do not cross the divide between the two groups. This 'compromise' is little more than one of appearance, which attempts to obfuscate the real issues and keep the party together or at least to limit the impending damage under the guise of a moving equilibrium.

These divisions within the CP account for the apparent inability on Andries Treurnicht's part to clearly spell out a vision at the press conference on 6 June as well as the acceptance of a verbal proposal for further discussion at the congress held on 27 June. There are nine out of a total of eighteen 1982 breakaway or charter CP members of parliament still in the caucus. They form the kernel of the *restanters*. Ferdie Hartzenberg is seen as the instrumental leader of what is essentially the party's old guard.

Prognosis

If the rebels, the *volkstaters*, are unable to take control or make real headway it is likely that they will leave the Conservative Party's fold. No matter how effectively the *restanters* control the damage in the event of such a split, the party is doomed to 'passively' fade away and disintegrate without a regenerating and dynamic vision.

The lack of a dynamic institutional and organisational framework like that of the CP at present, will further alienate the large mass of already alienated people on the rightwing (given that the CP will fail to hold them). It will also most certainly 'free' those on the fringes. An increase in militant and politically destabilising action on the part of these people would surely be the consequence of such a scenario.

In the event of the *volkstaters* hijacking the party we are likely to see an almost immediate attempt on their part to engage all the significant political players in South Africa, so as to promote and legitimate the notion of Afrikaner national self-determination. Whilst success is highly improbable, these elites will moreover initiate a process aimed at laundering and reconstituting Afrikaner nationalism.

Throughout its history, Afrikaner nationalism has proved its tenacity and exhibited its considerable strategies of empowerment. All-encompassing power brings immense reward. White Afrikaners have occupied such a position of power in South Africa for decades. If they are convinced that they will lose all, a sufficient number in their ranks will fight a rearguard action. This will seriously destabilise South Africa's stumbling steps towards a non-racial and more equitable distribution of wealth and power. **IPA**

PAC POLITICS AFTER CODESA

Evangelos Mantzaris, Department of Sociology, University of Durban-Westville

With Codesa the keyword in the new political vocabulary of South Africa, there are many who prophesise the marginalisation of parties which remain outside its ambit - especially Azapo and PAC on the 'left' and the Conservative Party and others on the 'right'. If Codesa survives negotiations and delivers the goods, these organisations may be left out in the cold. Against this backdrop a review follows of the recent PAC national congress, where the movement affirmed its established policies and its commitment to armed struggle.

The Pan Africanist Congress (PAC) has never been against negotiations *per se*. The PAC is on record as supporting a negotiated mechanism leading to a constituent assembly. But its supporters widely expect that the final outcome of Codesa will be a compromise between the ANC and the NP that will not result in majority rule through the mechanism of a constituent assembly.

The PAC's walk-out from the Convention for a Democratic South Africa at the inaugural meeting of Codesa in December 1991 was debated at length at an extraordinary congress of the PAC held in the Transkei between 17-19 April 1992. The PAC affirmed its belief that even if an enlarged working group were to draw up an interim constitution for an elected parliament and an interim executive, the machinery and apparatus of the state would remain in the hands of the NP government and the aspirations of the African masses would be compromised.

A PAC delegation led by new President Clarence Makwetu met with representatives of the South African government in Nigeria on 10 April 1992, prior to the PAC special congress. This meeting was yet another message from the PAC to African governments and other nations which pressurise it to enter Codesa that negotiations could take place under

different conditions - e.g. outside the country and with a neutral chairperson.

The popular belief that the PAC has been marginalised in the political arena because of its anti-Codesa stance does not take into account key strategic realities identified by PAC supporters. Firstly, President de Klerk has so far strategically outmanoeuvred the other Codesa 'heavy-weights' and has made significant tactical inroads into black communities in terms of mobilising support. Secondly, any compromise reached on an interim government is more likely to be in the power-sharing mould (rather than majority rule). If these realities mean that the PAC has been marginalised, simultaneously they point to some sort of vindication for the movement.

Outside the constraints of Codesa, the PAC hopes to increase its support and powerbase. The relative strategic freedom allowed the PAC leadership and rank-and-file due to non-participation in Codesa has given the organisation impetus in its strategic initiatives:

- *the Patriotic Front*. Originating from the PAC leadership, with the support of Nelson Mandela, the Front was revitalised on a mass level at the joint May Day rallies convened by opposition groups this year.
- *organisational evaluation*. At the special PAC congress, organisational, financial

It is reliably reported that the PAC's strength has swelled to around 410 branches nationwide

The PAC lacks the financial resources, so vital for the survival and expansion of any political organisation in a period of transition

and logistical strengths and weaknesses on the ground were debated and assessed.

- *internal consolidation.* The movement also consolidated its component structures nationally, e.g. Azanian Youth Unity (Azanyu) and the Pan Africanist Student Organisation (Paso) (see *Indicator SA* Vol7/No3:14-16).
- *working-class support.* Members debated the key relationship between the working class and trade unions (e.g. Nactu), emphasising the necessity of forming a PAC-orientated general workers' union.
- *development programmes.* The PAC put into practice several development, health and other programmes which include the participation of individuals and groups within the movement. Many of them were successful but never received publicity in the commercial or alternative press.
- *the armed struggle.* Politically, the main thrust of PAC's support - especially amongst the young, poor and rural people - is based on its continued support of APLA's armed struggle.

The armed struggle waged by the Azanian People's Liberation Army (APLA) has been examined in detail elsewhere (Mantzaris 1991). The 1992 campaign has moved swiftly from the Orange Free State to the Eastern Cape, the Transvaal and other areas of the country. The intensity of APLA's attacks on the security forces has drawn national attention from the NP, the Minister of Law and Order, the ANC and the SACP. The attacks led to the Police and Prison Wardens Civil Rights Union (Popcru) requesting a meeting at APLA headquarters to negotiate a ceasefire.

The strategy behind APLA's campaign is that the regime relies on the security forces and the army to stay in power: 'for a democratic settlement and majority rule to be achieved, the security personnel should be wiped out' (*Sowetan*, 3/2/92). The APLA attacks are mainly undertaken with hand grenades, scorpion pistols and AK-47's. The attacks are mostly a form of armed propaganda or psychological warfare and not full-scale attacks as such on major military or police targets.

APLA has been used as a conduit for PAC recruitment at the political level because it portrays itself as a 'peoples' army' still in operation. This call to action has been particularly attractive to young militants in the townships where unemployment and poverty has pushed them onto the margins

of society. APLA and AZANIA (the armed wing of the black consciousness movement) have been described as 'armies without teeth'. Such comments are actually tested on South Africa's urban terrain almost daily.

Political Debates

The relatively small crowds attending PAC meetings nationally have prompted journalists to question the contemporary appeal of the PAC to the African masses (e.g. see *Weekly Mail*, 31/1/92, 'PAC: Power or Paper Tiger?'). Although the PAC has made significant inroads into coloured and several Indian townships, there are several problems associated with the movement's concerted strategy to increase its membership and ultimately its influence on a national scale.

It is reliably reported that the PAC's strength has swelled to around 410 branches nationwide (*Sowetan*, 12/3/92). It is difficult, if not impossible to verify figures on PAC membership, but according to statements made at the latest congress:

- The PAC has 32 staff members in headquarters, 12 national offices and 9 regional offices (see box on PAC executive). This is a vast improvement on a 1990 Congress report when General Secretary, Benny Alexander, was running one office in Johannesburg used as the movement's headquarters.
- There have been organisational weaknesses in Natal, the Transvaal and the OFS. In the other regions, including the Transkei and Ciskei, the PAC is much stronger.
- The headquarters of the PAC in Johannesburg are poorly organised (*City Press*, 12/4/92).

These details point not only to the organisational inefficiencies of the PAC but also to the lack of financial resources, so vital for the survival and expansion of any political organisation in a period of transition. However, the appointment of Maxwell Ndamizivhanani as the PAC's national organiser and the recommended appointment of at least six regional co-ordinators in the Far Northern, Western and Northern Transvaal, Natal, Western Cape, Eastern Cape and Border, and the OFS should consolidate and expand existing structures.

The youth groups, Paso and Azanyu, are now formal components of the PAC movement's structure. Both groups have

declared 1992 as the year of learning and teaching. They encourage their members to become politically educated, professional cadres of the liberation movement who are aware of political developments in the country.

Paso has developed into a strong organisation of students and pupils with national support, while Azanyu has faced several structural problems over the last year due to its new position as a component of the PAC. Azanyu has been instrumental in building a new cadre within the rank-and-file of the movement. Both youth movements have national support, but it would be difficult to estimate their actual numerical strengths.

The leaders of the PAC, Paso and Azanyu were caught unaware in early 1992 by the extreme activities of the Paso/Azanyu 'revolutionary watch-dogs', a splinter group led by the militant 'East and West Rand Co-ordinating Committees'. Expelled from both PAC and Paso structures at 1991 congresses, this splinter group retained pockets of support in certain East Rand townships. Acting in the name of Paso, they attacked and burned a white lecturer to death at a teachers' college located in their stronghold, Katlehong. Although the PAC has distanced itself from their actions, the militancy of the self-styled watch-dogs might attract the active support of disillusioned and angry township youth.

Economic Debates

The relocation of the exiled Azanian Trade Union Co-ordinating Committee (ATUCC) inside the country has played a significant role in revitalising PAC structures, especially in the PWV area. PAC supporters within Nactu also played an instrumental role in the 'unity in action' initiative with Cosatu which culminated in the common May Day celebrations of 1992 and the Workers Unity Summit in late May.

The Africanist Labour Co-ordinating Committee (aligned to the PAC) has also played a vital role in the movement's campaigns, but its labour wing may have suffered due to its overtly politicised activities. Further, Leskanda Makhanda's return to the country and his subsequent election as the PAC Secretary for Labour will play a pivotal role in evolving strategies on the labour front.

In the last few months the PAC has organised several seminars to woo a black

Pan Africanist Congress National Executive Committee

National President Clarence Makwetu

First Deputy President Johnson Mlambo

Second Deputy President Dikgang Moseneke

Secretary General/Spokesman Benny Alexander

Deputy Secretary General Thobile Gola

National Organiser Maxwell Nemasivhanani

Secretary for Economic Affairs Siphoshe Shabalala

Secretary for Finance Thompson Gazo

Secretary for Foreign Affairs Gora Ibrahim

Secretary for Legal & Constitutional Affairs Willie Sesiti

Secretary for Political Affairs J Seroke

Secretary for Publicity & Information Barney Desai

business constituency, e.g. African entrepreneurs in the informal sector, in order to present the new comprehensive economic policies devised by the PAC's Economic Planning Department, headed by Siphoshe Shabalala. In these and other seminars within the movement, there has been open debate on the history, performance and future prospects of the South African economy, as well as on the political economy of urban and rural community development.

The PAC's economic guidelines 'concentrate on the democratisation rather than the nationalisation strategy ... and move the African people from the margins of economy and society onto its centre stage'. The key theme of the PAC's documents and discussions is a 'new industrialisation strategy which through a process of socialisation and popular participation would lead to economic growth'.

Nationalisation has been described by key PAC economic figures as outdated and the last pillar of the bureaucrats. One of the strategic interventions of the PAC in the economic debate is that private firms and companies should make significant share allocations to their workers to promote equity within companies and enhance joint decision-making. Worker participation in decision-making in management and

The PAC's economic guidelines concentrate on the democratisation rather than the nationalisation strategy

The organisational problems facing the PAC's student, youth and labour components of the movement are considerable

investment is a key objective. It is not clear whether this policy is explicitly part of the much debated 'social contract' between labour and capital. Nonetheless, PAC Secretary for Economic Affairs, Siphso Shabalala is on record that the PAC supports the initiatives orchestrated by the major unions and capital to create an economic forum (*Sunday Tribune*, 29/03/91).

The PAC's economic policy favours housing, education and health as the key spending areas of a future economy. Local skills and resources will be primarily if not exclusively used in all sectors of the economy.

The PAC's land policy advocates 'de-commodification' of the land with an end to private land ownership. The dispossessed masses in the rural areas are in dire need of the land which was taken away from them many years ago. State land will be redistributed but the nationalisation of private land will be achieved through the payment of equitable compensation to present owners. The PAC has indicated, however, that the practical problems associated with nationalisation and redistribution of private land are open to negotiation (*Sunday Tribune*, 29/03/92).

PAC members on the ground have initiated various small and medium scale economic development programmes such as the Mthuthulelo Upholstery Project, Sinethemba Sewing Project, etc. Programmes of self-reliance are of importance to the PAC leadership and rank-and-file and various efforts in rural and semi-rural areas to build up cooperatives are under consideration. The ideological and practical guidelines for these development efforts have been in existence for several months and debated extensively within the movement (Malatsi, 1991; Shabalala and Shinnars, 1991).

Quo Vadis?

Many challenges face the PAC after Codesa Two and beyond. Several PAC attempts to mobilise its supporters (especially the 'Death to Codesa' campaign) were not at all successful. However there are signs of considerable achievements in the process of the revitalisation of the Patriotic Front, the anti-violence boycott of the trains (both

PAC initiatives) and the unity in action in the political and labour fields in 1992 (May Day Celebration, Workers Unity Summit, July General Strike).

It became evident at the PAC's 1992 congress that the finances of the organisation are dwindling by the day: new benefactors are hard to come by, surviving revolutionary movements are on the defense worldwide, and even educational bursaries granted by western countries have been reduced. Financial stagnation, mainly due to the movement's rejection of Codesa, could prove to be the major stumbling-block for a movement which is attempting to find its feet inside the country, organisationally and logistically. In the short-term, for instance, all of APLA's infiltration corridors through the front-line states face closure due to the PAC's anti-Codesa stance.

The organisational problems facing the PAC's student, youth and labour components of the movement are also considerable. Nactu has recorded considerable advances in areas such as the Western Cape but it faces substantial administrative and organisational problems in other areas of the country. It is highly questionable whether the PAC will succeed at a practical level in its political efforts to marry agrarian Africanism with the militancy of the urban working classes.

Will the PAC be capable of challenging (politically and/or militarily) a future transitional or interim government which is possibly the outcome of negotiations at Codesa? If not, what are the movement's alternatives? These are burning questions indeed. With the process of a negotiated settlement already well in motion without PAC participation (at least at this stage), new, innovative and bold strategic initiatives will be required if the Congress is to come in from the cold in the wintry months ahead. **UPA**

REFERENCES

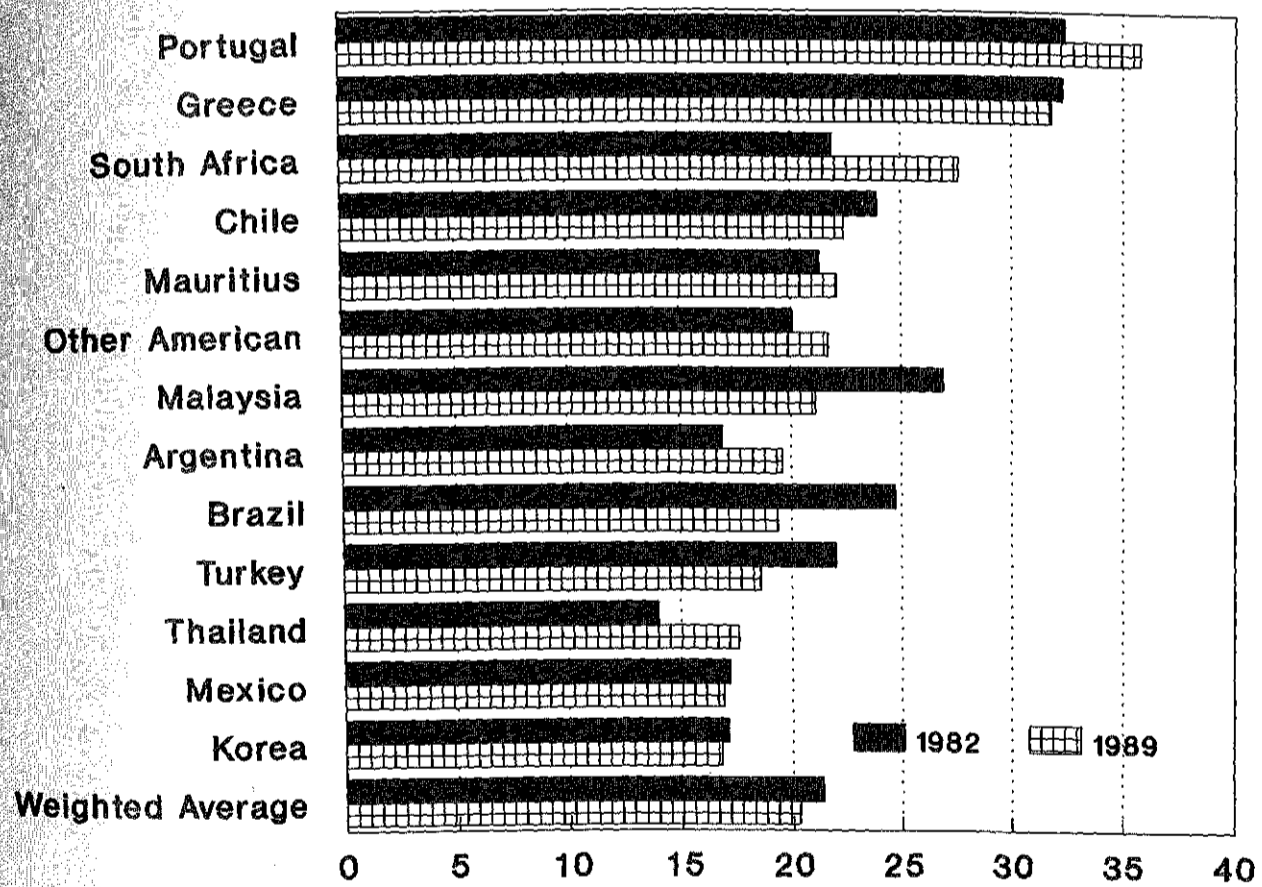
- Malatsi. 'Some reflections on rural community development possibilities and limitations: Possible lessons for PAC policies in liberated Azania', Discussion Paper, 1991.
- Mantzaris E. 'Pan Africanist Visions: The Impossible Revolution'. *Indicator SA* Vol7/No3 (Winter edition), Durban: Centre for Social and Development Studies, University of Natal, 1990, 13-16.
- Mantzaris E. 'The PAC and the Armed Struggle'. *SA Foundation Review*, August 1991.
- Shabalala S and M Shinnars. 'Ideological Foundations of Development projects and programmes', PAC Discussion Paper, 1991.

Will the PAC be capable of challenging (politically and/or militarily) a future transitional government which may emerge from Codesa?

ECONOMIC

M O N I T O R

COMPARATIVE TAXATION IN MIDDLE-INCOME COUNTRIES Percentage of GDP



Source: See cover article in this monitor by Andre Roux on 'The Fiscal Challenge'.



OLD MUTUAL
A PROUD TRACK RECORD

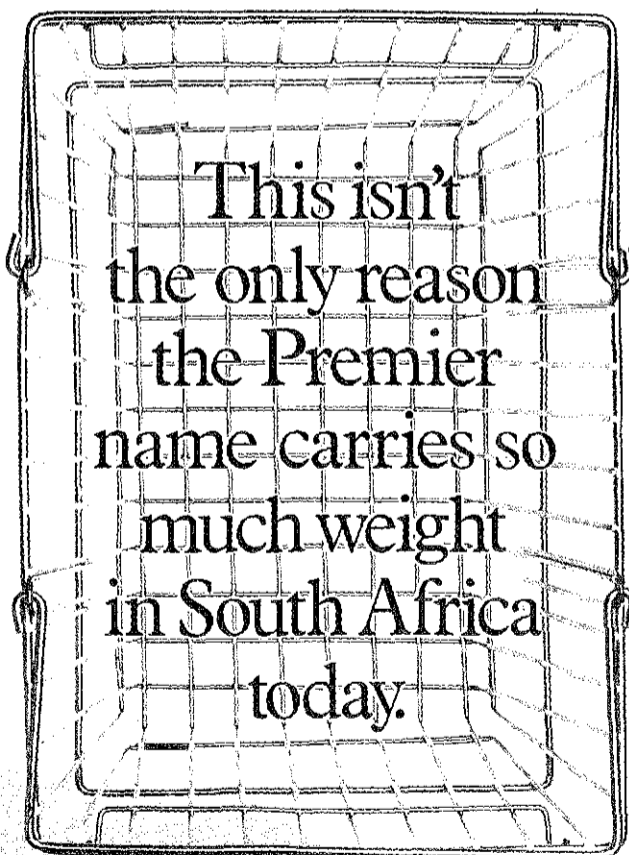
Thinking ahead
for the benefit
of all our
members.



YOUR ANCHOR IN LIFE

ESTABLISHED 1845.

Client funds under management
exceed R55 billion.



With leading brand names like: Snowflake flour, Iwisa and Impala maize products, Epic oil, Blossom margarine, Kraft margarine and dressings, Epol Pet Foods, Peck's Anchovette and Redro Fishpastes, Mama's pics, 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.

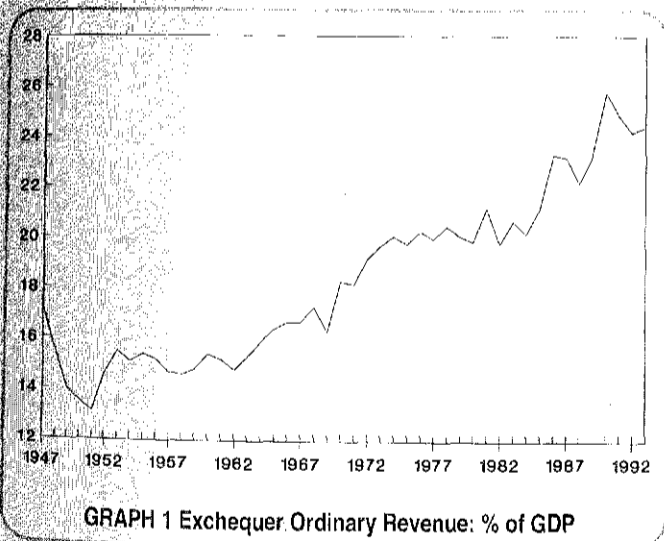


Data Trends

Professor Andre Roux, Department of Economics, University of the Western Cape

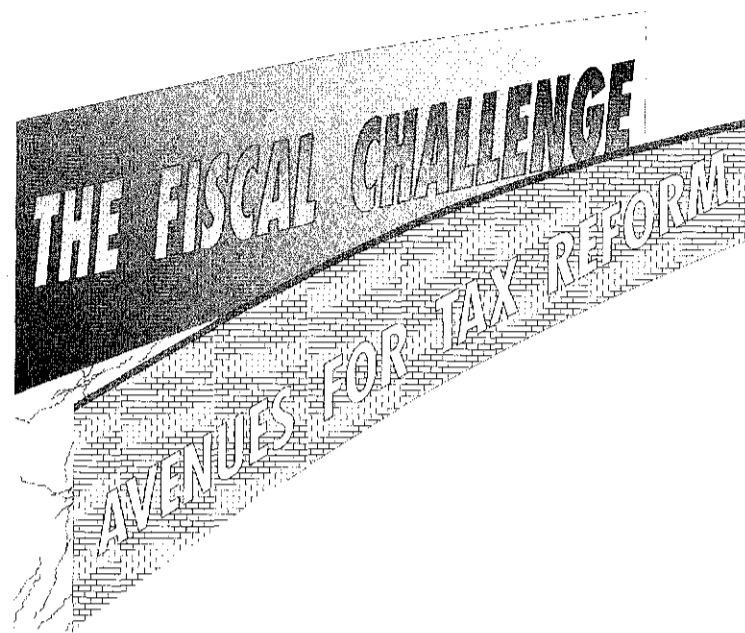
The fiscal challenge of the future is to satisfy the emerging claims on the budget while maintaining macro-economic balance and prudent levels of taxation and expenditure. This is a daunting task, in which trade-offs between political imperatives and economic efficiency are at the forefront. At issue is not only the level of taxation and expenditure, but also the structure of taxation and the composition and management of expenditure.

The revenue of the South African exchequer, except for a brief period of relative fiscal austerity in the seventies, has been growing steadily for the last forty years (see Graph 1). The expansion during the previous decade was, however, particularly rapid, with revenue rising from 19,8% of GDP in the aftermath of the gold boom, to a peak of 25,8% in the fiscal year ending 1990. The eighties also witnessed a sharp upsurge in the income of general government, i.e. from around 27% in the opening years of the decade to 32,1% in 1990:



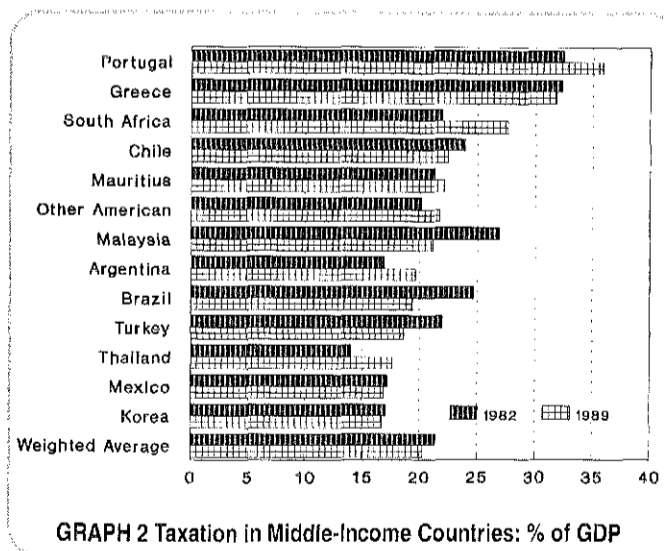
The subsequent decrease in the revenue-to-GDP ratio was largely the result of discretionary cuts contained in the 1990 and 1991 budgets, although the cyclical downturn and the unexpected revenue shortfall due to the introduction of Value Added Tax (VAT) pushed the ratio down further. It must, however, also be noted that the overall trend is again moving in an upward direction.

South Africa's post-war fiscal history is by no means unique. In fact, a comparison with other countries reveals that by 1982 the level of taxation by general



government in South Africa was only very marginally above the weighted average for middle-income countries for which comparable data is available (see Graph 2).

Subsequently, however, South Africa's fiscal experience began to depart from the norm. Whereas other middle-income countries, with a few exceptions, managed to reduce, or at least to curb further tax increases, in South Africa exactly the opposite happened. This fact is overlooked in the recent IMF document on South Africa since the report focuses on the average level of taxation over the period 1980-88. There is, however, no doubt that South Africa is now placed among countries with a high tax burden. Moreover, none of the other economies experienced anything remotely close to South Africa's 5% expansion in the tax-to-GDP ratio:



The possibility that it might be inadvisable for South Africa to continue to move against the international trends tempts one to conclude that there is little room for augmenting the level of taxation in the foreseeable future. However, whether South Africa has actually

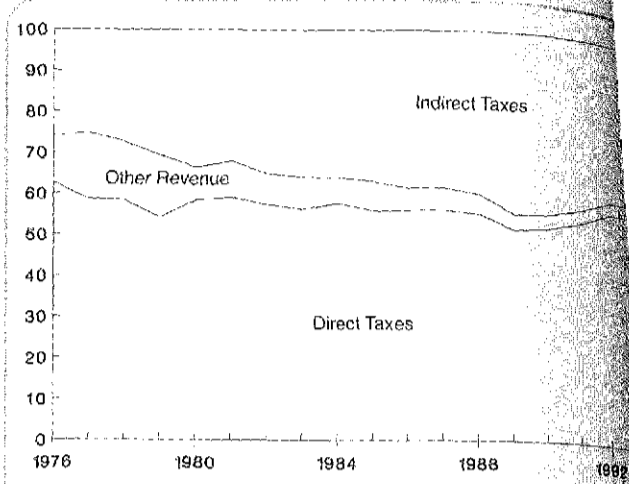
reached the point where any additional taxation would harm economic growth is an open question. Economic theory, contrary to the confident claims which pervade much of the public debate on tax policy, does not provide unambiguous answers. For instance, two recent cross-country studies, both prominent and respected, but employing slightly different methodologies arrived at diametrically opposite conclusions, thus making it difficult to settle the issue conclusively.

There is no doubt that an extension in government revenue of, say, 5% of GDP would release sufficient resources to make dramatic improvements in the welfare of the poor possible. But an expansion of this magnitude cannot be achieved quickly since the effects on incentives throughout the economy of a rapid rise in the tax burden could be serious.

Few things would, in fact, be worse for growth in the present climate than a generalised expectation of major tax increases. Moreover, the inevitable reorientation of expenditure that is occurring implies that the effective tax burden on middle- and upper-income tax payers will rise sharply in future. A workable compromise designed to allay fears on both sides of the tax equation might be a rule of thumb which confined annual increases in the rate of taxation to below half a percentage point of GDP and to years of positive per capita income growth.

Tax Reform: A Tug of War?

One of the objectives of the government's fiscal reforms are to shift the weight of taxation more towards indirect forms of collection. The Margo Commission justified this approach on the grounds that the income tax base in South Africa is excessively narrow. Although the fiscal authorities

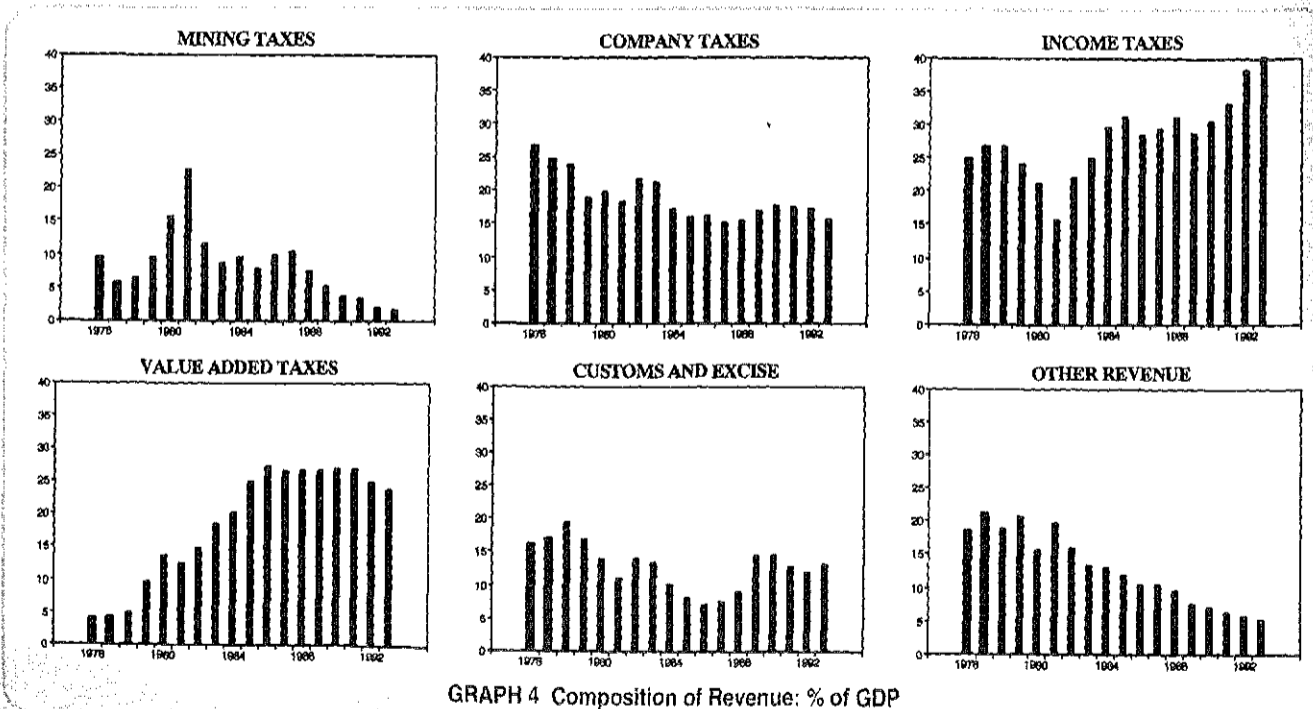


GRAPH 3 Direct vs Indirect Taxes: % of Total Revenue

made some progress in this regard by extending the contribution of indirect taxation from 32,1% in 1981 to 44,5% in 1989, recent budgets have seen an unexpected reversal in this trend (see Graph 3).

The split between direct and indirect taxes hide substantial changes in the composition of government revenue. From Graph 4 below it is evident that the revenue proposals of the present budget represent a continuation of tendencies which became apparent during the 1990-91 and 1991-92 financial years.

Perhaps the most fundamental trend is the erosion in the revenue derived from the once mighty gold industry. In the current financial year the mining industry as a whole will provide a mere 1,6% of total revenue. This is down from a somewhat erratic, but nevertheless significant average contribution of approximately 10% for the late seventies and early eighties.



GRAPH 4 Composition of Revenue: % of GDP

The receipts from company tax tend to fluctuate in response to economic conditions, with the effective tax rate rising to approximately 25% during periods of strong earnings growth and falling to 18% during recessions. The decline in its yield during the last three financial years can therefore be attributed to the present recession.

The effects of fiscal drag are clearly reflected in the soaring contribution of individual income tax, which has climbed from a low 16% in 1981 to an inordinately high 40% at present. Over this period a four person household with a single income of R60 000 at today's prices will have experienced an increase in income tax from an average rate of 10% to 23%. Despite the concessions contained in the budget, average rates of income tax will continue to rise further during the current financial year.

In terms of a political economy perspective, the recent upsurge in the contribution of income tax provides a foretaste of policy dynamics at work in the South African transition. Within this power play, income tax, since it is open to covert manipulation through fiscal drag, is in danger of becoming the soft target which is available to offset deficiencies in more contentious revenue sources.

The proceeds of GST, after rising sharply in response to successive increases in the rate, reached a plateau of around 27% of total revenue by 1985. Whether the intention behind the switch to VAT was to extend the scope of taxes on domestic goods and services is not entirely clear. In any event, the fiasco over the introduction of VAT has evidently had the opposite effect, and will certainly inhibit further increases in the contribution of VAT.

Recent additions to the fuel levy were meant to offset the revenue shortfall in relation to VAT. The revenue derived from customs and excise duties is, however, severely constrained by the excessive transfers which are paid to other members of the Customs Union, thus curtailing the considerable discretion which excise duties usually provide in other countries. One must nevertheless expect that further increases in the fuel levy may be used in future to compensate for a possible withdrawal of the import surcharge.

From the above discussion it should be abundantly clear that the present budget failed to resolve the conflict between the government's tax reform strategy and various political imperatives. The short-term prospects for the tax reforms advocated by the Margo Commission have therefore receded, especially since the trends which have emerged over the last three years are completely contrary to the Commission's recommendations.

One cannot, for example, envisage where the government would be able to find the revenue to make up for a significant cut in the rate of company tax. The promised elimination of fiscal drag is not very likely either, unless an increase in the VAT rate

can be negotiated. The latter is improbable in the short-run since each of the contending parties have painted themselves into a corner over the issue.

Viewed from a medium-term perspective it is also clear that tax reform is pointing in the opposite direction. The introduction of social security contributions in the not too distant future must be a distinct possibility. There are also political pressures, and sound economic reasons, for introducing property taxes such as a land tax and a capital gains tax. The question that arises, however, is whether the proceeds would be used to effect a reduction in the rates of company and personal taxes, or to extend the overall tax yield. The answer is not obvious. What is clear, however, is that much of the political economic debate of the future will hinge on issues such as these.

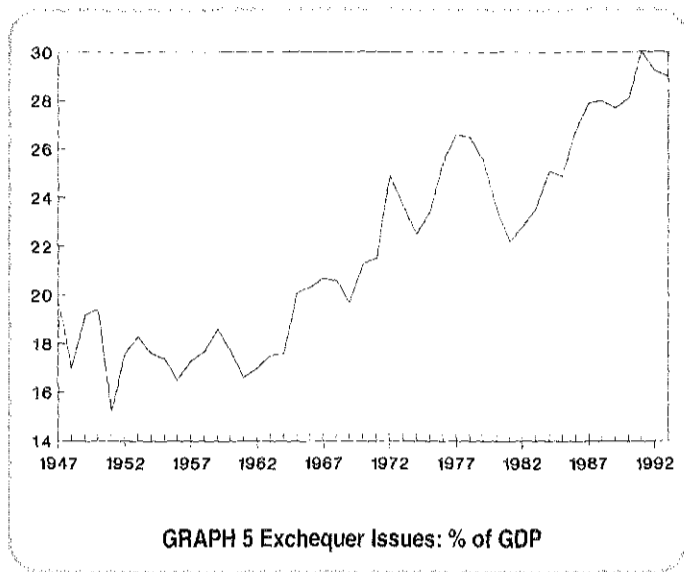
The case for tax reform along the lines recommended by the Margo Commission cannot be dismissed lightly, however. As the IMF report shows, income taxes on both individuals and companies are substantially above the levels which exist in comparable countries. Raising marginal income tax rates, or imposing new taxes which fall essentially on middle- and higher-income earners, could have negative incentive effects.

In addition, it is arguable that the revenue side of the budget is not an ideal instrument of redistribution since the distributional impact of changes in tax structure are largely confined to altering the disposable income shares of the top half of the tax paying population. The poorest sections of society, who ought to be the real targets of redistributive interventions, pay relatively small amounts of tax, and do not as a result benefit appreciably from changes in the progressivity of the tax structure. This suggests that the tax structure should be designed primarily to raise revenue as efficiently as possible.

Accordingly, the best way forward would be to broaden the tax base through indirect taxes, since the existing base is narrow, and to correct for the regressive nature of indirect taxes on the expenditure side of the budget. The VAT experience illustrates, however, that a programme of tax reform based on these principles cannot be implemented without public consent, appropriate planning and a credible commitment to a redistributive expenditure agenda.

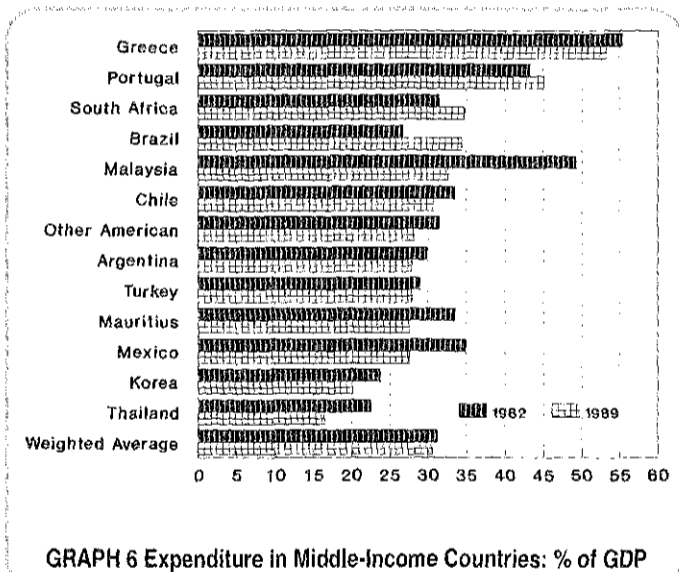
Enough is Enough

The upward trend on the revenue side of the budget must obviously also be mirrored in terms of expenditure. Between 1951 and 1991 exchequer issues doubled from 15,1 to 30,0% of GDP (see Graph 5). Expenditure by general government is currently in the region of 36% of GDP. This reflects an increase of some 6% over and above the level of expenditure during the opening years of the eighties. Some evidence of restraint does, however, emerge from the previous and present budget.



GRAPH 5 Exchequer Issues: % of GDP

Cross-country comparisons of expenditure by general government again reveal that South Africa is out of step with the middle-income developing world. The expansion of the eighties occurred against a background of international austerity in which comparable countries contained expenditure growth, and in most cases cut back successfully. South Africa's ranking in the middle-income expenditure stakes therefore rose from eighth to third position:



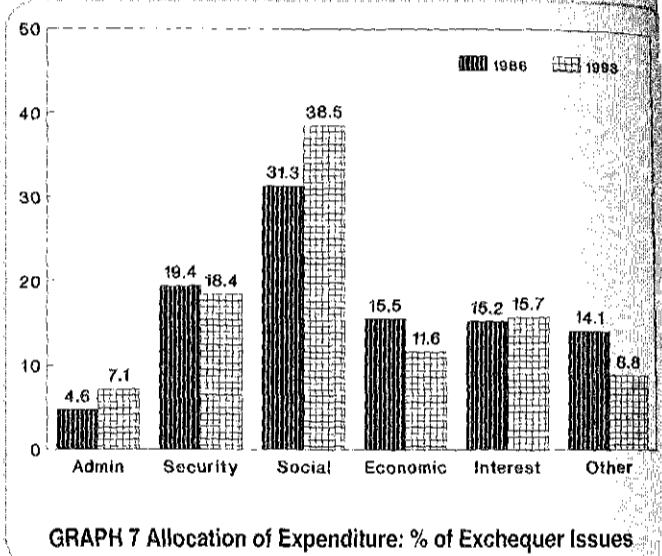
GRAPH 6 Expenditure in Middle-Income Countries: % of GDP

There is fortunately a high degree of consensus among major participants in the policy debate that further growth in expenditure will be difficult to effect. No-one, for example, any longer argues for parity in social spending at existing white levels. An excessive increase in expenditure, whether financed through taxation or borrowing, would undoubtedly retard growth as it would heighten the prospects of macroeconomic instability, thereby inducing a loss of confidence. Disagreement still remains, however, with regard to the exact target level for expenditure. Some would like to see certain spending cuts, while others still perceive a need for incremental increases.

Reallocating Spending

For the present it is more important that all parties seem to recognise that social backlogs and other emerging demands on the budget can only be met through a redirection of expenditure between categories, and a re-organisation of spending within each category.

Considerable progress towards reallocating expenditure has already been made. As is evident from Graph 7, social spending is up from 31,3% in 1986 to 38,5% in the present budget. The bulk of this increase has gone into education (from 15,5 to 18,4%), although the other social services are also receiving larger allocations.



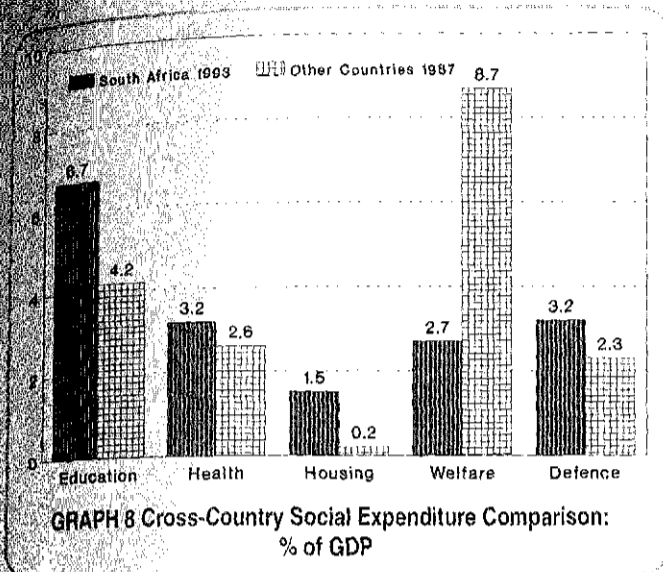
GRAPH 7 Allocation of Expenditure: % of Exchequer Issues

The cut-backs to pay for this additional social spending have not, as is expected, come from the security budget since the reallocation of defence spending has largely gone into improving the police force. This is an unfortunate development, and it is to be hoped that some saving on security spending can be made in future. It is also a matter of concern that administration seems to be receiving a growing share of the budget. The allocation for economic services, on the other hand, has decreased significantly, with agriculture, transport and other economic services bearing the brunt.

The 'other' item in the graph, which includes transfers to the TBVC homelands, has also decreased. Whether this will have an adverse effect on social services in these areas remains to be seen.

The restructuring on the expenditure side and the relatively high social spending base from which these changes were initiated have enabled South Africa to surpass most other middle-income countries in terms of the level of spending on education, health and housing. The resources devoted to welfare provision, on the other hand, are well below average. Although extensions to the welfare net in the form of, say, special employment programmes, have become

essential, and will require additional spending. South Africa should continue to focus primarily on education, health and urban services as these are redistributive measures which support economic growth.



GRAPH 8 Cross-Country Social Expenditure Comparison: % of GDP

It is also important to recognise that the reallocation in spending has been at the cost of infrastructural investment. This has provoked some reaction in the pages of the financial press. But the criticism is misplaced. In the present juncture it is appropriate to cut public fixed investment as South Africa may have overinvested in physical infrastructure in the past. It is, however, imperative that adequate provision for maintaining existing assets is made, especially since some doubts on this score have recently surfaced.

The main task that remains is to reorientate spending within each item as the present performance indicators for social spending are unacceptably poor. South Africa's infant mortality rates, for instance, are well in excess of other countries, many of whom spend far less on public health. The experiences of other countries, however, also suggest, and this is confirmed by micro-studies focusing on particular budgetary items, that we ought to be able to improve the situation relatively quickly by targeting basic education, health and housing. In the case of health, it is readily apparent that even a moderate redirection of the health budget towards primary care would enable South Africa to provide good quality basic public health.

Although the government has begun to move in this direction, very little progress has as yet been achieved. The reallocation of education spending, for example, is proceeding at a snail's pace. Adverse political conditions are undoubtedly obstructing the process as is illustrated by the continued stalemate in relation to housing provision and urban development. Nevertheless, it is also clear that a lack of commitment, exemplified by the unnecessary delay in equalising social pensions, as well as the absence of coherent medium-term strategies are critical factors holding back essential fiscal reforms.

Bureaucratic procrastination at the implementation phase further compound these problems; in the health sphere, for instance, even though the government has announced new priorities, little seems to be happening on the ground in terms of improving primary health care.

Waste Not, Want Not

A reallocation of spending priorities is, however, in the final analysis not the complete answer. The eighties, for example, tell a story of rapidly rising educational expenditure without commensurate results. Educationists are at one that fairly inexpensive reforms, such as providing an adequate supply of textbooks, may improve efficiency more than some of the costly alternatives, including teacher upgrading, which are being pursued by the education authorities at present.

The time has perhaps arrived for South Africa to consider the introduction of an independent performance audit as they have in Germany. A suggestion along these lines has also recently been voiced inside the ANC. The purpose of such a value for money audit is to assess the efficiency of public spending and to ensure that government expenditure achieves its objectives. The performance audit used in Germany has been identified as one of the critical ingredients of successful fiscal management. Indeed, the World Bank argues that inadequate fiscal management is a significant cause of Africa's economic failure.

Conclusion

On the expenditure side then, we have made progress. There is still much ground to cover, however. The emphasis in future will have to fall on the management and efficiency of public spending. The total allocation is probably close to the level South Africa can sustain at present. Whether we succeed in satisfying expectations will depend in large measure on our capacity to harness these resources efficiently.

On the revenue side, the outlook is less promising. What should have been a search for the most efficient system of raising revenue is in danger of degenerating into a conflict over distribution at the margin. This is rather futile, as study upon study has shown that taxation is a relatively inefficient instrument of redistribution. **IPA**

REFERENCES

International Monetary Fund. *Government Finance Statistics Yearbook*, 1990.
 Lachman D & K Bercuson. 'Economic Policies for a New South Africa', *IMF Occasional Paper No 91*, 1992.
 Landau D. 'Government and Economic Growth in Less Developed Countries', *Economic Development and Cultural Change*, 1986.
 Moll P, N Nattrass & L Loois. *Redistribution: How can it Work in South Africa*. Cape Town: David Philip, 1991.
 Ram R. 'Government Size and Economic Growth: A New Framework and Some Evidence', *American Economic Review*, 1986.

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

RETROSPECT

The expectation that the South African economy would enter a period of recovery in 1992 has not been realised, and the real Gross Domestic Product (GDP) again declined by an annualised 2% in the first quarter. Conditions in the manufacturing sector have continued to deteriorate in the second quarter, mainly as a result of falling volumes of domestic sales and orders. The lack of any recovery thus far in 1992 can be attributed to:

- The continued recessionary conditions in the industrialised OECD economies. The OECD has scaled down its estimates of annual economic growth for its 24 members for 1992 from a preliminary estimate of 2,2% to 1,8%. Within the EEC the expected 1992 economic growth rate has been revised downwards from 2,3% to 1,75%. The stimulus to primary commodity demand and prices which was expected from more favourable growth in the industrialised nations has thus far not emerged in 1992.
- The South African economy is gripped by the most severe drought experienced since the 1930s. The agricultural sector contributes only 5% of GDP, but the drought is so severe that it is predicted by the Reserve Bank econometric model to reduce the increase in real GDP this year by as much as 1,8%, and cause the loss of some 69 000 jobs. Increases in food prices caused by drought will add to inflationary pressures. Recovery will also be impeded because drought will cause foreign exchange earnings from agriculture to fall and the import bill to rise, and the surplus on current account of the balance of payments for 1992 may be R2,5bn lower than had earlier been predicted.
- The South African inflation rate remains high at an annualised rate of 16% for the first four months of 1992. Although a mild easing of interest rates has been allowed, the Reserve Bank has remained committed to its restrictive monetary stance. The seasonally adjusted nominal annualised growth of the broadly defined money supply for the first (M3) quarter averaged 11,8%, resulting in a continuation of the decreasing trend in the real money supply which had commenced in 1991.
- The application of restrictive monetary policy in 1991 and 1992 has been much more severe than it was in the earlier 1976, 1982 and 1984-1985 periods of tight monetary policy. But even with negative real growth of the money supply, the growth rate exceeded the target range of 7 - 10% indicated for 1992. This suggests the need for continued restrictive policies to lower liquidity in the economy.

There still remain several developments on the positive front for the economy. The rate of increase of prices of imported goods has remained exceptionally

low in recent months, e.g. the annual rate of increase of producer prices of imported goods rose at 4,1% in February 1992. Notwithstanding the ravages of the drought the current account of the balance of payments is also expected to remain in surplus during 1992, although the size of surplus is likely to shrink from its 1991 level of R7,4bn to around R4bn.

The balance of payments should also have become less constraining on the choice of economic policy, as our foreign exchange reserves are over 60% higher than they had been at their low point in 1990, and the Reserve Bank has also repaid all its foreign loans. Apart from present reserves, the Bank will be able to access significant amounts of available foreign credit should the need arise. Prospects for a strong recovery in the US economy also appear to be improving, according to recent US surveys of business confidence and consumer spending. An economic growth rate of 3,3% is now expected in the OECD economies in the second half of 1992, and this could produce the long awaited improvement in commodity prices which could lift our economy onto a higher growth path.

The quarter also saw the resignation of the Finance Minister, Barend du Plessis on 1 May 1992, after holding office since June 1984. At the time of his taking office he claimed that he was qualified by virtue of being able to 'grow into the job and stay there as a long term investment' (*Sunday Tribune*, 1/7/84). It is ironic that he should have quit at the commencement of the delicate Codesa negotiations, when there is a desperate need for an experienced Finance Minister to give guidance within the negotiations and later, to an interim government.

Du Plessis' term of office coincided with probably the most disastrous period in South Africa's economic history recorded this century. GDP grew by a mere 0,8% per annum during his term of office, and per capita incomes slumped in real terms back towards the 1960 levels. During his term employment in the manufacturing sector of the economy sagged by over 2%, and in mining and construction employment contracted by over 6 and 8% respectively. Despite du Plessis' claims to limiting government sector growth, it was largely increases in employment in general government which prevented the economy's employment levels from falling absolutely between 1984 and 1992. Du Plessis repeatedly committed himself to reducing the size of the bureaucracy and to restraining government spending. In reality, the share of government rose from 25% to 28,1% of GDP during his years of office.

The Minister of Finance cannot be held responsible for the many adverse economic developments which

Over his period in office. The debt crisis of 1985, South Africa's increasing international isolation and capital flight, and weak commodity prices in world markets all restricted the policy options open to him. Nevertheless, he did identify several of the policy directions which are necessary to lay the foundations for a healthier economy: by associating government with the Margo Commission's recommendations for tax reforms; emphasising the need for privatisation and deregulation; and by stressing the need for restraining the growth of government sector.

Unfortunately he failed in the timing of implementing VAT, which was the most important of the Margo proposals, and he abandoned privatisation as a policy after its half-hearted implementation and pressure from the ANC. He leaves his successor to deal with

the economic consequences of protests over the implementation of VAT on food.

His replacement is Mr Derek Keys, a neophyte to politics who comes from a successful career in business, and a brief spell as Minister of Economic Coordination and Trade and Industry. His record in the Trade and Industry post is already controversial, as he is associated with the motor industries and textile industry policy bumbles (discussed below). From Mr Keys' performance after a few months in government he would appear to be too closely allied in his policy choices to sectoral big business interests to function efficiently in such an important portfolio as Finance. If Codesa is put back on track soon, Mr Keys may not even get to prepare one budget as Finance Minister.

CURRENT TRENDS

Trade policy in South Africa has shifted its emphasis in recent years, particularly with the introduction of the General Export Incentive Scheme (GEIS). Before the GEIS it was estimated that the policy of import substitution had imposed hidden costs on the economy in the form of export taxes amounting to between 70 and 40%, depending on whether gold is included in the basket of exportables. The GEIS went part of the way towards correcting this bias although as the GEIS favours those activities which are higher up in the chain of production, mining and agricultural exports still bear the costs of import protection.

Last year the Industrial Development Corporation reported extensively on trade policy, recommending that import tariffs and the GEIS be phased out over a period of four to five years. The IDC also took the view that selectivity in the protection or subsidisation of imports and exports was not to be encouraged. In countries where the state and business enjoy a close relationship there is no doubt that the costs of selectivity have also been added to by the resources which have been expended on rent seeking. Up to now this has probably been the case in South Africa as well. If there are any benefits to be had from selectivity it is quite likely that they will be outweighed by the costs. It is still business as usual in South Africa with the state completely unable to deal with the fiascos which have been of its own creation with the help of vested interests.

Phase six of the structural adjustment programme in the motor industry is a good example of government bungling. Although it stimulated exports, it also reduced jobs locally, increased prices and led to massive fraud. The new Minister of Finance admits that protection of 110% is excessive where protection of the motor vehicle industry elsewhere has usually resulted in increased costs of 40%.

The feud between the clothing and textile industries is another example of poor decision-making. It was extraordinarily naive to believe that a committee

headed by the chairman of the South African Chamber of Business's industrial policy committee and director of Barlow Rand would have been able to arrive at a solution which could have been pleasing to all parties including the consumers of lower price clothing. At the present time those smaller clothing manufacturers whose interests were not accommodated are threatening court action to block the proposals of this committee.

Meantime, textile manufacturers point to the protection of the cotton growers as a major factor in their inability to compete with imported fabric. Local manufacturers pay R4,72/kg, as against the world price of R3,86/kg while the subsidised price in Pakistan, India and China is R2,72. The Minister is of the view that it would be too costly to directly subsidise cotton farmers again demonstrating either extreme naivety or attempting to pull the wool over the eyes of the taxpayer and consumer. Although economic theory shows that the costs to the economy are higher with import protection than they are with direct subsidisation it is easy to hide these costs with import protection.

Smaller clothing manufacturers also feel that the agreement reached by the Hatty Committee is a conspiracy against them by the larger producers to force them out of the domestic market. Minister Keys refers to the representations which he expects to receive on the committee's proposals, which suggests that the official attitude will be generally flexible until the matter can be resolved. In order to establish business confidence, Mr Keys should also state what resources manufacturers will be required to allocate in order to influence this 'flexible' approach.

Current attitudes admit that lower tariffs are a good idea but 'don't reduce ours' too soon and if it hurts too much not at all'. Unfortunately, if this attitude prevails South Africa will remain uncompetitive internationally with little prospect of developing a sustained outward orientation for the economy.

Food Prices and Inflation

The annual inflation rate has remained stubbornly high near 16% in the last year, despite reduction in the level of the real money supply. The increase in the producer price index, representing the cost of inputs in the economy, has however fallen to levels well below 10% per annum in recent months. Food price inflation at the retail level has been approaching 30% per annum, and this has been the major factor preventing a very considerable fall in the CPI. The rates of price increases of different food types are:

Table 1: Annual Rates of Increase of Retail Prices of Food as at April 1992

Food	% pa	Weights in Food Index of CPI
Grain Products	16,9	15,7
Meat	27,4	33,1
Fish and Other Seafoods	20,0	3,8
Milk, Cheese and Eggs	25,1	12,2
Fats and Oils	26,1	4,7
Fruit and Nuts	50,9	6,3
Vegetables	64,8	10,1
Sugar	13,2	2,6
Coffee, Tea and Cocoa	10,4	3,2
Other	16,3	8,4
All Items	28,4	18,6

Source: Computed from Consumer Price Index, April 1992, *Statistical News Release*, p141.1, Central Statistical Services.

The impact of the drought, and the collection of VAT on foodstuffs, cannot be blamed exclusively for this widespread range of increases. The introduction of VAT on fresh food has worked itself through the economy, and thus cannot explain radical increases in the price of meat, dairy products and vegetables. Drought is clearly playing a role in increasing prices, but note that the prices of grain prices are only rising at 17% per annum, even though certain subsidies have been reduced further this year. The behaviour of

the meat price is extremely difficult to understand. Farmers are increasing the supply of livestock for slaughter as the drought escalates, and prices received at abattoirs are falling. These diverging trends indicate that there may be a breakdown of competition in the distribution chain. The recently increased concentration of ownership at the wholesale level in the meat industry may be playing a role in raising the retail prices of meat.

In the case of supplies of fruit and nuts and certain types of vegetables, the opening up of foreign markets has reduced the supply to the domestic economy and the drought has also reduced the domestic supply of vegetables. With conditions of rapidly decreasing supply and relatively inelastic demand, the sustained price increases of 65% in the case of vegetables can be explained.

The preliminary report of the Board of Tariffs and Trade which was commissioned to investigate the causes of food price inflation has proposed sweeping reforms in agricultural marketing in South Africa:

- that Control Boards be deprived of their statutory powers to set prices and control marketing;
- that agricultural marketing should be deregulated at the government and municipal level;
- that there should be greater scope for importation of food; and
- that the stringent health and hygiene standards which are enforced in the marketing of food are not appropriate in our economy.

The report finds that Control Boards add approximately 1,5% to the level of food price in South Africa. Preliminary reactions by the Minister of Agriculture indicate that government has not responded creatively to the recommendations.

PROSPECTS

The prospects of a marked recovery in the third and fourth quarters of 1992 are not promising. Consumer demand is likely to remain depressed as the financial situation of consumers will remain under pressure in 1992 (even though interest rates have fallen by 1% and hire-purchase regulations have eased). Fixed investment is also not likely to increase rapidly given the positive level of real interest rates and the climate of uncertainty which has been developed around the political talks and threats of mass action.

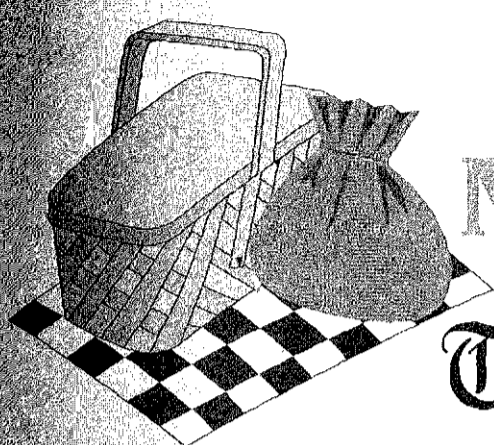
Monetary policy has been relaxed in recent months in the USA and Japan, and in the South African economy the core annual inflation rate is falling towards 10%. The demand side of the price equation in South Africa has been successfully lowered by the restrictive monetary policies of the last 18 months, and the remaining major element of inflationary pressures are coming from the marketing and production of food. These pressures will not be countered by monetary restraints.

With a healthy balance on the current account of the balance of payments and renewed access to international lines of credit, this no longer need feature as the major constraint on economic policy choices. There is an indication that the OECD economies will grow at a faster rate later in 1992, and it seems appropriate now to ease monetary policy to accommodate any upswing which follows in the South African economy.

The 1% reduction in bank rates announced on 30 June and consequential reductions in interest rate will not restore investor confidence or consumer confidence or real purchasing power, and this will not provide the catalyst to recovery at this stage. However, we do believe that the Reserve Bank is correct in its decision to further loosen its grip on the economy now to reduce the burden of high interest rates to business and hopefully keep them afloat in these recessionary times, and prevent further declines in employment. **UPA**

Erratum: Figure 1 in the last Economic Outlook was inverted, see Indicator SA Vol9/No2: 30.

Perspective



MONOPOLIES

The Big Bad Wolf

Andrew Smith and Grant Brann,
Department of Economics, University of Natal, Pietermaritzburg

Should the high degree of seller concentration in the South African manufacturing sector remain intact when the desirability of most elements in the apartheid economy are under review? Are these concentrations monopolistic or do they represent some greater form of efficiency that should be encouraged? Smith and Brann develop a new econometric model to measure whether monopolies and concentrated market structures are synonymous.

Most of the controversy surrounding the organisation of the manufacturing sector in South Africa focuses on the nature of ownership and control. Some argue that conglomerate cross-holdings and interlinking directorships afford the capital blocs a monopolistic stranglehold over future investment decisions and performance outcomes. Whilst ownership and control are politically significant, they have largely overshadowed the traditional monopoly problem concerned with the organisation of sellers within a particular market or industry.

Mainstream economic theory maintains that the relative number and size of firms operating within a market determines the magnitude of their market power. A spectrum of market structures is envisaged, ranging from the ideal of highly deconcentrated, perfect competition to the single seller monopoly. Fewer competitors and larger size raise the potency with which incumbent dominant firms are able to abuse their market power and neutralise competition. Without the regulatory effects of competition to check them, dominant firms are able to set prices above competitive levels and extract excessive profits.

In comparison with competitive alternatives, consumers in monopolistic markets are left with fewer goods to

purchase at higher prices. In this case, 'big is bad' because it is society which is ultimately left to foot the bill for these misallocative wastes. Seller concentration is used as a proxy measure to summarise the degree to which markets have been monopolised.

But is big necessarily bad? High seller concentration need not be tantamount to monopolisation. Large-scale production offers cost efficiencies that might not otherwise be realised in less concentrated structures. Scale economies represent an important competitive advantage that South African manufacturers must exploit as they gear up to compete on world markets and defend local markets from low-cost imported goods.

Does big necessarily threaten the competitive process? Provided that potential rivals are able to enter profitable markets there is no reason to believe that excessive profit-making will persist. Excessive profitability acts as a signal to attract outsiders to enter a market and contest these profits. The competitiveness of a market hinges on the condition of entry. Markets which are characterised by high barriers to entry, for instance, tend to be less competitive because they prevent newcomers from entering profitable markets. Without this entry mechanism to regulate their conduct, incumbent dominant firms can continue to act unchecked.

Are high levels of concentration indicative of monopolistic abuse or do they represent some greater efficiency that would not otherwise be realised?

Seller Concentration

Whilst relatively few studies have examined the organisation of sellers in the South African manufacturing sector, each concludes that local industries are highly concentrated. In its review of the old Regulation of Monopolistic Conditions Act (1955), the Mouton Commission (1977) observed that in many industries the three largest firms accounted for more than 70% of industry turnover.

Studies by Du Plessis (1977) and Fourie and Smit (1989) derived gini coefficients to measure seller concentration in the South African manufacturing sector. Both studies concluded that concentration levels were extreme. Table One extends these earlier studies by applying the latest data (1985) to calculate industry gini coefficients and summarise their distribution into various incidence classes. The closer the calculated gini coefficient tends to one, on a scale between 0 and 1, the greater the degree of concentration within that industry.

Table One confirms that industries have remained highly concentrated and suggests that seller concentration has shown a slight increase over the six year period. In 1979, 88% of industries classified at the C3 level had gini coefficients in excess of 0,7. By 1985, all 26 industries lay above this mark. Furthermore, the mean gini coefficient for all industries rose from 0,796 in 1979 to 0,815 in 1982 and 0,817 in 1985.

How should the evidence be interpreted? Are these high levels of concentration indicative of monopolistic abuse or do they represent some greater efficiency that would not otherwise be realised in less concentrated markets? This ambiguity can only be resolved once those factors which

dull or strengthen the competitive process have been identified and measured.

New Econometric Model

Only two other studies in the South African context have attempted to link market structure to performance. Reekie (1984) concluded that a positive line of causation ran between structure and performance. Highly concentrated markets should be expected to abuse their market power and adopt super-marginal pricing policies. Such conduct allows industries to reap abnormal profits. In a later study, however, Leach (1991) rejected Reekie's findings. He concluded that larger firms enjoyed greater rates of return than smaller firms because they were more efficient.

The general lack of inquiry prompted the authors to develop an econometric model (see box) to test whether South Africa's highly concentrated industries were indeed monopolistic. Five explanatory variables were selected to run an ordinary least squares regression against profitability. Data was drawn from the 1985 census and industries were selected at the C3 level.

Two features of note distinguish this model from the earlier studies. First, a different profit measure is used. Unlike the other studies which relied on mark ups, profits are expressed as some rate of return on fixed assets. This is done to look beyond the immediate accounting profit measures and make explicit some of the broader opportunity costs incurred by firms. Second, the model tries to capture a broader set of explanatory variables which influence market profitability. These variables are classified into three categories:

Table One: Distribution of Gini Coefficients at the C3 Level 1979-1985

Gini Level	1979		1982		1985	
	No of Industries	%	No of Industries	%	No of Industries	%
0,9 - 1,00	0	0	0	0	1	4
0,8 - 0,89	17	65	16	64	15	58
0,7 - 0,79	6	23	9	36	10	38
0,6 - 0,69	2	8	0	0	0	0
0,0 - 0,59	1	4	0	0	0	0
Total No of Industries	26	100	25	100	26	100
Average gini coefficient per industry		0,796		0,815		0,817

Source: Table compiled from gini coefficients derived from the 1985 Manufacturing Census.

MARKET STRUCTURE AND PERFORMANCE An Econometric Model

IND. VAR.	COEFF	STD ERR.	T-VALUE	SIG.LEV
CONSTANT	-0,492565	0,559895	-0,8797	0,3906
NUM	-0,00007	0,00005	-1,4095	0,1757
GINI	0,90263	0,683408	1,3208	0,2031
EFF	1,295241	0,276953	4,6768	0,0002
PROT	0,063277	0,001539	4,1120	0,0007
CAPLAB	-0,064408	0,040901	-1,5747	0,1327

 R^2 (ADJ) = 0,5674

DurbW = 2,038

KEY:

NUM	Number of Firms
GINI	Coefficients
EFF	Efficiency
PROT	Tariff Protection
CAPLAB	Capital/Labour Ratios

DIAGNOSIS

The model separates the contributory effects Gini, firm numbers, tariff protection and capital-labour ratios have on the dependent profit variable (see text). The results of the regression analysis reveal that neither Gini nor the absolute number of firms in individual industries have any bearing on profit rates:

- The respective t-values of 1,3 and -1,4 gained for Gini and NUM are statistically insignificant. The results, therefore, reject the hypothesis that structure facilitates profitability.
- The results also indicate that capital requirements have no significant impact on the level of economic profits attained and hence do not deter market entry.
- Efficiency and tariff protection, however, do have a positive impact on profits, other variables held constant. The respective t-values of 4,7 and 4,1 are both significant at the 99% confidence interval.
- The R^2 coefficient implies that the five explanatory variables together account for approximately 57% of the variation in profit levels across industries. In this respect, the results should be treated with some caution.
- Approximately 43% of the variation in profits remains unexplained. This incomplete specification, suggests that there are other potentially important variables which have significant impact on industry profit rates and need to be identified and quantified.
- A correlation coefficient matrix of the regression analysis reveals no important multicollinearity, whilst the plot of residuals against predicted values portrays no evidence of heteroscedasticity. The Durbin-Watson statistic is 2 and hence it may be assumed that there is no first order autocorrelation.

The evidence does not support the traditional view that size and number of firms determines the degree of market competitiveness

Structure

Two structural factors are included in the model. Gini coefficients (GINI) were used to measure the degree of seller concentration in markets. However, the gini is not a perfect measure. It measures the distribution of output between firms but gives no indication of the number of firms accounting for the particular inequality. The number of firms in each industry is included as an explanatory variable to compensate for this weakness (NUM).

Efficiency

A purported advantage of the competitive process is that it spurs firms to greater levels of efficiency. Driven by the profit motive, firms endeavour to outmanoeuvre competitors through improved efficiency. Whilst many measures of efficiency can be used, changes in the gross output per unit cost of labour was selected (EFF).

Barriers to entry

Without the threat of entry dominant firms are at liberty to reap excessive profits. An important determinant of profitability and the degree of competitiveness is thus the nature of the condition of entry.

Two measures are used to summarise these barriers to entry. First, Bain (1968) maintained that significant capital start up costs prevent outsiders from entering profitable markets. These start up costs are summarised by industry capital/labour ratios (CAPLAB). Second, South Africa is an open economy which has raised various forms of protection to promote its policies of import substitution. These barriers have insulated local industries from foreign competition. Holden's (1991) effective rates of tariff protection are used to summarise the height of these entry barriers (PROT).

The model (see box) highlights that a weak positive relationship exists between the efficiency measure, the effective rate of tariff protection and profitability. A 1% rise in efficiency levels raises industry profitability by 1,3%, whilst a similar increment to the effective rate of protection raises profitability by 0,06%.

Even with the high degree of local concentration in the manufacturing sector, the model suggests that the structural considerations have no bearing on profitability. Neither seller concentration nor the absolute number of firms is significantly related to industry profitability. This would infer that big is not bad because concentration has no adverse

profit implications. Furthermore, capital start-up costs do not appear to act as a deterrent to market entry. Like the structural considerations, capital/labour ratios were not statistically significant when regressed against profitability.

Dealing with Monopolies

If the validity of these results can be accepted, then two broad policy prescriptions must be made:

Size alone is not a sufficient criteria against which policy intervention should be initiated. The evidence presented does not support the traditional view that size and number of firms determines the degree of market competitiveness. If authorities began to break up large firms into smaller units, the pro-competitive efficiencies highlighted above could be lost. Would the South East Asian economic miracle have taken place if anti-trust policy had broken their large firms up, thereby preventing them from capturing world export markets?

The pragmatic abuse principle currently adopted by the present Competition Board should be maintained. The Board only initiates action once some form of abuse has taken place. In this regard structure should only be of concern to regulatory analysts when it acts as a source to prohibitive barriers to entry.

Barriers to entry into local markets must be scrutinised. This investigation highlights that tariff barriers add to the profitability of local industries. Surely these measures should only be used to protect fledging industries as they develop a comparative advantage? It is time that these anti-competitive measures were selectively phased out and the onus placed on local industry to pay its own way. **POA**

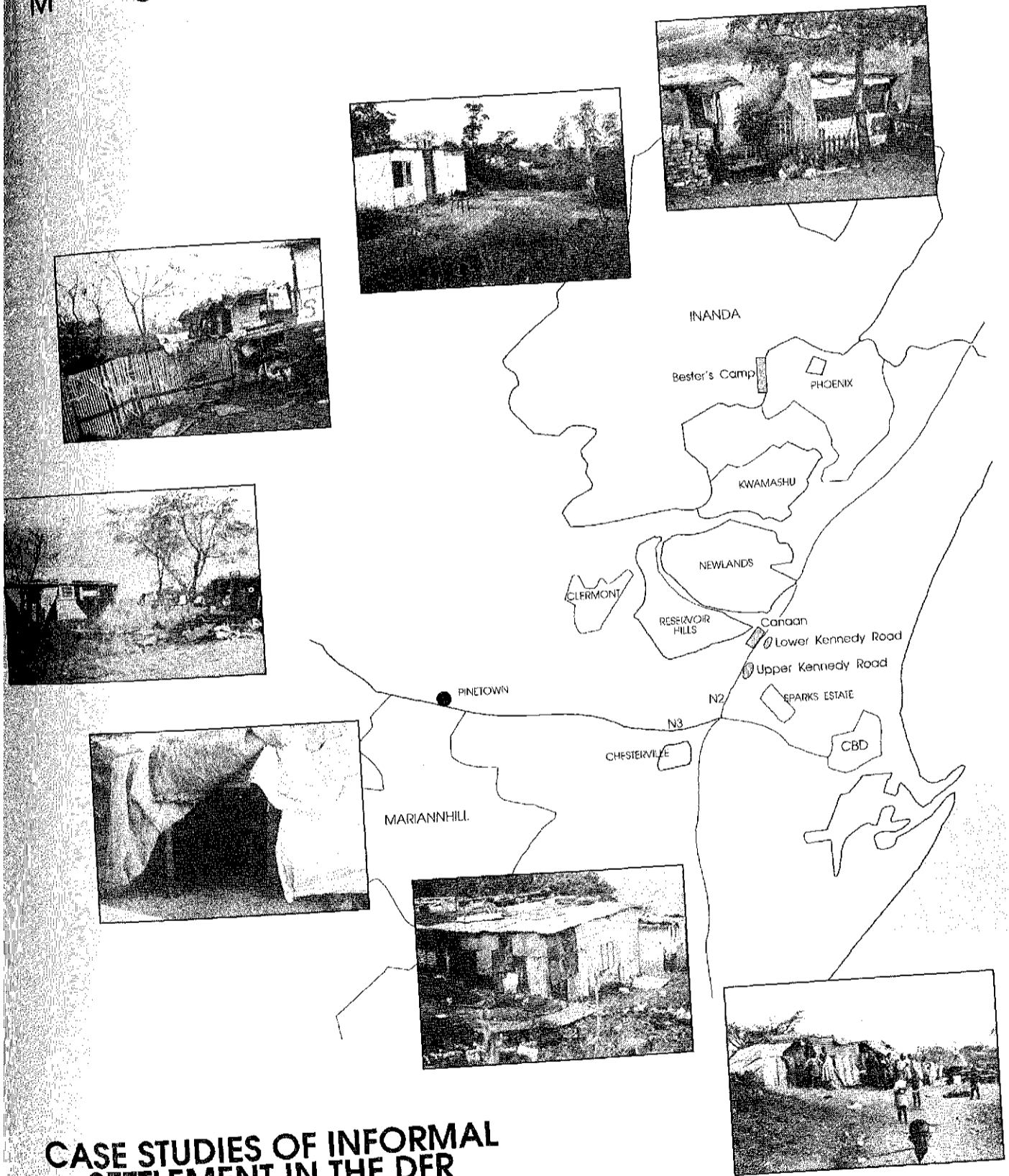
REFERENCES

- Bain J. *Industrial Organisation*, Second edition. New York: Wiley and Sons, 1968.
- Du Plessis PG. 'Concentration of Economic Power in the South African Manufacturing Industry', *Unpublished Thesis*, Stellenbosch University, 1977.
- Fourie FC vN and MR Smil. 'Trends in Economic Concentration in South Africa', *South African Journal of Economics*, 57:241-256, 1989.
- Holden M. 'The Structure and Incidence of Protection in South Africa', in Black and Dolley's forthcoming *Readings in Microeconomics*. Oxford University Press, 1991.
- Leach D. 'Concentration and Profits in South Africa: Monopoly or Efficiency?', Paper presented at the Biennial Conference of the Economic Society of South Africa, Stellenbosch University, 1991.
- Mouton Commission. *Report of Inquiry into the Regulation of Monopolistic Conditions Act (1955)*. RP64. Pretoria: Government Printer, 1977.
- Reekie WD. 'The Structure-Conduct-Performance Paradigm in a South Africa setting', *South African Journal of Economics*, 52:146-155, 1984.
- Smith A. 'Future Directions for Competition Policy in the Post-Apartheid Economy', Paper presented at the Biennial Conference of the Economic Society of South Africa, Stellenbosch University, 1991.

Would the SE Asian economic miracle have taken place if anti-trust policy had broken their large firms up, thereby preventing them from capturing world export markets?

RURAL & REGIONAL

M O N I T O R

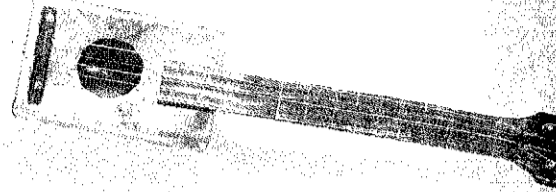


CASE STUDIES OF INFORMAL SETTLEMENT IN THE DFR

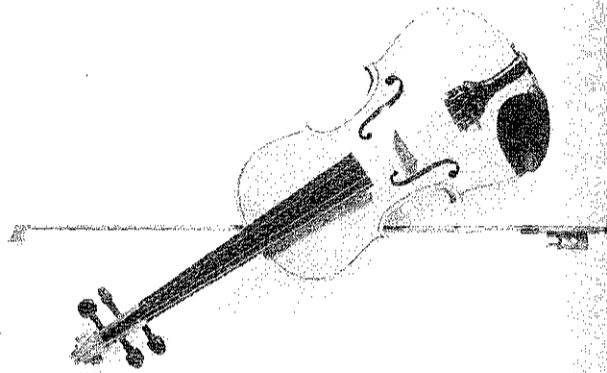


TIGER OATS

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.



JOHANNESBURG

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

PEOPLE ON THE MOVE

Migration Streams in the DFR

Catherine Cross, Simon Bekker and Craig Clark, Centre for Social and Development Studies, University of Natal

Recent research in informal settlements of the DFR suggests that the migratory process is more complicated and multifaceted than is commonly believed. The authors demonstrate that an understanding of the changing dynamics in the target community is crucial to understanding migratory choices and processes. A number of planning and policy-making implications emerge from their research which calls for a revised model of urban development.

In South Africa, the issue of urbanisation is a vital one. Both the component of natural increase in population change, as well as the spatial mobility of people within and between regions, are fundamental if adequate planning for effective service delivery is to be possible. Moreover, we know that the South African spatial economy is dominated by a few metropolitan regions which draw people from rural areas and outlying towns.

In 1989, the population of the Natal region comprised about 21% of the total South African population, and by the year 2000 its proportion will have grown to 23%. The Durban Functional Region (DFR) will also have grown relative to the rest of the Natal region. From comprising some 45% of the Natal population in 1989, this proportion will have grown to some 54% by the turn of the century.

Common wisdom regarding the spatial mobility of South Africans is that migration streams accord to the gravity flow principle: people leave rural areas for peri-urban areas or small towns, and subsequently leave those areas for the metropole where they tend to remain in one fixed dwelling. It is also often assumed that migration into, and within, metropolitan areas takes place in an unstructured way, where a person or family simply occupies whatever land is found to be available. It is rare that either the receiving community into which these migrants enter, or the institutions within that community, are systematically addressed in migration analyses.

Of considerable importance among these implications is the changing roles of the planners, the implementation agencies, and the social science researchers. Traditionally, the *planners* specify the nature of the development intervention; the *implementation agencies* carry out the work on the ground; and the *researchers* evaluate the success (or lack thereof) of the initiative.

It is becoming apparent that the planning process needs to take into account the insights of the researchers and to communicate more effectively with the implementation agencies, and that all three must be informed by the input of the communities receiving development. The case of Mariannhill illustrates one means whereby this process might be made to work, through the deliberations of a committee of both planners and residents.

Migration In DFR

Some of the main results flowing from the authors' two migration research projects may be summarised as follows:

Who are the recent migrants settling in informal settlements of Durban?

New in-migrants tend to be the *middle poor*, i.e. young nuclear families with comparatively few dependents, headed by a man, who is often already employed or at least employable. In short, these families are not the very poor or destitute.

The recent migrants may be a group of people with specific needs to be addressed in development interventions. For both Inanda and Mariannhill, recent in-migrants tend to be younger than the settled population, and to have somewhat higher rates of employment. As a result, their priorities in regard to service delivery may differ. Though there was little difference in service priorities at Inanda, at Mariannhill the new in-migrants gave schools and transport provision significantly higher priority than did the older residents.

These findings indicate that development initiatives must be tailored to meet the needs of both the established residents and the new in-migrants: it is incorrect to assume that these needs are identical in every respect (although there may be a considerable degree of overlap).

Development initiatives must be tailored to meet the needs of both the established residents and the new in-migrants

Violence and instability are driving significant streams of families out of the Inanda region into informal settlements

How do recent in-migrants enter these informal settlements?

Although trends are beginning to emerge, routes of entry into informal settlements depend on the situation on the ground.

In spite of crowding, both Inanda and Mariannhill are still relatively attractive areas for settlement by disadvantaged people. For Inanda, accommodation is relatively cheap by comparison to formal townships, and places are still available in certain areas. Transport and location regarding jobs are also relatively good. However, local institutions are weak and tenure is unclear. The research results indicate that most residents do not know who owns the land they are living on.

Where Inanda's Released Area 33 was formerly a freehold area inhabited mainly by tenants renting plots from landlords, the violence of 1985 has effectively overthrown large-scale formal ownership and with it the institution of rent tenancy. With the flight of most landlords and the pressure exerted by the emergent youth and civic structures against rent tenancy, Inanda's inhabitants today occupy the area almost entirely on *ad hoc* informal tenures. With civic structures not yet consolidated, local institutions are unable to control the endemic violence in the area.

Under these conditions, Inanda's settlement process is turbulent. Following the collapse of tenancy, new people wanting to move into the area need only personal connections to neighbouring families prepared to make room for them. Given Inanda's extreme crowding, obtaining a place is reported to be very difficult for families headed by women and nearly impossible for single young people. Such conditions are now common to many informal settlements.

At the same time, continuing violence and instability are driving significant streams of families out of the Inanda region. Many are relocating to informal settlements such as Canaan and Kennedy (see case studies).

In Mariannhill, in contra-distinction, order rather than ambiguity prevails. In most areas, strong community organisations manage the process of in-migration, typically offering insiders (i.e. the children of established residents who now seek accommodation of their own) new plots first. Entering as tenants offers outsiders a way of graduating - over a two to three year period - to insider status.

The implications of tenure situations as perceived and experienced within informal settlements are often glossed over by the planner and the practitioner community who concentrate on the legal tenure situation. This ignores the fact that control over the allocation of land to established residents and prospective new-comers is the principal structuring mechanism of most community organisations.

What are the relationships between those wishing to enter and to settle, those who have recently entered and settled, and the established residents of the settlement?

A complex picture emerges, particularly in Inanda, of *scouting* by rural migrants to find their first urban base, often within a formal township. This transforms, however into *indirect migration* within the DFR, as the recently arrived rural migrants tend to move around within the DFR, from formal to informal settlements, and from one informal settlement to another. Once a rural migrant family is established within an informal area, it becomes possible for some *direct migration* from rural source areas to take place.

In Bambayi at Inanda, a Xhosa-speaking network of long standing has helped other Transkeian migrants to find accommodation in the community, while at the outlying Amatikwe area such chain migration connections appear to link Inanda informal settlement with areas on the Natal North Coast.

Mariannhill shows the importance in the eyes of residents of control over settlement by local committees (comprising both adults and youth), and the screening of applicants. This suggests a principle whereby all existing communities recognise their obligation to accommodate the homeless whenever possible, but also insist on the right to approve outsiders who wish to settle, to ensure the preservation of their (largely peaceful) community climate.

The key finding in this regard of both research projects relates to the role of community organisations. In areas with strong community organisation, in-migration may be kept down to levels which make management of the development process possible. This is particularly true in most areas of Mariannhill, where the interaction between strong community organisation and effective service delivery has proven to be mutually supportive.

First, committees under the civic umbrella operate for the community in supervising the in-migration process; and second, strong community leadership facilitates the delivery of services.

This process of delivering desired development benefits may be central to the establishment of solid and effective leadership institutions in informal communities. Where no such institutions are in place, violence easily escapes community control. Where this happens, results are tragic for the community and frustrating for the planners.

These trends have important implications for the role of the development process in relation to community leadership. They suggest that actors in the development process need to consult civic organisations and work closely with them in both the design and the implementation of development interventions.

What role do perceptions of violence and the actual violence itself play in these relationships, and in the ways in which settled and migrating families perceive migration?

The tragedy of continuing violence in the DFR becomes critical at this point. In areas which have been wracked by violence, the research reveals that conflict is a major factor in determining both in- and out-migration.

In near-peaceful Mariannahill, one settlement is dogged by violence and disorder. In this sub-district, a warlord has established operations and the civic committee has collapsed. Rapid in-migration due to selling of sites has followed, sparking off further conflict as local groups line up in opposition to new entrants. In the less organised settlements at Inanda, conflict over resources regularly precipitates violence, and studies now in progress clearly show the role of this violence in triggering out-migration.

Accordingly, residents and community organisations perceive control over the entry of strangers to be directly linked to the prevention of violence. Outsiders fleeing from violence are perceived to bring with them the very troubles which they are escaping. Mariannahill's civic committee system supervises the settlement process for two main reasons:

- to monitor whether or not persons seeking residence in the area are likely to disrupt the peaceful state of the

- community; and
- to ensure that new families arrive at a rate which the community can peacefully absorb.

Here it is important to see that the entry of strangers implies greater demand for essential services, which is also related, in residents' minds, to competition over scarce resources. The history of at least one settlement at Inanda is characterised by conflict over access to a water tap. Nor are groups of outsiders assimilated easily. In the case of Mariannahill, attempts to move groups of people from overcrowded or conflict-torn areas have several times in the past caused flare-ups of violence that were defused with difficulty. There is currently a perception that should the residents of the Cnaan informal settlement in the northwest of the DFR be relocated to Savannah Park in Mariannahill - which has been mooted by the Greater Pinetown Steering Committee - this will lead to violence and conflict over the few resources which currently exist in the area.

The implications in this regard for the development process are clear. The viability of a development project goes beyond the issue of the internal costs. The wider consequences of development initiatives need to be considered closely, and the possible problems which might arise from development interventions in areas where a scarcity of resources could generate conflict need to be examined.

What may we conclude from the preliminary answers to these questions?

In the first place, families do not settle permanently as soon as they enter the DFR. Migration into the DFR is complex, and the characteristic pattern is one of households which move around within the peri-urban zone of the DFR, rather than establish themselves in one permanent location.

Second, to understand migration streams into and within the DFR, one needs to study communities and families at the community level. Simple generalisations about migration and urbanisation in the DFR are inadequate. So too are generalisations about individual clusters of informal settlement. In Inanda, each of the settlements demonstrates its own unique internal dynamic which governs diverse aspects of community life, from negotiation over service delivery to control over settlement.

Third, it would seem, particularly in the light of the Inanda results, that population

In most areas, strong community organisations manage the process of in-migration, typically offering insiders new plots first

The entry of strangers implies greater demand for essential services, which is also related to competition over scarce resources

Project management must include community participation throughout the development process

exchange - that is, migration streams into and out of the subregion - are high between informal settlements in the DFR, and are likely to remain so, if not increase. A variety of factors would appear to account for this high rate of population exchange: the high incidence of violence (often related to weak local institutions) and the uncertain tenure status of many informal settlements would probably be among the most important.

Fourth, studies such as these of Inanda and Mariannhill suggest further broad trends in the DFR's migration process:

- most adult in-migrants are still of rural origin but the rural percentage is falling;
- families moving into informal settlement more and more often come from closely adjacent communities;
- informal communities want control over the settlement process and are moving to achieve it;
- large-scale landlordism may be weakening in the region generally.

New Policy Focus

It is clear that the policy focus cannot remain on general urbanisation issues at the macro level, and on parallel broadbrush quantitative responses to these macro issues. The differences and similarities between different local communities regarding migration and organisation need to be identified. The household should be recognised as a significant unit of analysis.

It is also clear that 'orderly urbanisation' has become a catch-phrase, and its use often reflects loose thinking and fuzzy conceptualisation. In particular, more knowledge about the preconditions for orderly urbanisation and about circumstances under which community institutions develop, are required.

A more complex policy matrix needs to emerge which is able, simultaneously, to firm up overall policy, and to enable greater flexibility at local level. In particular, a policy regarding what policy makers should and should not do regarding community organisations is needed.

This suggests the need for a number of amendments to the prevailing urban development paradigm which is used by many developers and planners in the country:

- It is becoming clear that the planning process and the implementation process need to be re-integrated.

- Project management must include community participation throughout the development process.
- When addressing the viability of a development project, planners must look beyond the internal costs and aims of the project and include the wider external costs and consequences.
- In analysing a proposed project, planners must move beyond an analysis of three traditional parties: the planners and state officials on the supply side, and the target community on the demand side. In many communities, it is essential to differentiate between new in-migrants and established residents.
- Similarly, planners need to move beyond an analysis of legal tenure in their areas of operation. The implications of perceived and experienced tenure 'on the ground' - in Inanda, for instance - need to be addressed in future projects.
- It would seem necessary to involve social scientists more often in the formulation of development projects, rather than using them solely as evaluators.

Two difficult challenges emerge from this proposal to amend the dominant South African urban development paradigm:

The first challenge is a simple one: planners and policy-makers are faced with crisis management - a seemingly never-ending series of projects under fire. They have developed a knee-jerk reaction, often falling back on past policy and practice. Quite simply, planners require more time to think, discuss and plan.

The second challenge relates to the development of community organisations, and the clear need for the development process to create credible community organisations where they are absent, and to nurture those - *inter alia*, through resource allocation - where they are established and growing. Simultaneously, the planning community must address the development problem on scale and with scarce resources. The dilemma thus created is a difficult one. DPA

REFERENCES

- Bekker S. 'Demographic Scenarios: Monitoring Migration', *Indicator SA*, Vol 8/No 2, Autumn edition. Durban: Centre for Social and Development Studies, University of Natal, 1991.
- Clark C. 'A Civic Accord: Service Delivery in Greater Pinetown', in *Indicator SA*, Vol 9/No 1, Summer Edition. Durban: Centre for Social and Development Studies, University of Natal, 1991.
- Gross C, S Bekker, C Clark and C Wilson. *Searching for Stability: Residential Migration and Community Control in Mariannhill*. Rural-Urban Studies Unit, Working Paper No 23. Durban: Centre for Social and Development Studies, 1992.
- Gross C, S Bekker, C Clark and R Richards. *Moving On: Migration streams into and out of Inanda*. Durban: Report for the Town and Regional Planning Commission of the Natal Provincial Administration, 1992.

Planners need to move beyond an analysis of legal tenure in their areas of operation

CASE STUDY 1: UPGRADING BESTERS SETTLEMENT

Rob Taylor and Basil van Horen
Informal Settlements Division, The Urban Foundation

The in-situ upgrading project at the informal settlement of Besters on the outskirts of Durban is an ambitious pilot endeavour in Natal. The project has several objectives beyond the installation of basic services, such as the promotion of participation in planning and implementation, and skills development so that the resident community can administer its own environment in the future.

One of the primary purposes of town planning is to guide future settlement and development through a process which is prescribed by statutory procedure. In the context of in-situ upgrading of informal settlements such as Besters, however, planning interventions are concerned with how to most effectively address situations in which settlement has already occurred.

In procedural terms, the planning process that has evolved in the Besters project is considerably more complex and time consuming than in conventional 'greenfields' projects. This is because community involvement is required at every stage in the process, firstly in terms of approval but secondly, and more importantly, in terms of the substantial contributions which invariably imply lengthy reworking of plans.

Experience at Besters has indicated that the planning exercise in the in-situ upgrading of informal settlements is most appropriately conducted so that:

- Planning is literally conducted from-the-ground up - it is not a desktop exercise which is imposed on the settlement. The planning process must accommodate both physical and social changes on an ongoing basis.
- Planning is conducted with community involvement at all levels. It ranges from making decisions on planning principles, through to fixing the alignments and location of services infrastructure (transport network, refuse points, water points, etc).
- Planning is an integrative process such that the 'ideal end state' evolves from the process, rather than being an initial imposition on the process. Layout plans, for example, are arrived at towards the later stages of implementation, rather than preceding upgrading.
- Planning is only one part of a multi-disciplinary approach to the upgrading process. It is a process that continues throughout implementation.

Participation in planning occurs at a variety of levels depending on the nature of decisions, discussions or inputs made by the community. It includes informal liaison at the grassroots level of individual households, local area committees, umbrella civic structures, mass public meetings and workshops. This multi-layered set of structures has been important in



arriving at decisions that are acceptably representative of community sentiment at a general level and at a specific local level. (This is particularly so in the context of the very parochial and secular nature of sub-community areas.)

The degree to which the resident population is equipped to deal with some of the complex planning issues in the in-situ upgrading context provides both problem and opportunity. It is problematic insofar as the danger exists that communities starved of resources will accept almost any 'development' proposal, out of sheer desperation.

The contrary approach, which has been adopted at Besters, has been to attempt to 'de-jargonise' and deprofessionalise the planning process where possible. Training exercises have included discussions on site, formal development meetings and workshops which have the specific objective of adequately equipping the community to make informed decisions. Clearly, this is an objective easier stated than achieved. The existence and building of strong community structures as well as funding packages that are supportive of community-based planning and development are important.

The tension between the *de jure* and *de facto* has been problematic at Besters settlement which is located partly within Durban, Ntuzuma, KwaMashu and Released Area 33. Each jurisdictional authority has its own regulations and procedures (which are generally designed for 'greenfields' situations anyway). Community opinion is that people are generally neither interested nor aware of the administrative boundaries which arbitrarily bisect the community.

An explicit objective of the project has been to pursue the route that makes sense on the ground: i.e. to work towards a uniform set of legislative procedures and regulations. This raises an important point of principle - informal settlement policy, generally, and planning policy, specifically, should be strongly influenced by development experience on the ground and thereby, by the communities most directly affected.

□ Tenure Delivery

The tenure delivery process as stipulated by existing legislation, apart from applying differential treatment to various jurisdictions, does not accommodate some of the unique characteristics of informal settlements.

One of the primary problems with the rigid imposition of conventional procedures and forms of tenure in informal settlements relates to the fact that an informal land transfer market already exists in

such areas. Informal settlements such as Besters take no account of formal registration of title or transfer of ownership. The existing system is based on *de facto* site occupation which is perceived to translate into *de facto* security for site occupants.

Whilst the delivery of legally acceptable title is an integral and important aspect of the upgrading process, greater consideration needs to be given to the form of title available, and to the timing of tenure delivery. The following problems have been raised by the community regarding the scenario at present:

Firstly, in a context where *de facto* security already exists, many residents express the opinion that legal title is problematic. For example, alternative forms of title such as superblock, communal tenure cannot be accommodated in terms of the alternatives that currently exist in the area.

Secondly, many residents of informal settlements such as Besters have paid a sum of money to a 'shackfarmer' or 'warlord' for access to the sites they presently occupy. Any suggestion of additional payment for legal title meets with an understandably negative response.

Thirdly, the Deeds Registry (80km away in Pietermaritzburg) is inaccessible and the expensive, complex registration procedures and transfer fees associated with legal title are quite unaffordable to many informal settlement residents. These are additional strong disincentives of the conventional system, particularly in respect of future transfers of site ownership.

Fourthly, the above factors imply that even if the conventional system is established - where individual sites are surveyed and title is registered as legislatively required - the system is vulnerable to potential collapse upon first point of ownership transfer, since the formal recording of future ownership transfers at the Deeds Registry in Pietermaritzburg is highly improbable.

Experience at Besters suggests that, at the level of principle, a more appropriate approach to tenure would be one which provides sufficient flexibility to allow a staged transition from the existing informal market based on *de facto* site occupation through to an 'ideal end state' where conventional title is possible as one of a number of options. A staged tenure delivery system has been devised at Besters which takes cognisance of this transition, in addition to accommodating the longer-term imperatives associated with the *in-situ* upgrading of high density informal settlements.

Community Participation

The funding environment, which is currently dominated by the Independent Development Trust, is geared to the rapid delivery of product. This can only be delivered on the basis of certain pre-determined rules, the establishment of which lies outside the

control of community. Community participation in decisions is therefore effectively prescribed by the environment. For example, land must be serviced and formal tenure must be delivered, notwithstanding community opinion in favour of water and housing as basic needs.

This denies the ability of the community to effectively control the funding resource and deploy that resource in such a manner as to address its perceived needs in an appropriate manner. Participation, as a consequence, occurs within a framework of limited room for negotiated manoeuvre. It also makes effective evaluation of needs and options an almost unnecessary debate, or at best, a debate around matters of detail rather than principle.

Clearly, however, the funding environment is conditioned by the current level of knowledge about community opinion. It is also conditioned by the established administrative and legal environment, which tends to assume unto itself the basic right of prescription, often placing development agencies in the role of a patronising benefactor, frustrated by a transparent pretense to negotiate the non-negotiable.

The design of engineering work represents an opportunity to facilitate public participation in the delivery of product. This necessitates the co-operation of the design consultant whose documents become not only the blueprint for implementation but also a means of community education relative to construction industry procedures and operations.

In implementation terms, the role of the Besters community as paid provider of direct labour and sub-contractors, has been beneficial. These beneficial effects have not only been direct, in the sense of skills acquisition and development, but also indirect, in the sense of community involvement in the realisation of the infrastructure. The longer term benefits remain an avenue for further training input.

It is important that skills acquisition leads to some form of real empowerment for the individuals concerned. A lesson emerging from Besters is that the transition from sub-contracting in a project such as this one to a position of competitive operation in the high risk business of the housing industry, is not an easy transition.

For those familiar with the vagaries of construction, this is a restatement of conventional wisdom. For communities who have participated in a construction process in a 'hands-on' manner, this is not within the realm of their experiences. For the development agency, the challenge is to create momentum for on-going contractor development. Participation, in this aspect, also involves creation of opportunity beyond the project. This is especially true when the project objectives include a desire to create capacity where very limited capacity previously existed. IDA

CASE STUDY 2: IN THE LAND OF CANAAN

Libby Ardington, Centre for Social and Development Studies, University of Natal

Canaan, an informal settlement of over 400 shacks where some 2000 people live within the municipal boundaries of Durban, provides interesting evidence of the nature of migration patterns and urbanisation in the DFR in the 1990s. It moreover illustrates the legacy of the apartheid era and the failure of the authorities to act innovatively to meet the clear needs of the informally or illegally housed.

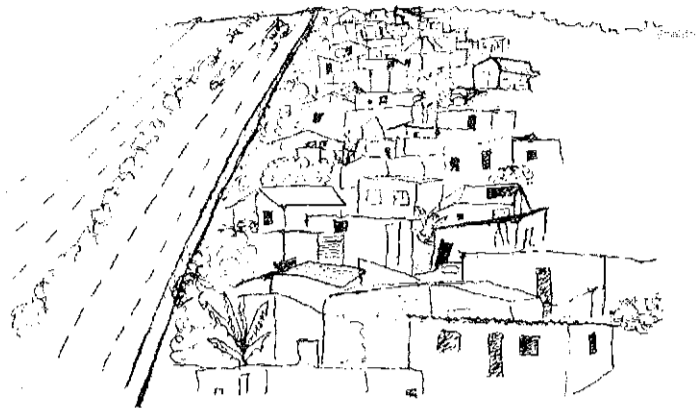
Canaan has had an extremely high public profile. It is clearly visible to the thousands of people who daily use the N2 ring road around Durban. It has been acknowledged as an area requiring urgent attention by all the authorities involved, not only on the grounds of its illegality and lack of services but also because it is situated on unstable and dangerous ground.

Over two years have elapsed since the settlement grew up virtually overnight and it is almost two years since the first eviction notices were issued, yet the people remain there and the authorities have been unable to point out a location to which they might be moved, let alone taken any steps to provide shelter or services in such an area. Nor, with the recent exception of water, have the community's immediate needs in Canaan been addressed.

□ Urban Needs

Homelessness, long a problem in the DFR, became one of immense and ever increasing proportions following the heaviest period of urbanisation which occurred in the 1970s and coincided with a drop in the rate of low income housing provision by the state. The last sub-economic houses in the area were built by the state in Umlazi in 1977. Generally, in the 1980s the only formal housing activity that has occurred has been the provision of middle and upper income houses by the private sector.

A commonly held view is that homelessness and increasing informal or squatter settlements are the result of the continuing influx of people from rural areas in search of employment in the metropolis. Closer analysis of these settlements (and here the Canaan population provides interesting evidence of recent migration patterns within the DFR) and the older and more formal ones within the DFR, however, reveal that the majority of the residents of the recently established informal settlements have their origins within the DFR. Natural population growth has provided the source of many of these settlers, and the reduction in the average number of members of a housing unit (which has occurred where adult children have left home to establish their own homes and others who rented a room within a house or a backyard shack have left to establish their



own home in an informal settlement) accounts for much of the balance. Average house occupancy rates in the area have dropped from approximately 10 to 6. Canaan households' average occupancy rate was only 3.5 persons which is to be expected in a newly established settlement.

That Canaan residents were part of this intra-urban migration was indicated by the finding that 93% of household heads had lived within the DFR (for an average of 15 years) prior to relocating to Canaan. A recent cause of the influx into informal settlements has been the violence which has forced families to flee their former accommodation. Sixty percent of households in Canaan had left their previous place of accommodation for this reason.

Reflecting the sources and causes of the growth of Canaan, two-thirds of Canaan households were found to consist of nuclear families and levels of unemployment were relatively low (90% of households contained at least one person in employment). Canaan residents are generally not new arrivals from the countryside in search of employment but whole families who have lived and worked in the DFR for some time but been forced to relocate as a result of violence or inadequate housing conditions.

Although these facts might be held to imply that the residents of Canaan were permanently urbanised two-thirds still maintain a rural home and the majority have dependents at their rural home. Their insecurity and unsatisfactory lifestyles have led them to maintain their rural homes as a backstop.

Many children of schoolgoing age are not living with their parents in Canaan - probably because of the absence of schools. There are also few old people or non-nuclear household members, reflecting the inadequate size and nature of the home and its recent establishment. Although some of the young and old may have been left at 'their other home' where the risk of violence may be perceived to be less, the fact that there are the expected number of children under the age of 5 and over the age of 19 implies that it is the absence of schools in Canaan that has led to the disruption of family life. Half the 5 - 19 year olds in Canaan are not attending school.

Canaan residents said they would only be prepared to move to a place where schools were available. The chances of such a place being found are negligible and yet such amenities appear crucial to the

successful relocation of communities both with regard to their own development and the development of relations with their new neighbours, with whom relations would become unnecessarily strained if the 'immigrants' were to put additional pressure on already inadequate facilities.

Merely to allocate sites or notify the DET that schools will be required for a site and service development is not adequate. Negotiations with the authorities to provide temporary or emergency facilities would be encouraged if schemes such as the IDT 'R7 500 Scheme', rather than leaving it to the new 'community' to motivate for a school, made it a condition for the granting of loans that schools (along with other essential services) should be available in the area.

❑ Passing the Buck

The histories of local governments or civics in informal settlements are usually chequered. Prior to the repeal of the Group Areas Act, the Land Acts and the Local Authorities, formal local government for blacks could only be established in areas specifically set aside for black settlement within the RSA or homelands.

Canaan is part of a former Indian Group Area within the boundaries of the Municipality of Durban and is owned by the Department of Transport. Although the municipality is made responsible for squatters within its boundaries by the Prevention of Illegal Squatting Act No 52 of 1951, the same Act does not allow the Council to permit squatting except under very specific conditions. The zoning of Clare Estate as Indian under the Group Areas Act made it the responsibility of the House of Delegates. The Department of Transport as the owner of the land is accountable for what happens on the land but does not have the authority to allow settlement on road reserve land.

However the only authority which appears to have accepted any responsibility for the settlement is the Community Services Division of the NPA which (initially as agent of the Department of Development Aid - the department responsible for the administration of blacks in white areas) has attempted to find a suitable site and facilitate relocation. Complicating matters further, the Pinetown Municipality has also become involved in Canaan as an agent of the NPA!

An interview with Councillor Watterson, at the time Chairman of Durban's Management Committee, indicated that there was as much confusion at official level as to legal responsibilities as there was in the community. At the same time as claiming that the fact that the land was owned by a state department made it impossible for them to supply water or health services, he stated that the Council would be prosecuted if it did not take action to remove the squatters. He also stated that the Council was unable to plan for the squatters at Cato Manor or Block AK

(both areas within the municipal boundary) because the former fell under the control of the House of Delegates and the latter first the House of Assembly and then the House of Representatives.

Councillor Watterson argued that as the land was owned by the government it was the government's responsibility to supply water, not the ratepayers of Durban and that 'we' cannot encourage people to stay there. The state department was threatening to prosecute them if they did not move the people off. He placed the 'blame' for what had been allowed to happen on the state department - he saw it too as a regional problem, not one for the city. He said 'One of the main problems ... is there are too many authorities and you can't get sense out of anybody because they pass the buck to another authority.' That comment was made 18 months ago. The buck is still being passed.

With the exception of the supply of water by the Corporation through two fire hydrants positioned just outside Canaan's boundary the settlement remains without services. They have not been removed by the Corporation and the latter has not been prosecuted by the state. Neither the state, the Corporation or the NPA have been able to identify an acceptable alternative site.

❑ Civic Organisation

In August 1990 when a notice was erected outside the settlement, eviction notices issued and removal seemed imminent, the first committee was formed in Canaan. Until that point there had been no organisation in the community and households had lived as individual units dealing with their personal needs and problems on a day to day basis.

There were no services in Canaan and, accepting that there was no one to approach to provide them, the settlers coped as well as they could on their own. The people in Canaan were generally unknown to one another. The majority had relocated to Canaan on account of violence and were understandably unwilling to become involved in any form of organisation which would result in the airing of political affiliations which could lead to tensions in their new home. One of the attractions of Canaan was its situation in an Indian Group Area where it was felt that no black political grouping would exercise any particular sway.

The threat of imminent removal, however, forced the community to organise themselves to speak with one voice to the authorities. A committee emerged to represent the interests of the settlers against the prospective developer of the land, the Department of Transport and the Durban Corporation. The community was united in its desire to resist eviction, to obtain some form of secure title to the land on which they were living and to obtain basic services.

However once the community had been forced to accept that removal was inevitable, the committee

lost its prime task of obtaining secure title to their homes. Its subsequent distinct lack of success in obtaining services further restricted the development of the committee's credibility and ability to act as a unifying force in the community. Despite the urgent and universally expressed need for water they did not succeed in obtaining this for over a year - and then it was only supplied because all parties had agreed that the supply need only be temporary as the community would move as soon as a suitable location was available.

The very first meeting with the developer in August 1990 saw the committee agree to stop residents chopping down the gum trees for building poles and fuel, to prevent any further persons from building shacks in the area and to attempt to look for alternate land. The committee was asked to perform certain policing functions at the same time as it was denied any resources to meet the needs of the community it represented. The result was that its status in the community was undermined. It persuaded the people to desist from chopping down trees but was not given assistance to help meet the community's need for building materials and fuel. The ban on building required the committee to prevent people from erecting toilets at the same time as their requests for water and refuse removal were refused by the authorities.

The ban on further shack building in Canaan led inevitably to the situation where the leadership was tempted into selling the sites and houses of people who for one reason or another left the community. This in turn led to charges of corruption and claims that people were intimidated into departing from Canaan and their homes subsequently sold for the profit of the Chairman.

The original threat to the people of Canaan led to the uniting of a peaceful community and the election of a committee which quickly grew in stature and credibility and was in a position to negotiate on behalf of the entire community. The change in the nature of the leadership task, and the use of the committee's credibility as a control mechanism by the authorities, at the same time as the authorities denied the committee the resources they needed to retain their credibility, undermined the committee and introduced tensions into the community.

Chairmen and committee members have been replaced; some have had their houses burnt and have been chased out of the community; suspicion and fear have replaced respect and authority. The authorities may have succeeded in resisting the demands of the community but in so doing they have removed the credibility of the leadership and they no longer have access to accepted representatives with whom they can negotiate. Canaan, which appeared well on the way to developing a strong civic authority, is weak, divided and unable either to press its own demands or react to those of the authorities. **UDCA**

CASE STUDY 3: DOWN KENNEDY ROAD

Stavros Stavrou, Centre for Social and Development Studies, and Leanne Luckin, Data Research Africa

People live in two shack settlements to be found on one of Durban's municipal garbage dumps. The origins of three waves of in-migrants, the impact of official recognition of one of the camps, and the attempts at community upliftment provide a unique insight into the fringes of shackland. The authors draw on surveys they undertook at Kennedy Road between 1991 to 1992 which gathered information on all the households.

The shanty camps on the garbage dumps at Upper and Lower Kennedy Road are situated 1,5 kilometres apart on land owned by the Durban City Council. At present there are about 75 homes in each of the camps, with an average household size of three persons in Upper Kennedy and four persons in Lower Kennedy.

The land on which both settlements are situated was once farm land owned by Indians. Agricultural activities began to give way to shack farming and by the mid-1980s two distinct shanty camps had emerged at Kennedy Road. Most of the first wave of settlers were single persons from rural areas who were drawn to the area in the hope of seeking access to employment opportunities in Durban.

During the latter part of the 1980s, following the repeal of influx control in 1986, a second wave of settlers migrated to the area. In contrast to the first settlers, this group comprised family units, who came from both urban and rural areas, primarily because they sought access to land for residential purposes. The need to find land for residential purposes became a more powerful motive for migrating into the area than the search for employment opportunities.

The escalation of violence in Durban's townships and peri-urban shanty areas during the early 1990s resulted in a third wave of settlement. The most recent arrivals at Kennedy Road came primarily because they were pushed out of their previous place of residence due to the ongoing political conflict. This last group, therefore, came almost exclusively from urban areas and were drawn to the area because of its relative calm and apolitical environment.

Both communities at Upper and Lower Kennedy Road are extremely poor. Many people survive by foraging on the dumps for food which has been rejected by the market, or for cardboard and plastics which, along with the food that is not consumed, they sell.

A common fallacy about residents of shantytowns is that there are very few people who are formally employed. However, one-quarter and one-third of all the economically active adults in Upper Kennedy and Lower Kennedy, respectively, are employed in the

formal sector. These employment levels do not differ from those in the formal townships.

□ *Pride of Recognition*

The community in Upper Kennedy is a despondent, poorly motivated group who are biding their time either until someone or some organisation improves their lot, or until they find a better place to go. Almost all the residents interviewed at Upper Kennedy cited Lower Kennedy as, relatively speaking, the ideal place to live. The reason for this is that the Durban City Council has accepted the presence of Lower Kennedy and has formulated an upliftment policy. Their *de facto* recognition of the settlement, when formalised, will result in the residents having legal tenure.

An interesting phenomenon is the fact that the elected area committee at Lower Kennedy is comprised of non-party political persons. Indeed, this is a prerequisite for membership of the committee. One of the first acts of the committee after winning Council recognition was to restrict any further migration into the settlements. The community itself is now responsible for the policing of new arrivals. (Further growth has occurred along the periphery of Lower Kennedy but the newcomers are not considered part of the settlement.)

This feeling of acceptance has been a strong binding factor for the community of Lower Kennedy, and the residents have geared themselves towards participating in the upliftment plans.

The differential degree of official recognition of each of these camps has had a profound impact on the nature of the areas and the residents' attitudes towards their homes. The Upper area, on the one hand, resembles a stereotypical shack settlement with tightly-packed, ramshackle dwellings squatting in the mud. There are no structured pathways, no collection of litter, no ablution facilities nor any semblance of order.

The Lower area, on the other hand, resembles the beginnings of an established settlement. Dwellings are more permanent and durable than those in the Upper area, and most have been beautified inside and out. A better grade of furniture and household accessories are evident as some residents have managed to obtain hire-purchase accounts. Televisions and radios are not uncommon.

The notion of private space is clearly evident. This sets Lower Kennedy apart from Upper Kennedy, and, indeed, from most other shantytowns. Perhaps the most prominent feature of Lower Kennedy are the fences that clearly demarcate the individual shacks and surrounding properties from others. Fences range from chicken-wire, picket fences, planted hedges and plain wooden structures. Lines of demarcation were agreed upon by the residents themselves, and where a difference of opinion existed, arbitration was set up via the area committee.

□ *Tenure Issues*

The importance of tenure relationships and the issue of private property cannot be over-estimated. Most black peri-urban residential settlements display specific characteristics of a lack of investment in private homes and general income leakages out of the area. This is a direct result of the paucity of opportunities to spend or invest money on the home and within these areas.

In the absence of clearly defined and marketable property rights, not only is there little incentive to invest in the purchase or improvement of property, but it is also impossible to obtain bank finance. As a result, money is not invested in homes and income is not recycled within the local economy but instead is spent outside, at nearby towns, suburbs, and the central business districts. Both home-owners and black entrepreneurs are accordingly disadvantaged.

Shanty towns are at the extreme end of this scale. Feelings of impermanence and of breaking the law give rise to a transient philosophy which is clearly reflected in the physical appearance of most residential dwellings.

The extension of tenure and property rights to the residents of Lower Kennedy has brought about the nascent development of home building and improvement. Although wealth is limited, all the residents in Lower Kennedy have a strong desire to invest in their homes and properties, and are willing to put effort into upgrading the area at large. In contrast, only one-tenth of the households surveyed in Upper Kennedy are willing to invest in their area regardless of other options; a further 50% would invest in Upper Kennedy *only* if they were not able to move into Lower Kennedy.

Caution must be exercised, however, when attempting to negotiate the sale of property rights to the current residents:

- The average total savings of tenants is R30 in Upper Kennedy and R190 in Lower Kennedy.
- By borrowing money from relatives and friends, the average deposit that residents can afford is R310 in Upper Kennedy and R415 in Lower Kennedy.
- On average, households can afford R50 in Upper Kennedy and R160 in Lower Kennedy towards monthly mortgage payments.
- The amount that people can pay towards the upgrading of their properties and homes is limited and by implication this must be done on an incremental and controlled basis.

To briefly conclude, shanty settlements can be formalised to great advantage for the settlers and society if there is a will to do so by both the residents and the authorities in charge. A prerequisite, however, is that tenure arrangements are formalised and that the financial limitations of shanty settlers are taken into account. **UPA**

INWARD DEVELOPMENT

Solutions to Urban Sprawl

Roger Behrens and Vanessa Watson
Urban Problems Research Unit, University of Cape Town

Plans are currently underway to dispose of various state land holdings in South African cities. This would represent the loss of an opportunity to provide a large number of poor, disadvantaged households with an environment that would address the massive spatial inequalities left by apartheid. The authors comment on the role that vacant and underused state land should play in future urban development and urge that larger, well located parcels remain in public ownership.

South African cities all have one important feature in common - urban growth has taken the form of dispersed residential accretion at the city edge. While part of this growth has occurred as a result of market forces, in which higher income families seek privacy and amenity in suburban environments, much of it has been the result of either a deliberate government policy of land acquisition for large-scale lower income development, or spontaneous and often unauthorised settlement by those seeking proximity to urban labour markets.

It is now increasingly accepted that this form of dispersed urban growth has adverse financial, social and environmental impacts. These impacts are particularly great for poorer families living some distance from employment centres, commercial services and public facilities.

Costs of Urban Growth

The impacts of urban growth in metropolitan Cape Town are perhaps representative of most South African cities. They can be clustered according to capital/operating costs, individual/consumer costs, environmental costs and economic/productivity costs.

Firstly, in terms of *capital costs*, dispersed urban growth makes the provision of utility services expensive. In the case of higher income 'one house - one plot' developments, the cost of providing services is increased as the great distances between dwellings necessitate long pipe and cable lengths. In the case of large-scale lower income developments beyond the city edge, either separate service production is necessary (e.g. a new sewage treatment works), or very long pipes and cables are required to link these developments to existing points of service production, both at considerable cost.

Secondly, in terms of *operating costs*, the excessive distances, low levels of support

and expansive spaces of dispersed urban growth generate unnecessarily high costs for the operation of road-based public services (e.g. solid waste collection) and the maintenance of public open spaces.

Of particular importance is the cost of subsidising the public transport services necessary to move workers from peripheral residential areas to more central industrial areas. The annual subsidy of bus routes to and from Khayelitsha (a township on the periphery Cape Town) for instance, amounted to R20 million in 1989 (R1 300 per commuter). This subsidy accumulated at the rate of inflation (15%) over the period of a housing bond (20 years), would represent a public cost of approximately R2,35 billion - a figure equivalent to the purchase cost of 50 000 small serviced dwellings or 200 000 small serviced sites, at current prices (Cape Town's existing housing backlog is in the region of 120 000 units). Rail subsidies are double bus subsidies (Clark, pers comm).

Thus the excessive financial resources necessary to meet the capital and operating costs of dispersed urban growth obviously prevents the use of these critical resources for more urgent capital investments.

Thirdly, in terms of *individual costs*, one of the most serious impacts of dispersed urban growth for consumers is the amount of money spent on travel. International standards suggest that commuting costs to work should not consume more than 2,5% to 5% of an individual's income (Clark and Naude, 1986). A Khayelitsha resident in 1988 spent roughly 11% of his or her income on travel (UPRU, 1990).

New housing developments are continually located on the edge of the city, while the distribution of shops and factories remains relatively unchanged. Consequently, commuting distances are steadily increasing. In metropolitan Cape Town (one-way) trip lengths have reached an average of 16 km (Liebenberg and Stander,

Dispersed urban growth has adverse financial, social and environmental impacts, especially for the poor

Policy should aim to reduce unnecessary expenditure, conserve agricultural lands on the urban edge, and settle poorer groups closer to town

'Inward' development would promote a physical restructuring of urban growth based on higher residential densities

1992) - a figure comparable to the renowned car dependant cities of the First World (e.g. Los Angeles: 15,3 km). For low-income bus commuters located in Khayelitsha the average trip length is a staggering 35 km (Clark, pers comm).

The time spent commuting to and from peripheral townships has a substantial impact on daily living - reducing the time available to supervise children, attend night school, generate additional income, etc. In Khayelitsha commuters spend approximately 2 hours and 40 minutes travelling a day (UPRU 1990), in the PWV black commuters can spend up to 6 hours a day travelling (Naude 1987).

Fourthly, there are the *environmental costs*. Dispersed urban growth inevitably consumes large amounts of valuable agricultural land. On the periphery of Cape Town between 1960 and 1981, almost 1 ha of farmland was lost a day (Gasson, 1989). This loss has a significant impact on economic growth, both in terms of agriculture's share (9%) of the region's gross geographic product, and its attractiveness as a tourist destination - an industry identified as the most important source of potential economic growth (Wesgro, 1992).

If the low-density residential expansion of Cape Town continues, the city will double in size over the next 15 to 20 years (UPRU, 1990). Dispersed urban growth is also having a significant impact on levels of pollution. Levels of photochemical smog in the city have risen dramatically over the past three years (Cape Town City Council, 1991/1992). Photochemical smog primarily affects the respiratory system and may result in emphysema, asthma, chronic bronchitis and lung cancer. The main cause of the recent rise is attributed to an increase in vehicular emission, as a result of increased average trip lengths.

Fifthly, the nature of urban growth inevitably influences the *efficiency* with which a city operates. Indicators of city efficiency include: levels of congestion and economic productivity.

In terms of *congestion*, the average morning rush-hour travel speed on major roads in 1980 was 40 km/hr. The equivalent speed in 1990 was 34 km/hr - a speed reduction of 15% (Liebenberg and Stander, 1992). As a result trips in the morning rush-hour take almost double the time of the same trips in off-peak periods. This is aggravated by dispersed urban growth. The

continual location of most new housing some distance from major shopping and industrial areas, concentrates movement in one direction during rush-hours. Excessive trip lengths generate a huge demand for movement, and commuters are forced to use cars and combi-taxis because low-density developments cannot supply the number of passengers necessary to support efficient public transport services.

Lastly, in terms of *economic productivity*, dispersed urban growth is inhibitive. Excessive commuting time leads to tiredness and lateness, both of which negatively effect worker productivity. The cost of excessive transportation increases production costs and reduces consumer spending. Dispersed environments inhibit small business activity because the number of consumers necessary for viable market thresholds is seldom reached - this situation is worst in poorer areas where average disposable incomes are low.

Restructuring the Cities

The impacts and costs of dispersed urban growth indicate that there is an urgent need to physically restructure the way South African cities are growing. It is suggested that central objectives of this strategy should be to: reduce unnecessary capital and operating expenditure, conserve sensitive natural and agricultural lands on the urban edge, and provide poorer, disadvantaged groups with residential areas closer to existing urban facilities and employment opportunities.

It is now widely accepted that one of the actions necessary to achieve this, is to direct urban growth - at higher residential densities - inward (Dewar and Uytendogaardt, 1991; Smit and Todes, 1990; Urban Foundation, 1990; World Bank, 1991). A process of 'inward' development would promote a *physical restructuring* of urban growth in the following ways:

- It would enable a more efficient use of existing infrastructural investments. A study of the comparative costs of service provision in Cape Town, indicates that savings of up to 36% per erf are possible in locations where the cost of primary services has already been met (Patterson, 1988).
- It would reduce the rate of land consumption beyond the urban edge. An important benefit of this would be the conservation of agricultural and natural lands.

- It would reduce average trip lengths. This would reduce the need for movement, alleviate congestion, restrain the deterioration of air quality, and relieve expenditure on travel.
- It would boost levels of support for public services and small business activity. Of particular importance would be the potential for increased support on public transport services.
- It would reduce per capita public expenditure on the operation and maintenance of public services, through the development of unnecessary open spaces, the shortening of (per household) distances covered by road-based services, and a reduction in per capita public transport subsidy. The latter would be possible through a decrease in average commuting distances.

A process of 'inward' development which provided lower income groups with well located residential areas, would in fact present a powerful mechanism to address the massively unequal access to urban facilities and employment opportunities, imposed by 'group areas' segregation. 'Inward' development would *benefit lower income households* in the following ways:

- It would situate lower income households closer to employment centres. A significant portion of a household's income would then be released for other investments as commuting costs to work decline, and less time would be spent on commuting, enabling more time for family interaction, education and economic activities in the home.
- It would situate lower income households closer to public transport services and therefore improve their access to various parts of the city. This is of particular importance given that levels of car ownership are extremely low amongst poorer groups.
- It would situate lower income households closer to established higher-order public facilities and amenities. In addition lower income groups would be located next to higher income groups, making it possible for the poor to benefit from the commercial services generated by the superior spending power of the rich.
- It would provide the most favourable conditions for the emergence of small informal businesses. There are two main reasons for this. Firstly, informal operators would be able to benefit from the customer flows attracted by higher-order commercial activities in

TABLE: Vacant and Under-used State Land in Cape Town

SITE	OWNERSHIP	AREA	POSSIBLE POPULATION 100 du's/ha gross	POSSIBLE POPULATION 50 du's/ha gross
•Culemborg Yards	Transnet/Portnet	600 ha	270 000	135 000
•District Six	Public/Private	50 ha	22 500	11 250
•Marconi Beam	Telkom	213 ha	95 850	47 925
•Wingfield Military Base	SADF	350 ha	157 500	78 750
•Youngsfield Military Base	SADF	210 ha	94 500	47 250
•Ysterplaet Military Base	SADF	209 ha	94 050	47 025
TOTAL		1 632 ha	734 400	367 200

adjacent higher income areas. Secondly, informal operators would gain access to the superior spending power of adjacent higher income communities.

State Land Strategy

Attempts at 'inward' development in other cities of the world have proven that the greatest potential exists in the development of well located vacant or under-used land. Attempts at increasing residential densities within existing built areas (e.g. through provisions which make the sub-division of erven easier) have proven slow and sometimes unpopular with existing communities (Behrens and Watson, 1992). The implication of this is clearly that any vacant or under-used land parcels offer tremendous potential. Most South African cities have such parcels, often centrally located, and frequently state owned.

It is within this context that attention is now being turned to state owned urban land in the metropolitan centres. They usually represent areas cleared under the Group Areas Act, buffer areas, or areas where functions are no longer appropriately located. Of greatest importance are those larger, central parcels, most suited for lower income residential development. Cape Town has six such parcels (see table).

Public ownership of urban land would offer the following advantages to a strategy which provided lower income groups with well located residential areas:

- It would enable a subsidisation of the land acquisition costs that would normally exclude lower income households from inner city housing. Centrally located land, by virtue of its greater access to infrastructure and facilities, is usually more expensive than peripheral land. In an open land market

We need to address the massively unequal access to urban facilities and employment opportunities, imposed by 'group areas' segregation

Plans are currently underway to dispose of various parcels of vacant and under-used state land within South African cities

- therefore, activities or households able to pay most, usually gain access to it.
- It would negate the necessity for extensive public land acquisition in central areas. This process would probably prove to be either extremely expensive (perhaps unaffordable), or politically sensitive.
 - It would enable public authorities to actively promote a more desirable pattern of urban development.

State Land Sale

Plans are currently underway to dispose of various parcels of vacant and under-used state land within South African cities. The current fiscal pressures facing both central and local government have prompted many public authorities to contemplate the sale of their land holdings to private developers in an attempt to provide an additional source of revenue.

In Cape Town, for instance, the Department of Public Works and Land Affairs has been instructed to dispose of tracts of public land occupied by the South African Defence Force (including Youngsfield), and planning consultants have put forward proposals for the SA Navy's holdings in Wingfield. The sale of further public land is also under consideration.

In addition, recently 'privatised' state bodies are planning to dispose of some of their land. Transnet has invited engineering consultants to tender proposals for the development of the Culemborg railway yards, and the Marconi Beam site (controlled by Telkom) has been identified by the Milnerton Municipality as a possible location for new 'higher-order' development.

This process of land disposal is occurring without adequate consultation, over what are essentially public assets. It is unlikely that sale to private developers will be in the broader public interest. Certainly there is no consensus as to the appropriate role these strategic land parcels should play in future urban development.

These land parcels should be developed into mixed-use urban environments, primarily accommodating lower income households. Not all land need be developed for this purpose however, as it may be necessary, for instance, to either provide additional land for industrial activities incompatible with residences, or large green open spaces for release from intense

urban activity. In addition, these parcels need not be developed exclusively for lower income groups, as it is often beneficial to integrate income groups. The bulk of residential development should however accommodate lower income households.

For this to happen it is essential that the bulk of state-owned urban land remains in public ownership, so that the land costs that would normally exclude lower income groups from these developments can be subsidised.

It is clear that should centrally located state land fail to be developed for lower income groups, the opportunity of providing a large number of poor households with an environment that will begin to address the massive spatial inequalities that have resulted from decades of apartheid policies, will be lost; and a pattern of urban growth that has proven extremely costly, will continue unchanged. The Urban Problems Research Unit and the Development Action Group are currently undertaking research to illustrate that the development of this land for lower income groups is not only feasible, but critically necessary as well.

As a matter of urgency, efforts should be made to prevent the sale of these tracts of land to private developers. The state land issue is of national importance, and effective decisions regarding their disposal should be made. UPUA

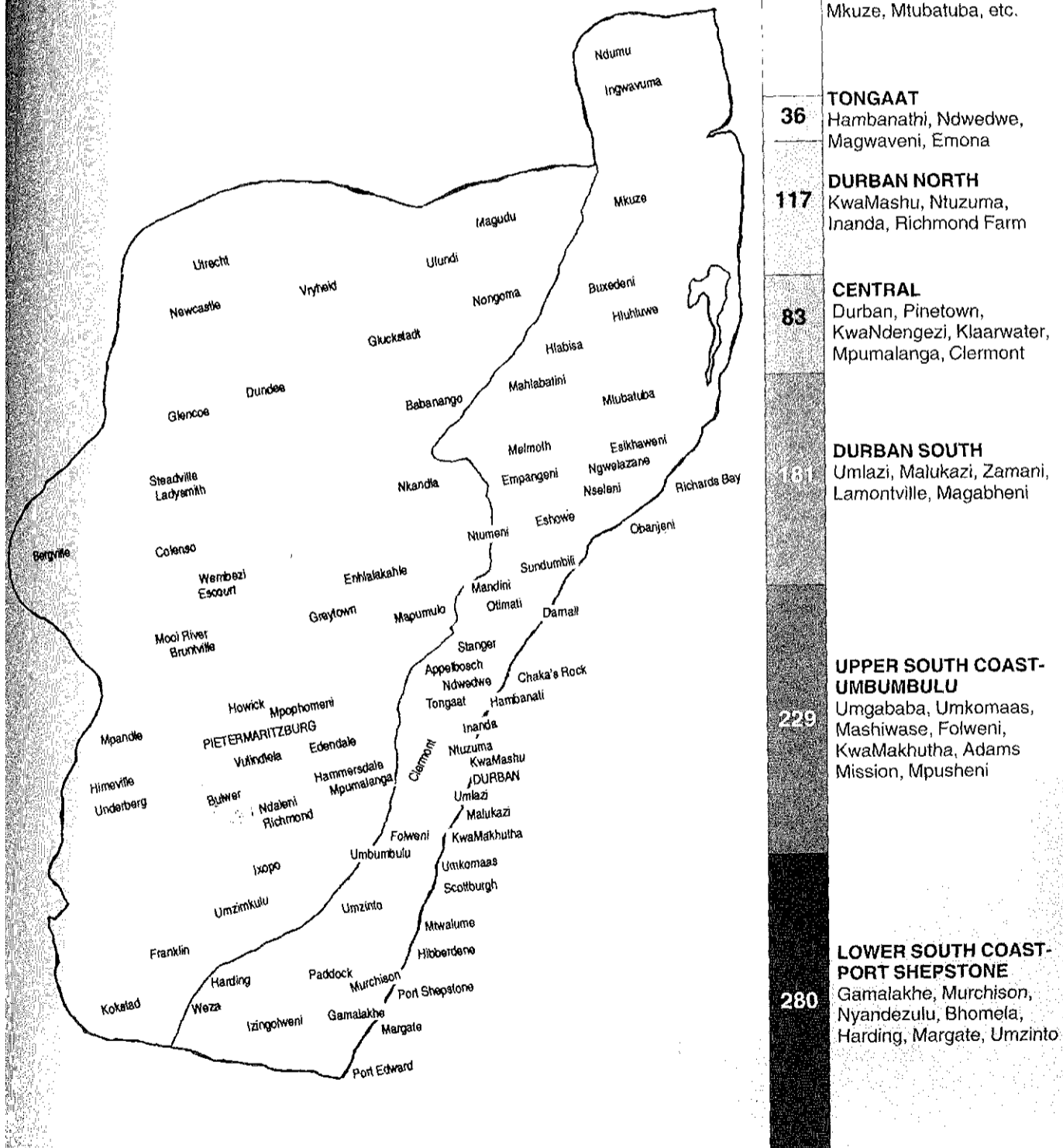
REFERENCES

- Behrens RB and Watson V. 'The Compact City?: Evaluation of the Costs of Urban Growth in Metropolitan Cape Town'. Working Paper No 46. Cape Town: Urban Problems Research Unit, UCT, 1992.
- Cape Town City Council. 'Annual Report of the Medical Officer of Health'. Health Department, Vol 1 and 2, 1990/1991.
- Clark P. Personal communication. Transport Section, Town Planning Branch. Cape Town City Council, 1992.
- Clark P and Naude A. 'Bus Subsidisation in South Africa'. Pretoria: National Institute for Transport and Road Research, CSIR, 1986.
- Dewar D and Uytendogaardt RS. 'South African Cities: A Manifesto for Change'. Cape Town: Urban Problems Research Unit, UCT, 1991.
- Gasson B. 'Landscape Attributes and Capacities: The South Western Cape'. Part 2. *Landscape Southern Africa*: July/August, 1989.
- Liebenberg and Stander Consulting Engineers. 'Public Transport Study for Cape Town Metropolitan Area - The Metropolitan Road Network: Travel Demand, Operation and Performance'. Report T8/91 (Draft), 1992.
- Naude A. 'Urbanisation and Transport in the PWV Region: Implications of Alternative Urban Structures', report for the Urban Foundation, 1987.
- Patterson J. 'Cost Comparison of the Development of Infill Areas Against the Development of New Peripheral Areas in the Cape Town Metropolitan Area'. Unpublished report to the Urban Foundation (Western Cape), 1988.
- Smit DP and Todes A. 'An Evaluation of Approaches to Metropolitan Spatial Management in South Africa'. *South African Geographical Journal*, 1990.
- UPRU. 'An Overview of Development Problems in Metropolitan Cape Town'. Working Paper No 40. Cape Town: Urban Problems Research Unit, UCT, 1990.
- Urban Foundation. 'Cape Town: Future Options?'. Urban Debate 2010. Johannesburg: The Urbanisation Unit, 1990.
- Wesgro. 'South Africa's Leading Edge? A Guide to the Western Cape Economy'. Cape Town: Wesgro, 1992.
- World Bank. 'South African Urban Sector Reconnaissance: Urban Land Issues'. World Bank Mission, Section 2, Part 2, 1991.

These land parcels should be developed into mixed-use urban environments, primarily accommodating lower income households

URBAN MONITOR

REGIONAL BREAKDOWN OF FATALITIES IN NATAL COASTAL REGION:
1991-1992 (UP TO MAY)





Who will fill the gap?

Sanlam have for years been quietly funding tertiary education in our country.

Providing improvements to buildings, purchasing new and more advanced equipment...and, most recently, helping struggling libraries.

It's all part of our philosophy...that assisting higher education is one of the best ways of assuring all our tomorrows.



Assuring your tomorrow

For sure!

POLITICAL CONFLICT IN NATAL, 1989-1992

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

This overview of conflict trends in Natal is based primarily on material collected from local newspapers, the Indicator SA's newsclipping bank and the records of various monitoring agencies. The collection of data on political conflict forms part of a joint CSDS-Indicator SA-HSRC research project which investigates patterns of collective action in South African society (see discussion in *Indicator SA*, Vol 9/No 1: 43-45).

Between 1987 to mid-1990, Natal became the flashpoint of conflict in South Africa. During this period, the violence spread to communities around Pietermaritzburg, who saw massive destruction of life and property in 1987, and again in early 1990. The violence occurred in peri-urban shack settlements and townships marked by hardships such as squalid living conditions, inadequate facilities, rapid urbanisation and physical conflict over limited resources. Between 1990 and 1991 the clashes spread from the Pietermaritzburg/Durban corridor to the coastal regions of Natal and inland to rural areas, where the violence is embedded today.

Periods of political transition are the most volatile for any society. This overview presents conflict trends since 1989, focusing on 1990/91, when the government set the transition process in motion. While the conflict can be attributed to a wide range of factors, recent violence has a distinctly political flavour. What has developed into a battle for political hegemony, exacerbated by random killings, has caused widespread death, destruction and homelessness for thousands of ordinary people. With negotiations underway, the conflict has escalated, making the political climate in the region quite unsuitable for free and fair elections.

Trends in 1989-1990

In the six year period between 1986-1991, the fewest incidents and fatalities were recorded in 1989 and in 1986 (the latter when unrest levels were relatively low in Natal). Collective action in 1989 was concentrated in the *Durban region* where 60% of incidents occurred, while 37% were recorded in the *Midlands region*. Mpumalanga (outside Hammarsdale) and the Durban area were flashpoints, with violence reaching extreme levels in Mpumalanga between July to November 1989. While this study found that in 75% of cases adequate explanations of the events were not possible, monitors have identified certain features in these areas:

In the Pmb-Dbn corridor, Mpumalanga and Shongweni, areas once totally dominated by Inkatha, became contested regions (Aitchison, 1989), characterised by conflict originating out of long-standing clashes between youths and local authority structures. The KwaZulu Police and 'kitskonstabels' were also linked to the unrest, with

residents making claims of intimidation and attacks by these parties.

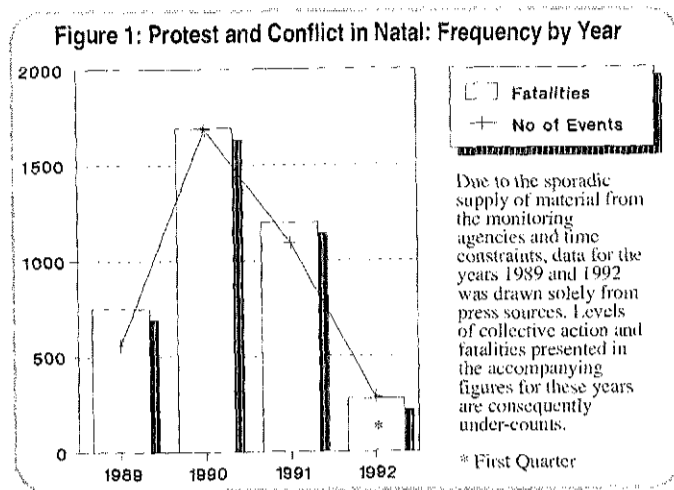
In the townships around Durban, the conflict was shaped by clashes between United Democratic Front (UDF)-aligned youths and Inkatha vigilantes, competition over scarce resources, problems in the education system and high crime levels (*Natal Monitor*, 1989). Here also the activities of the KwaZulu Police (KZP) were often criticised, while South African Police (SAP) and Defence Force (SADF) actions varied from area to area. The perception of security force bias and the lack of arrests and convictions, is a persistent trend which has contributed to the overall breakdown of law and order throughout Natal.

Political events at the national level probably shaped the pattern of collective action in the first few months of 1990. Figure 2 shows the dramatic increase in the number of incidents of both violent and non-violent (marches, rallies, etc.) actions immediately after the unbanning of organisations on 2 February and the release of Nelson Mandela on 11 February 1990. While the expectation was that celebration rallies would probably contribute significantly to this increase, only one march was recorded in the Durban area on 11 February.

The so-called 'Seven Days War' broke out in the Pietermaritzburg area on 25 March 1990, with Inkatha launching massive attacks and counter-attacks on residents of surrounding townships. The scale of these attacks was unprecedented in Natal, as the most common form of conflict until then had been small-scale attacks on people and property. By the middle of 1990 the frequency of events had declined to pre-1990 levels, while in the Transvaal unrest simultaneously began to increase with the first Inkatha-ANC clashes at Sebokeng which left 24 people dead.

Another important feature of the 1990 conflict was the spread of violence to the coastal areas of Port Shepstone in the south and Empangeni in the north (see map on this monitor cover). Levels also remained high in the metropolitan areas where 47% of collective action was recorded in Durban and 34% in the Midlands region.

Possible reasons for the increase in violence are the attempts by actors to establish and consolidate their political positions in communities after the unbanning



of national political organisations. The conflict was largely between the youth and trade unionists on the one hand, and the Inkatha-dominated tribal authorities on the other (*Natal Monitor*, 1990). In some cases action against the recently unbanned groups was unprovoked; the 'Seven Days War' is such an example. This destructive set of events came just over a month after an ANC peace mission led by Mandela had visited the unrest areas of Natal.

The actions of the security forces were of particular importance in 1990. Predictably, the reported presence of the police during unrest situations increased from 22% in 1989 to 34% in 1990, as the level of collective action increased. The highest number of security force fatalities were also recorded in 1990 (39), as were the highest number of civilian deaths as a result of security force actions (120).

It is likely that the presence of the police is under-reported, and that police activity is reported more often when their actions are conspicuous. The statistics show that the most common form of security force activity in 1990 tended to aggravate the situation, in the form of *inter alia*, intimidation, harassment and illegal raids.

The use of lethal weapons by the police also featured considerably: 117 of the 120 civilian deaths in police action occurred in the first six months of 1990, compared with the 49 civilian deaths which occurred in police action in the whole of 1991. The inability of the government to control the actions of the security forces during this turbulent period has been recognised (Nathan and Phillips, 1991).

The actions of the KwaZulu Police continued to be a cause for concern in 1990, in Umlazi and KwaMakhutha in particular, where allegations of KZP participation in attacks were not uncommon. As was the case in 1989, perceptions of the SAP and SADF differed, although the SAP were widely believed to favour Inkatha (*Natal Monitor*, 1990). The continued presence of criminal gangs, *comtsotsis*, warlords and vigilantes, especially in the Durban area, was evidence of the failure to maintain law and order.

Trends in 1991-1992

The frequency of collective action in the region decreased in 1991, with 1 201 events recorded compared with 1 694 in 1990. Total fatalities also declined from 1 685 in 1990 to 1 094 in 1991 (see Figure 1). Unrest levels were nevertheless high from month to month, and while conflict continued in the coastal areas, the violence spread inland to rural areas like Richmond and Mooi River (see Minnaar in this issue). The Durban and Midlands regions experienced equally high levels of collective action in 1990 (39%), while 12% of incidents occurred in Southern Natal. In the second half of 1991, unrest escalated in the informal areas around Durban, such as Malukazi, Uganda and Ekuthuleni (*RMG Bulletin*, March 1992).

The first three months of 1992 have seen fatality levels climbing, with 371 deaths compared with 349 over the same period in 1991 (*RMG Bulletin*, March 1992). Since 1990, fatality levels have escalated from January, reaching a peak in March each year. This indicates that while the country-wide upsurge in conflict during March this year may be linked to the referendum, it inadequately explains the annual upsurge in Natal. Almost one-third of Natal fatalities in March 1992 occurred in Umlazi (*Natal Monitor*, March 1992), during clashes at the Uganda shack settlement (see Nina in this issue).

In a similar trend to 1990, the most common type of violence in 1991 and 1992 involved small-scale attacks on people. An increase in assassinations and the targeting of key individuals (who according to the press are predominantly Inkatha officials), well-planned attacks and the involvement of key community leaders has been documented (*RMG Bulletin*, March 1992). The lack of detail in many press reports is the crucial factor which inhibits more specific classification of events in this study.

The 1991-92 period has also seen an increased mobilisation and politicisation of hostel dwellers in Natal, although not on the scale experienced in certain Transvaal hostels in mid-1990 (see Seekings, *Indicator SA*, Vol8/No3) and in June 1992. The SA Hostel Dwellers Association was launched in Umlazi on 19 May 1991. It was addressed by several local Inkatha leaders, who urged resistance to attempts at converting single-sex hostels into family units (*Natal Witness*, 20/5/91). Violence in Bruntville between 1991-92 (see Minnaar in this issue) and more recently in Umlazi was centred on the antagonism between hostel dwellers and residents, while in KwaMashu, hostels have been a factor in much of the conflict in recent years.

Peace Initiatives

Peace accords were a major feature during 1991, but the impact of these on violence levels has been limited. Figure 2 shows that the rate of collective action actually increased after the ANC-Inkatha

accord reached on 29 January 1991. A second ANC/Inkatha meeting in Durban on 30 March which drew up a five-point peace plan was followed by rising levels of conflict.

The National Peace Accord signed on 14 September 1991 also had little effect in the short-term, with the rate of collective action increasing in Natal in October and November. In terms of this accord, a Regional Dispute Resolution Committee was established in Natal, but despite several attempts at forming others, the only Local Dispute Resolution Committee (LDRC) which meets regularly is that in Umlazi (RMG Bulletin, March 1992).

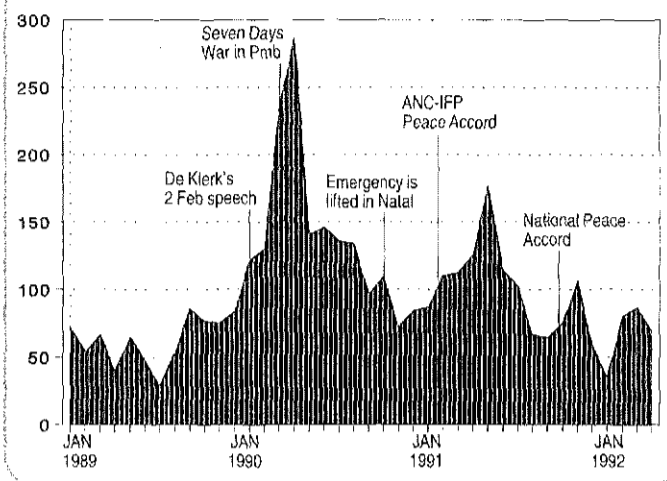
Initiatives are underway to establish LDRCs in seventeen other areas throughout Natal, although in places like Bruntville and Tongaat, these efforts have been unsuccessful. Several components of the Accord which would help resolve disputes arising in the LDRC, enable the more efficient conviction of perpetrators, and allow for special investigations of police activity, have still not been implemented by the government (see Nina in this issue). Inaction by the authorities reduces the likelihood of success for structures like the LDRCs.

Positive trends in policing are now reported more often, and in certain areas the arrests of notorious perpetrators of violence has resulted in a decrease in conflict (RMG Bulletin, March 1992). Some monitoring agencies have praised Durban's Riot Police unit, among others, for responding rapidly and effectively to calls for assistance (Natal Monitor, August 1991; RMG Bulletin, March 1992), while more restrained police behaviour at protest marches, increased convictions and the attendance of the SAP at community meetings has been recognised (Nathan and Phillips, 1991). It is interesting to note that statistics (1989-1992) show that of the small percentage of events (33%) where the victims were identified as belonging to a particular group, the security forces were most often targeted.

Despite the security reforms introduced by President de Klerk in 1990, and sections of the National Peace Accord which aim to improve policing of unrest, certain security force activities are still cause for concern. Although the police may not be the main perpetrators of the violence, the nature of policing may well contribute to rising levels of conflict. Research carried out in the PWV area over the 1970-1984 period shows that the mere presence of security forces at events increased the subsequent rate of collective action by 39%, compared with events where they were absent (Olivier, 1990).

The role of the KwaZulu Police has become increasingly problematic, both as perpetrators of violence and through neglecting to protect people and make arrests. The extent of this problem has been well documented by the Legal Resources Centre and Human Rights Commission in Durban, in a major report based on case studies, which finds that the

Figure 2: Protest and Conflict in Natal: Frequency by Month



most serious allegations made against the KZP are:

- harassment and intimidation, sometimes in the form of shootings and assaults;
- collusion with Inkatha elements and/or participation with these elements in attacks;
- disruption of political activity, e.g. at meetings;
- failure to assist complaints and investigate matters; and
- complainants are usually non-Inkatha people. (LRC, HRC, Dec 1991:5).

A crucial factor facing Natal is the breakdown in law and order due to years of mistrust of the security forces and a lack of faith in the legal process, which collectively have failed to prosecute the perpetrators of violence. The recent Trustfeeds convictions of a SAP Captain and four special constables illustrate that the legal system can function effectively. Nevertheless, the attempts by senior policemen to cover up the incident shows that little has been done to improve the relationship between ordinary people and the police (see de Haas in this issue).

Some changes in policing are nevertheless evident, and certain components of the Peace Accord have the potential to improve policing still further. The Peace Accord and related structures have a vital role to play in facilitating conflict resolution in Natal. Success will depend not only on the cooperation of political parties and their supporters, but also on participation by the government and its agencies. IDPA

ACKNOWLEDGEMENT

The Black Sash Repression Monitoring Group (RMG), the Centre for Adult Education (CAE) (Natal University, Pietermaritzburg) and the Midlands Crisis Relief Committee made significant contributions to the data for 1990/91. Small contributions were also made by the Inkatha Institute and the Maurice Webb Race Relations Unit at CSDS (Natal University, Durban).

REFERENCES

- Aitchison J. 1989. 'Natal's Wastelands', in *Indicator SA*, Vol7/No1 Summer 1990. Durban: Centre for Social and Development Studies, University of Natal.
- Black Sash. *Repression Monitoring Group (RMG) Bulletin*. Durban, March 1992.
- Natal Monitor. 1989, 1990, August 1991, March 1992.
- Nathan L and M Phillips. 'Security Reforms', in *Indicator SA*, Vol8/No4, Spring 1991.
- Olivier J.L. 'Causes of Ethnic Collective Action in the Pretoria-Witwatersrand Triangle, 1970 to 1984', in *South African Sociological Review*, Vol2/No2, 1990.
- 'The Role of the KwaZulu Police: Impartial Law Enforcement or Obstacle to Peace?' Report by Legal Resources Centre (Durban) and Human Rights Commission (Durban), 13/12/91.

MAYHEM IN THE MIDLANDS Battle for Bruntville

Anthony Minnaar

Centre for Conflict Analysis, Human Sciences Research Council

The conflict in Bruntville, on the outskirts of the small town of Mooiriver in the Natal Midlands, made frontpage headlines in the 1990s. It was bypassed by the political violence which had engulfed the bigger urban townships of Natal in the 1980s. Bruntville was often described as a model township, progressive and peaceful. This case study, based on firsthand interviews conducted in February 1992, indicates that no community appears to be immune from the endemic conflict in the region.

The mobilisation and politicisation of the youth caused a build-up of tensions between them and their parents

The conflict at Bruntville began with the usual youth versus parents divide. It soon progressed to a confrontation between political activists in the community and the elected town council of Bruntville. When a civic association entered the fray, existing social tensions between the community and the hostel dwellers led to open clashes. The conflict was further politicised when the hostel dwellers turned to Inkatha for support while the civic openly aligned itself with the ANC.

The Youth

The youth of Bruntville, like elsewhere in Natal, inevitably became caught up in the tide of general revolt against authority. During the school boycotts, they established the Bruntville Progressive Association but this early initiative did not survive for very long. In 1987 they started the Bruntville Youth Congress (Bryco) under the mantle of the United Democratic Front (UDF) as a new vehicle for the expression of their aspirations.

In October 1988 Bryco organised a peaceful march through Mooiriver where a petition dealing with national issues was handed to the town clerk. They also exerted pressure on the Bruntville town councillors to resign. Towards the end of 1989 numerous attacks (stonings and petrolbombings) on houses of people identified as supporting 'the system' were carried out by the youth. There were also a number of attacks on the police barracks (a house near the railway hostel).

In the leadup to local elections for the Bruntville Town Council in October 1988, two of the councillors, David Mhlaba (the mayor) and Dereck Majola, resigned under pressure from the youth and Bryco. After the elections the town council appeared to

lose the confidence of the community amidst various allegations about widespread corruption. The Council was perceived merely to be a rubber stamp for the Natal Provincial Administration.

Residents of Bruntville complained that council posts had not been properly advertised but were given to council supporters, that housing sites were allocated to friends, and that households were paying different amounts every month for electricity and water without receiving any receipts. Eventually, a community meeting in January 1990 demanded that all councillors should resign. When they obliged, the NPA appointed a new, white township administrator on 1 April 1990.

The mobilisation and politicisation of the youth caused a build-up of tensions between them and their parents. A certain degree of estrangement was evident between the two groups. In an effort to resolve certain difficulties, Bryco organised a 'reconciliation' party in the Bruntville Community Hall on 31 March 1990 which was attended by approximately 600 parents and an equal number of youth.

The Hostel Dwellers

There are two hostel compounds situated adjacent to the township - the railway hostel for employees of the railways and the NPA hostel. The NPA hostel is commonly referred to as the 'Mooitex' hostel since most of the inmates were employed by the Mooitex factory in Mooiriver (the biggest employer in the district, though it remains open on a temporary basis only at present).

There has always been a certain amount of social tension between the community and the hostel dwellers. Bruntville residents accuse the hostel dwellers of interfering

with the women of the township while the hostel dwellers maintain they are continually denigrated and excluded from community life. The youth are antagonistic and envious towards these 'uneducated, rural traditionalists' who find employment while they [the educated youth] remain unemployed. These simmering tensions exploded into open violence when national politics came to town.

In April 1990 some youths from Bruntville removed a number of gas cylinders from the hostel to use to burn down a certain Majola's house (not ex-councillor, Dereck Majola). Majola (an Inkatha supporter) had allegedly been killed in the Howick township of Mpophomeni by ANC cadres. During the burning of his Bruntville house the police killed one of the youths. Bryco's call for a work boycott to protest the killing led to disagreement between the hostel dwellers and the youth.

The hostel committee (formed in late 1989 under the chairmanship of Walter Mchunu) wanted a meeting to discuss the work boycott which they felt was unfair since it affected mainly them and other workers in Bruntville. A Parents' Committee was formed and a meeting held with the hostel committee. At the meeting the hostel dwellers maintained that the killing should have nothing to do with work. They also demanded that the gas cylinders stolen from the hostel be returned. They felt that if the youth had not been seen removing the cylinders the hostel dwellers would have been blamed for the burning of Majola's house.

The Civic

The Parent's Committee soon legitimated themselves by holding elections, and a Bruntville Civic Association officially came into being on 1 June 1990. When the civic held their elections, they excluded the hostel dwellers entirely as the hostel dwellers had a hostel representative voted onto the town council. This exclusion was keenly felt by the hostel dwellers, however, and a definite rift began developing between them and the community.

Soon after the establishment of the civic the youth held a 'June 16th' commemorative meeting in the community hall. The meeting was typical with loud noise, many slogans and the singing of political songs. After the meeting, against the wishes of the police, the youth went toyi toying through Bruntville. The youth erected barricades

which were broken down by the police who proceeded to chase the youth, eventually resorting to firing live ammunition.

A stand-off developed between the police and the group of youths, and two youths not in the toyi-toying group inadvertently came between them and the police. One was shot by the police commander while the other managed to get away. The youth killed was a popular local matriculant and soccer player. At his funeral a week later various speeches were made, with the representative from ANC headquarters urging the community to take action.

After the funeral the civic issued a call for Bruntville to come out solidly in support of the ANC. The hostel committee held a meeting with the civic and objected to this call. They pointed out the difficulty for them of being 'ANC' during the week but under Inkatha-controlled tribal authorities when they return over weekends to their rural homes.

After this meeting relations deteriorated between the civic and the hostel dwellers. Rumours abounded that preparations were being undertaken to attack anybody who did not support the ANC-aligned civic.

At this stage, the civic demanded that they should take over the right of site allocation from the town council. They also demanded that all administration rights be abrogated to them, so that they could act like a legitimate town council. Their requests were refused by the administration. The civic now decided that only members of the community had the right to make use of facilities like the community hall. This stance led to a further deterioration in relations between the community and the hostel dwellers.

The Clashes

The hostel dwellers advertised a meeting for 7 November 1990 in the community hall to discuss their problems. But the civic opposed the holding of this meeting in 'their' community hall and publicly warned of the possibility of violence if the meeting went ahead. The hostel committee were just as adamant that the meeting would proceed as planned.

Just before the meeting was to take place it was discovered that all the chairs had been moved and packed away and that the electrical wires had been cut. Police permission was granted to the hostel

There has always been a certain amount of social tension between the community and the hostel dwellers

These simmering tensions exploded into open violence when national politics came to town

The assassination of the chairman of the Bruntville civic in 1991 inflamed the community and raised the stakes

committee chairman, Mchunu to hold the meeting outdoors. After the meeting the hostel dwellers were escorted back to the NPA hostel by the police.

However, the railway hostel dwellers, on approaching their hostel which was further away from the NPA hostel, found the entrance blocked by a crowd of youths. Some managed to get through the crowd into their compound but incidents of stone-throwing occurred. The help of the NPA hostel dwellers was called in and they drove the youths away. This heralded the start of open conflict between the youths and the hostel dwellers. Apparently shots were fired from a white kombi at the hostel dwellers, injuring one of their number. Later that night, one of the railway hostel units was burnt down.

The next day the hostel dwellers, fearing another attack, left their hostels and congregated on the hill behind the hostels. Tensions increased throughout the day with rumours that the hostel dwellers were arming themselves for an attack on the township, and vice versa, that armed ANC supporters were being bussed in to attack the hostels. Late on the afternoon of 8 November 1990 the hostel dwellers swept down on the township and in the ensuing attack fifteen people were killed. The hostel dwellers claim that their attack was meant to pre-empt an encircling movement from the township while the township residents claim that the attack was sudden and unprovoked.

Afterwards, continual sporadic violence occurred between the hostel dwellers and the township residents, in particular the youth. The conflict became more overtly political in March 1991 when the hostel dwellers and a small number of township residents began to join the Inkatha Freedom Party (IFP). There was also open antagonism between the chairman of the hostel committee, Walter Mchunu, and the chairman of the civic, Dereck Majola. Mchunu allegedly threatened Majola's wife and although a charge against him was laid with the police nothing came of it.

An official branch of the IFP was established in Mooiriver on 14 July 1991. It soon claimed a membership (excluding the approximately 1 000 hostel dwellers) of 600 in Bruntville. Unfortunately, the new members soon found themselves to be targets and a number had their houses firebombed or stoned. (By September 1991 most of the IFP supporters in Bruntville had been driven out or left of their own accord,

leaving the township solidly in the ANC camp.)

In May 1991 the civic instructed the residents to ignore the township administration and not to pay their utility accounts. In any case, there was an effective boycott of payments since the municipal offices were right alongside the NPA hostel and township residents were afraid to pass the hostel and pay their accounts at the municipal offices.

Both sides in the conflict now accused the other party of provocation. The hostel dwellers maintained that the ANC would bring in armed people from outside who fired potshots at the hostel and then left by way of the backroads. The hostel dwellers warned that they would launch a retaliatory attack on the township dwellers. But the ANC claimed that the hostel dwellers' attacks were unprovoked and aimed at destabilising the township and driving the ANC activists out.

The Assassination

In the midst of this conflict came the assassination of the chairman of the Bruntville civic, Dereck Majola. On the night of 24 April 1991, both he and his wife were gunned down in his house by three men masked with balaclavas who got away in a waiting car. This assassination inflamed the community. They turned their wrath on the hostel dwellers since they suspected that the hostel chairman Mchunu was behind the killing.

At the end of April, Mchunu's son was shot and injured while attending class at the Eminyezaneni High School. Two youths came into the classroom and shot him in front of the other pupils. It was claimed that the shooting was in retaliation for the assassination of Majola since Mchunu's son was suspected of being the driver of the getaway car. This incident led to the disruption of the school, which remained effectively closed until the beginning of 1992.

Sporadic incidents of violence and intimidation were perpetrated by both sides throughout 1991. In May 1991 the hostel dwellers began openly carrying spears, even in the centre of Mooiriver. They claimed that the weapons were for their protection but the act was seen as particularly provocative and intimidating, not only by the ANC but also by many of the town's white inhabitants.

The public display of spears by hostel dwellers in the centre of Mooiriver was seen as provocative and intimidating

The Labour Boycott

The conflict between the community and the hostel dwellers also spilled over into the workplace. At this stage the Mooitex textile factory in Mooiriver (owned by AngloVaal) was the major employer in Mooiriver with a workforce of 1 150. In 1990, 55% of the total workforce were hostel dwellers, 35% from Bruntville and the balance from the outlying areas (i.e. farms). But this ratio later changed to 65% from the hostels, only 5% from Bruntville with the rest from Rosetta and farms.

For many years the SA Clothing and Textile Workers Union (Sactwu) were the only union recognised by Mooitex management. At the beginning of 1990, 96% of the workforce belonged to Sactwu but in September/October 1991 there occurred a sudden changeover to the Inkatha-aligned union, the United Workers Union of South Africa (Uwusa).

Since the trouble began, Mooitex have found themselves inadvertently becoming a selective employer. At the beginning of June 1991 between 400 to 500 Mooitex workers refused to return to work, citing workplace intimidation (one worker was killed in the canteen). The company sent out ultimatums that they must return to work. When only 200 workers returned the rest were replaced by temporary workers who queued at the factory gates for employment (all of whom were Inkatha supporters). This perceived bias considerably added to the tensions within the community.

In late July 1991 two separate incidents of violence led to more attacks. In the first a group of seventy people were fired on in the township by two gunmen who drove off in their vehicle. Later on the same day, five hostel dwellers on their way home from work on the late shift at the Mooitex factory were ambushed and two injured by gunmen. The next day the hostel dwellers launched a revenge attack against Bruntville in which four people were killed and four houses burnt down.

On 13 October 1991 the ANC called for a business and work boycott. The boycott was to protest the public carrying of spears and other dangerous weapons by the hostel dwellers. Originally called for three days, the boycott carried on for three weeks with allegations of large-scale intimidation.

The Mooiriver business community also formed an Action Committee. After the first

week they issued an ultimatum of their own - they threatened to dismiss any of their workers who did not return to work. This boycott brought most business activity to a virtual standstill. While embittering many Bruntville residents who felt that the white community were being unsupportive of their demands, the boycott also alienated large numbers of whites.

The continuation of the violence between the hostel dwellers and the Bruntville residents had led to whites becoming totally unsympathetic towards either side. The Mooiriver Town Council had also enraged the ANC by applying to have Bruntville declared an official unrest area. The ANC maintained this did not address the crux of the problem, namely the carrying of spears in public.

The extent of white disillusionment with the situation became apparent when the Afrikaner Weerstandsbeweging (AWB) visited Mooiriver. On 26 October 1991 the AWB made a show of strength when 30 armed and uniformed rightwingers from various parts of Natal came to town to 'show solidarity with Mooiriver'. Mooiriver, a traditional bastion of white liberalism, welcomed their presence, with many townspeople expressing disquiet at the continuing lawlessness and violence in their town.

The tensions created by the boycott spilled over in another full-scale attack by the hostel dwellers on Bruntville. On the night of 3 December 1991 shots were fired at the hostel. In the early hours of 4 December 1991 the hostel dwellers swept down on the township in a well-organised attack, killing 18 people, nine males (one over sixty, another in his thirties, the rest youth of 18-20 years old) and nine women (the elderly and children).

On 3 June 1992 the management of Mooitex announced that the plant would be temporarily closed because of the ongoing conflict between ANC and Inkatha supporters in Bruntville. Aftex, the holding company, alleged that the violence had led to 'ongoing disruption to production, high absenteeism, cancellation of orders, financial losses and general lack of cooperation' despite discussions between union, worker and employer representatives.

The local ANC branch in Bruntville alleged that the closure of Mooitex was prompted by a 30 per cent wage demand and the threat of strike action. The workers who stayed in the hostel feared that the move

The conflict between the community and the hostel dwellers also spilled over into the workplace

The ANC business and work boycott carried on for three weeks, with allegations of large-scale intimidation

It seems that both the warring protagonists, Inkatha and ANC, have become isolated from grassroots support in Bruntville

was a ploy to close down the hostel and thus eliminate the physical point of friction in Bruntville. They were convinced that the temporary closure would fulfil demands by the civic and the ANC that the company should only rehire township dwellers and exclude outsiders (i.e. hostel dwellers). The company denied all of the above allegations, and re-opened the plant on a trial basis on 20 June 1992.

The Goldstone Commission

In response to the ongoing violence, the Goldstone Commission of inquiry into Violence had held a special sitting in Mooiriver during January 1992. The chairman, Justice Goldstone, made concerted efforts to get the participants to commit themselves to the peace process by making them publicly state their willingness to participate in establishing a Local Dispute Resolution Committee (LDRC) for Mooiriver.

The first meeting of the LDRC was held on 21 January 1992. Unfortunately, the ANC made a number of demands which were published in the press. At the second meeting on 29 January the Inkatha delegation withdrew, stating that they could not take part in the light of the public demands made by the ANC.

The interim chairman of the committee, MC Pretorius, arranged to meet Inkatha supporters in the community hall on 3 February to discuss their future participation. On arrival at the community hall, however, he found a crowd of toyi toyi ANC supporters who refused to allow him access to the hall. Both sides said in interviews that they had been 'press-ganged' into participating in the committee before they were ready to take part.

Breaking the Cycle

The fact that legitimate socio-economic problems were exploited in order to establish hegemony over the township has led to Bruntville becoming locked into a cycle of violence. The youth had tried to mobilise themselves in order to improve, among other things, the educational facilities. The civic had tried to take over the administration of the township from the NPA in order to eliminate what they perceived as inefficiency and corruption. In the process, however, the hostel dwellers found themselves excluded from community decisions and their leaders felt

threatened and marginalised.

Matters were not helped by the inflammatory and provocative speeches made and newspaper interviews given by both sides. The failure of the Local Dispute Resolution Committee to get off the ground was almost inevitable considering how deeply embedded the antagonisms are in the psyche of the community.

Practical ways of breaking out of the cycle of violence are needed. One obvious solution would be to ban the carrying of dangerous weapons in public and at political meetings. Another would be to remove the NPA hostel from the boundaries of the Bruntville township (the railway hostel has already been vacated). The development of recreational facilities (Bruntville only has one abandoned soccer field) would also help in occupying the energies of the youth more profitably. Discipline in the schools needs also to be reasserted while job creation is a priority since unemployment levels are extremely high in the township.

The community at large is tired of the violence and would like to be left alone to carry on with their lives. It seems that both the warring protagonists, Inkatha and ANC, have become isolated from grassroots support. The community should elect their own leaders to serve on their civic or town council without having an ANC or Inkatha leadership imposed upon them. Even then, the violence will not abate until the supporters of both parties in the conflict show an open commitment to work for genuine reconciliation and peace. At present this sentiment is sadly lacking on both sides.

Bruntville is by no means an isolated case in the saga of political violence in South Africa. The polarisation between the politicised youth and hostel dwellers has been fully exploited by various political groupings in the struggle for power within specific townships. However, in the process it is always the community itself which bears the brunt of the violence and suffers the most. It is not enough merely to try to manage the conflict through committees, by deploying extra security forces or by fencing in the hostels. The root causes of the underlying socio-economic problems need to be actively addressed. **NPA**

Acknowledgement

An abridged version of an article in *Patterns of Violence: Case studies of conflict in Natal*, edited by the author and published by the HSRC in 1992, forthcoming.

The struggle between youth and hostel-dwellers in Bruntville is by no means an isolated case in the saga of political violence in South Africa

THE GHOSTS OF TRUST FEED

Mary de Haas, Department of Social Anthropology, University of Natal

The findings in the Trust Feed trial in the Pietermaritzburg Supreme Court raise serious questions about the dynamics of political violence in Natal/KwaZulu, particularly insofar as the administration of law and order is concerned. This report looks at the implications of the revelations about security force complicity, the controversial role of the KwaZulu Police in law enforcement and the corruption of power and justice.

In March 1989 Cosatu released a report entitled 'The role of the police in vigilante violence in the Pietermaritzburg area' which detailed incidents of violence in Imbali township over a 28 day period between December 1988 and January 1989. At a press conference held to coincide with the release of the report a Cosatu lawyer alleged collusion with Inkatha 'at the highest echelons' of the South African Police (*Weekly Mail*, 23-30/3/89).

A call for a Commission of Enquiry was ignored, and there were predictable responses to the Report from the police and Inkatha. The Commissioner of Police announced that they were investigating whether Cosatu had, in holding the press conference, broken restrictions placed upon the organisation (*ibid*). Categorically denying collusion between Inkatha and the police, the General Secretary of Inkatha pointed out that no court of law had ever tried, let alone convicted, SAP members for such collaboration.

However, to those closely involved in monitoring the violence in other areas the report simply confirmed what they themselves had been told by victims, and reports which had filtered through to the 'alternative' media. Their protestations were widely dismissed as resulting from political bias and/or as lacking in evidence. Three years after the release of the Cosatu report, and several thousand deaths later, the Trust Feed trial produced the proof which so many had claimed did not exist ...

The Massacre

In April 1992 five members of the South African Police (SAP) - Captain Brian Mitchell and four 'special' constables - were found guilty of having murdered eleven people - two men, seven women and two children - during an all night funeral vigil on 3 December 1988, at house T83 Trust Feed in the New Hanover district of the Natal Midlands. The story of events

leading up to this massacre unfolded in the Pietermaritzburg Supreme Court during the five month trial.

Trust Feed was one of many 'black spots', i.e. black freehold land areas demarcated by the 'bantustan' policy for white occupation. Faced with the threat of removal a Crisis Committee consisting primarily of tenants of the landowners was formed in 1986, and set about resisting removal and upgrading facilities in the area. Their successful efforts won them overwhelming community support, but aroused the ire of the landowners.

Through local Inkatha Chairman Jerome Gabela, the landowners argued in 1987 for control and the imposition of the 'tribal' structure of rule of a chief and indunas which was absent in the area. A Development and Services Board report issued in November that year concluded, amongst other things, that the call by Inkatha and the landowners was in 'direct conflict with the wishes of the people of Trust Feed' and that 'That there is no evidence that these men have any support, nor that they could engender any support given an open election' (*Natal Witness*, 7/12/88; *Sunday Tribune*, 2/2/92).

It was this situation of lack of Inkatha support which Captain Mitchell conspired, together with Inkatha leader Gabela, to remedy. As station commander at New Hanover, Mitchell was chairman of the Local Management Committee, a sub-division of Joint Management Committee (JMC) structures. The JMC's, set up in terms of the National Security Management System, involved members of the security forces, along with ordinary civil servants, at all levels of government, and all chairmen were senior officers of the military or police (*Weekly Mail*, 3/8/86).

A committee of Inkatha members, under Gabela, was formed in April 1988 in opposition to the non-aligned Crisis Committee. A major recruitment drive was

The Trust Feed trial produced the proof which so many had claimed did not exist

How many other ineffectual and/or unpopular Inkatha officials have received this type of support?

Although the authorities claim that it was an isolated instance, everything points to the fact that Trust Feed was the tip of the proverbial iceberg

launched, and, towards the end of 1988, attacks on members of the Crisis Committee started taking place. Four persons had died in such attacks just days before the massacre took place at Trust Feed on 3 December 1988.

The Supreme Court found that the massacre was the end result of this planning - planning which had taken place in Pietermaritzburg between Inkatha leadership there (KwaZulu MP David Ntombela) and Major Deon Terblanche, commanding officer of the Pietermaritzburg Riot Unit (subsequently killed under suspicious circumstances by one of his own policemen). The plan hatched had been to attack and/or kill opponents of Gabela who were seen to be UDF supporters. To this end a cloak of secrecy had been thrown over the area which was declared, in terms of the Emergency Regulations then existing, a 'police operation zone', and, to minimise resistance, members of the Trust Feed Crisis Committee had been detained immediately prior to the attack.

A war of words erupted after the killings of 3 December over the political affiliations of the victims (it seems they were non-aligned) and the identity of the attackers, with Inkatha President Buthelezi threatening legal action if blame was directed at his organisation. Fingers were pointed at the actions of the police, who had (not surprisingly in terms of the revelations at the trial) failed to heed warnings by Greytown MP Pierre Cronje about an impending attack.

At Trust Feed itself, events in the week after the attack point to the success of the operation from the planners' point of view. Responding to warnings by Inkatha people, residents, in fear of their lives, either flocked to join the organisation or fled the area (*Weekly Mail*, 9/12/88). In the ensuing months over 1 000 persons fled the area (*Weekly Mail*, 18/5/89) and many of the houses were looted and destroyed (*Sunday Tribune*, 2/2/92).

A call by Pierre Cronje for a Commission of Enquiry into the massacre was ignored. Trust Feed seemed set to join the ever-increasing list of unsolved (and uninvestigated) murders in black areas, in spite of a New Hanover Inquest held in 1989 having found possible police complicity in the massacre.

That Trust Feed did not disappear into history seems due entirely to the efforts of

two policemen, Captain (now Major) Frank Dutton and W/O Wilson Magadla, who had stumbled upon startling evidence of police involvement during their investigations into crimes committed by KwaZulu MP Psychology Ndlovu. The court heard how the launching of their investigations was met with attempts at a cover up, involving senior members of the SAP and KwaZulu Police (KZP). That the prosecution was successful, and justice was, some three and a half years after the massacre, seen to be done, is a testimony to the professionalism and perseverance of these two police officers and their team of detectives.

Security Collusion

Clearly, the case presents a crisis of credibility for the police, and begs the question of how many other Trust Feeds have occurred and have been covered up. How many other ineffectual and/or unpopular Inkatha officials have received the type of support which Gabela did? Indeed, why was such support for an organisation claiming a huge following necessary?

Although the authorities claim that it was an isolated instance, everything points to the fact that it was the tip of the proverbial iceberg. During the trial it was clear that Mitchell himself did not find the deployment of special constables for such tasks unusual, saying that 'the special constables had been used before', and were accustomed to help in taking over UDF areas (*Sunday Tribune*, 2/3/92). The 1989 Cosatu report alleging police complicity in the violence in Pietermaritzburg has already been referred to. There are numerous other incidents of alleged collusion - particularly insofar as omitting to act against Inkatha members involved in violence is concerned - in the Pietermaritzburg area (see Aitchison 1989; 1991).

More recently, Father Tim Smith, a Roman Catholic priest based at Elandskop between 1983 and 1990, has challenged police attempts to portray Trust Feed as an 'isolated instance', with a description of his own observations during the period he spent in the area. Not only did he see police operating together with KwaZulu MP David Ntombela (who had met with Terblanche and others in Pietermaritzburg), but was advised that investigations by the riot police into the role of Ntombela in a number of murders had been stopped because 'the security police will not allow it' (Smith, 1992).

Similar reports of security force collusion with Inkatha have been a feature of violence in the Durban townships since 1985 and, more recently, in reports received from the North and South Coast areas. This collusion takes the form of either open involvement in attacks, and/or a failure to prosecute.

Overt involvement of the KwaZulu Police is conspicuous in attacks carried out by persons associated with Inkatha - a recent example being the raid on the Uganda shack settlement on 13 March 1992, in which 28 persons died (*Natal Monitor*, March 1992). However members of the SAP also continue to be named in assaults and attacks on persons who are ANC-aligned; e.g. there are affidavits linking several members of the SAP to the murder of Ntuzuma activist I Malembe in March 1991, and reports of SAP involvement in assaults on Sipho Cele, Regional Secretary of Cosatu, in Empangeni (*Natal Monitor*, 1991, 1992).

Although the security police no longer officially exist, their successors, now known as the Crime Information Service (CIS), continue to be implicated in attacks on non-Inkatha persons, e.g. Thinzi Dlodla, Chairperson of the Congo (Inanda) ANC, has, since July 1991, been subject to a series of assaults by policemen. In the first of these attacks, after which he required hospitalisation, the assailants were five armed men travelling in a vehicle with no registration plates. Several of his attackers were positively identified as members of CIS (UMAG report, May 1992).

The question as to whether these policemen are acting on behalf of security structures, as they were in Trust Feed, or as a result of personal inclination, is difficult to answer. Although the JMC's have officially been disbanded, there are reports of a new National Coordinating Mechanism (NCM) which continues to deal, amongst other things, with 'counter-insurgency' (*Sunday Tribune*, 8/7/90). Former Military Intelligence officer Nico Basson alleges that the state's strategy continues to support Inkatha (Carlin, 1991).

The Cover Ups

Whilst such allegations are difficult to prove, it is quite reasonable to suppose that the networks established during the JMC years continue to operate informally - and a recent incident in which I was involved suggests that they do.

During 1986 I had been informed that two men whose names have been linked to repeated attacks on non-Inkatha persons, viz the late Winnington Sabelo of Umlazi and Thomas Shabalala of Lindelani were members of the Joint Management Committees. Upon questioning a local Nationalist Party MP about this allegation he did not deny it, but suggested that, given their positions of leadership, it was only to be expected.

On 28 February 1992 an Ntuzuma-bound bus was boarded by armed men, and the passengers were taken to a shack at Lindelani, where they were imprisoned until they either paid a certain sum of money, or promised to do so by a certain date. According to an affidavit by one of the passengers, Thomas Shabalala himself spoke to the prisoners. One of the passengers had been warned to pay the amount demanded by noon on 4 March, at a certain point near the border of Lindelani, or face dire consequences.

On the appointed day, together with two journalists I accompanied the above person to the Inanda police station, approximately 5-10 minutes' drive from the prearranged meeting place, to obtain a police escort, in order to trap the extortionists. In spite of the urgency of the matter we were delayed there for two hours and we finally arrived at our destination over a half hour after the deadline, to find that a 'Hippo' with security force personnel had been moved to the spot. Two members of the CIS, including a person named in assaults on Thinzi Dlodla and other activists, were amongst the police escort, as was one of the policemen named in the Malembe murder.

This type of police support for Inkatha in the form of their presence at attacks or failure to protect victims is more visible than the type of covert support evidenced in cover up attempts. What has become painfully apparent as a result of the Trust Feed judgment is the fragility of the investigative process.

Trust Feed, it seems, would not have happened without the intervention of two key detectives. Not only had the findings of the Inquest not been followed up, but when the investigation recommenced in July 1991 immediate efforts were made to effect a cover up at all levels. The special constables, who had joined the KZP after the massacre, were instructed by a senior member of the KZP (Colonel Mzimela) to go into hiding, and an official driver from Ulundi had been sent to take them to the

It is quite reasonable to suppose that the security networks established during the JMC years continue to operate informally

Trust Feed has pointed to the roots of the political violence and exposed the myth that it is a black-on-black conflict

South Coast home of a prominent Inkatha-aligned Chief (himself named in reports of violence). After they had been apprehended they were allegedly offered money to accept that one lawyer should act for all the accused, which would have been to their disadvantage.

Again the question arises, how many other Trust Feeds have been covered up - and in how many other cases have irregularities occurred during the investigative process? This is a crucial question since, as the Cosatu report pointed out, even by 1989 '5 or 6 vigorous prosecutions in 1987 would have saved the lives of over 1 000 people'.

During his evidence at the Trust Feed trial, for example, one of the accused, van den Heever (who was acquitted) claimed that he could have changed the bridge mechanisms of the guns used by the special constables if he had wished to cover up. Furthermore, the Judge expressed his lack of trust in police documentation, noting that 'files provided by the police have either been suspect or completely inaccurate' (*Sunday Tribune*, 23/2/92; *Daily News*, 22/4/92).

It is up to the police to gather sufficient evidence to pursue prosecutions - let alone procure convictions. If they fail in their duty, justice is not done. In other words, cover up through omission is fatally easy, and difficult to detect. The problems of bias creeping into the investigative process are compounded by existing arrangements, of dubious legal status, which allow the KwaZulu Police to investigate crimes in which they themselves may be implicated.

REFERENCES

- Aitchison J. 'The Civil War in Natal' in G. Moss and I. Obery (eds), *South African Review* 5, Johannesburg: Raven, 1989.
- Aitchison J. 'The Seven Days War: 25-31 March 1990', Pietermaritzburg: Centre for Adult Education, University of Natal, 1991.
- Carlton J. 'SA Military giving arms to Inkatha', *The Independent*, London 11/6/91.
- Cosatu. 'The role of the police in vigilante violence in the Pietermaritzburg area', Released March 1989.
- Natal Monitor*. Summary of political violence in Natal compiled by Roy Ainslie, Mary de Haas and Linda Mkhize, March 1991 and March 1992.
- Pauw J. *In the Heart of the Whore*. Halfway House: Southern Books, 1991.
- Smith T. 'Trust Feed wasn't a one-off massacre', *Weekly Mail*, 15/5/92.
- UMAG (Unrest Monitoring and Action Group), Democratic Party. Report on events in Congo, Inanda 1-17 May 1992.

The Corruption

Trust Feed has provided proof of the degree of complicity between the police and Inkatha and apparent cover up at high levels in both the SAP and KZP. In so doing it has pointed to the roots of the political violence in which so many lives have needlessly been lost, and exposed for once and for all the myth that it is a 'black-on-black' conflict.

As a result of the revelations it is reasonable to suppose that many other areas which were, like Trust Feed, 'peaceful havens', have been turned into war zones, with all the consequences for the individuals concerned and our society as a whole. Like so many other war zones, Trust Feed has not returned to normal. Most of the residents who fled have not returned, and their houses stand empty or destroyed

(personal communication, Pierre Cronje and Peter Kerchoff of PACSA).

On the positive side, however, Trust Feed, together with other recent revelations about security force involvement in the murders of political opponents (e.g. see Pauw, 1991) has undoubtedly raised public awareness. It has reinforced confidence in the high standards and independence of the South African judiciary. Also, most importantly, it has, like the conviction of KwaZulu Deputy Minister Samuel Jamile (in which the same officers were involved) made a crucial start in the long process of restoring confidence in the police in black communities. For the police themselves, the ghost of Trust Feed will linger on, and must surely act as a deterrent to similar cover ups - even if only to avoid the opprobrium of being caught out.

In a sense, of course, the policemen involved in such behaviour have been corrupted by the awesome power they have been allowed to exercise, and the racist nature of our society which has allowed them to operate, in such secrecy, primarily against black people. There are welcome signs that this lesson has been learned, and that their power is becoming diluted, with the repeal of legislation prohibiting reporting, and the establishment of structures facilitating more interaction between the police and communities. This can only further the cause of justice.

Trust Feed is not yet over, however, and the spotlight remains focused on how senior members of the police force will respond to events arising out of this case.

Will Major Dutton, who has been left with far fewer men after the disbandment of his Wartburg base, be given a full complement of detectives in order to tackle numerous important cases of political violence? What of the open Commission of Enquiry into the various irregularities which were uncovered, called for by Justice Wilson? Unpalatable as the truth may be, it is imperative that it comes out if the root causes of the violence are to be addressed. An internal police enquiry is already underway, and the Minister of Law and Order is in the process of deciding whether or not to opt for a judicial enquiry. Nothing less will satisfy the demands arising from the Trust Feed case. **TPA**

Acknowledgement

The author has benefitted from discussions with Dr Paulus Zulu of the Centre for Social and Development Studies in writing this article.



IMPLEMENTING THE NATIONAL PEACE ACCORD

*Daniel Nina, Visiting Research Fellow,
Centre for Social and Development Studies, University of Natal*

The level of political violence in South Africa is worse today than it was a year ago: in Natal/KwaZulu, for example, the death toll in political violence has increased steadily between 1991-92. In March 1992, 140 political killings were reported in Natal, more than in any of the preceding 18 months. This report highlights some of the issues that are impeding a peaceful transition in one community, Umlazi. It also addresses some of the shortcomings in the implementation of the National Peace Accord in this region.

Uganda, a squatter camp in Umlazi on the outskirts of Durban, is located in a privileged position: the Indian Ocean is visible from any of the shacks located on the top of a hill. Moreover, nature is at its best and can be felt and appreciated by residents of this settlement: the birds, butterflies, trees and even fresh air. Perhaps, nature is trying to compensate these shackdwellers for what the 'old' South Africa never provided their community with: adequate houses and resources, education, health services and respect for their human integrity, regardless of their race.

But nature has proven not to be enough for the residents of Uganda. For several days in early March 1992 this squatter camp came under violent attack from a neighbouring hostel, Unit 17 (also known as T section) - an Inkatha controlled hostel. In this onslaught 25 shackdwellers were killed, mainly women and children. Peace is not reigning in Uganda any more; the residents are vigilant and have no time to relax or enjoy the seaview.

The story of Uganda is not too different to that of other parts of Umlazi, where political violence has torn apart the daily lives of many of the inhabitants. Reducing the problem mainly into an Inkatha/ANC conflict would be at this stage too simplistic, however. To conclude that the National Peace Accord (signed on 14 September 1991) has failed in preventing violence, consolidating peace and fostering a culture of reconciliation and political tolerance, would also be premature.

Acting in Accord

The National Peace Accord (NPA) is the culmination of an initiative launched by religious leaders and members of the business community who were concerned with the level of political violence in South Africa since the mid-1980s. It represents the first multilateral agreement between all the major political organisations that are contesting power in the country. Indeed, the Accord is a comprehensive document which addresses many of the problems

Local dispute resolution committees do not have the necessary power to enforce peace or investigate violence

related to violence; it also creates or defines a series of structures that should help to implement the agreement. The government is to take responsibility in financing its implementation.

A code of political conduct, a code of police behaviour, regional dispute resolution committees, local dispute resolution committees, special criminal courts, a police board and a police reporting officer, were defined by the NPA. To activate some of these clauses requires funds and state resources (for example, the special criminal courts), on the one hand. To develop and consolidate the political culture and reign of tolerance requires the voluntary participation of the political parties signatories to the Accord, on the other.

The statutory changes that are necessary to implement the NPA require state intervention. The government is able to decide at its own pace, however, when and how to make operational aspects of the agreement. For example, one section of the NPA establishes the police board: a body composed of members of the public and the police force that will make recommendations to the Minister for Law and Order in relation 'to the training and efficient functioning of the police, with a view to reconcile the interests of the community with that of the police' (section 3.3.3).

The police board is of fundamental importance to the agreements reached by the different political parties in the NPA. Due to the dubious record of the South African Police on basic human rights, such a body becomes of extreme importance. However, it took seven months for the government to convene this monitoring body (Kriel, 1992). Much public criticism has arisen over the slow pace of government implementation of this clause.

The same conditions apply to the establishment of the Police Reporting Officer (sections 3.2.4.1 to 4), a position that would serve as a liaison between the communities and the police in order to report any grievance against a police officer. This clause of the NPA has not been implemented. This has precluded communication between communities and the police in certain areas where political violence has demanded speedy contact with the security authorities.

A fundamental objective of the NPA is to bring violators of this agreement to

account. For such purpose the Accord re-defined the role of the Justices of the Peace in order to provide the necessary resources to the local dispute resolution committees. The Justices of the Peace, due to the authority conferred on them by law, could help in the process of investigating violations of the Accord and referring those cases of violations, when appropriate, to the Attorney-General; also, the Justices of the Peace would intervene in mediating between parties in dispute, and would enforce principles of natural justice (sections 7.5.2.1 to 7).

However, at the time of writing the government has not enacted the proposed legislation that would empower the Justices of the Peace to conduct the duties defined in the Accord. This certainly is depriving local dispute resolution committees of the necessary power to enforce peace or investigate violence.

The same applies to the special criminal courts that were defined in the NPA (sections 10.1 to 7). These courts were intended to facilitate speedy trial of perpetrators of political violence, avoiding dealing with the delays of the ordinary criminal courts. It is important to raise the fact that this was agreed by all the signatories to the Accord. However, the government has not launched such courts, and instead has indicated its intention to extend the business hours of the ordinary criminal courts in order to deal with these matters. So far even this has not been done.

The [Goldstone] commission of inquiry on political violence was established by an independent statute of Parliament (Prevention of Public Violence and Intimidation Act, 1991), and was also incorporated into the NPA (chapter 6). However, this commission has shown, so far, its limitations in preventing political violence in the country. The commission has been conducting fact-finding missions on the causes of political violence throughout the country but it is not empowered to bring individuals or groups responsible for such actions to court.

The Goldstone Commission has an important role to play. In the meantime, something must be done proactively to stop the escalating violence. Power could be conferred on this commission to prosecute those who have been found in breach of the law and responsible for political killings. Also, the recommendations suggested by the commission to the Minister of Law and Order should be taken into consideration

The special courts intended to facilitate speedy trial of perpetrators of political violence, have not been implemented

and implemented; if this is not feasible, perhaps the law should be modified to empower the commission to implement some of its own recommendations.

These are some of the factors that should be considered in assessing why the NPA has not yet had a sustainable impact on violence levels throughout the country. There are certainly some important achievements, for example: to have a multilateral national agreement; to establish the foundations for consolidating a culture of political tolerance; and to create the means to make the security forces more accountable. However, due to the level of political violence and the lack of speed in implementation, if at all in some aspects, the general assessment of the National Peace Accord some nine months later is a negative one.

Local Level Violence

One of Natal's only two local dispute resolution committees (LDRCs) is based in Umlazi. The duties of this committee, are *inter alia*:

- to create conditions in the community conducive to political tolerance and peace;
- to reconcile community leadership in disputes, including the security forces; and,
- to facilitate long-term socio-economic development and reconstruction in the community.

The LDRCs differ in composition to the Regional Dispute Resolution Committee (RDRC) of Natal/KwaZulu, where all the signatories to the National Peace Accord are actual participants. In Umlazi, however, the only representatives on the LDRC are those of the security forces, the Inkatha Freedom Party and the African National Congress.

In other words, in Umlazi the solution of the political conflict is once more reduced to a bilateral one. This certainly transforms the nature of the national solution to the problem of political violence, in which the participation of all the major political parties is a fundamental feature, into an ANC-Inkatha conflict. Also, the way in which the LDRC has been arranged precludes the participation of other community members that are not aligned to political organisations: for example, the civic organisations and the community business sector.

The practical effect of reducing the number of parties participating in this committee, is to reduce the possibility for Inkatha or the ANC to be made accountable to other sectors of the population that ordinarily would not be represented by either party. This problem should be addressed in the future.

Another fundamental problem in Umlazi, however, concerns the control of resources. The KwaZulu government, by controlling the local council and the allocation of material resources, wields a great deal of power in a polarised community which is more aligned to the ANC than to Inkatha. This political division is reflected in the policies of the local council of benefiting those settlements in which their political constituency lives, rather than the whole of the community.

In implementing the Peace Accord and in establishing the sub-committees of the LDRC (dealing with socio-economic development and reconstruction), obstacles have been encountered when dealing with Inkatha and the local council. In short, the LDRC emerges as a competing political force for the financial and material resources controlled by the local council. In an implicit contest for constituencies, Umlazi's councillors are not prepared to relinquish the power of patronage.

The security forces are the other major problem. The lack of implementation of certain aspects of the NPA is definitely precluding the LDRC from making the security forces more accountable in this region. However, Umlazi also raises the problem of the KwaZulu Police (KZP), which, in this particular area stands accused of being involved in actions of violence. In the case of the Uganda settlement, for example, there were many allegations that the KZP was involved directly as well as in support of the Inkatha members that left the hostel to attack the community (HRC, 1992).

In the case of Umlazi there is a convergence between the state and the 'homeland' authority. This has a direct impact on the administration of law and order: the KZP and the SAP are under two different commands, which affects not only the coordination of patrolling in certain occasions, but also affects the question of making these same forces more accountable.

This situation has an immediate consequence: the decline in law enforcement. The perception that the people

The Goldstone Commission of Inquiry has shown, so far, its limitations in preventing political violence in the country

The commission conducts fact-finding missions on the causes of political violence but it is not empowered to bring individuals or groups responsible to court

Pressure must be brought on the government to speed up the process of implementation of the National Peace Accord

The actions of both the security forces of the central government and of the homelands (in particular, the KZP) will have to be closely monitored in the transitional period

of Umlazi have of the KZP is that of a terrorising force. Where people prefer not to contact the police, crime (whether 'ordinary' or politically orientated) goes unreported and is not investigated. A breakdown in law and order follows, criminal activity increases, the perpetrators of political violence are not prosecuted, and an environment of chaos reigns in the community (BSRMG, 1992).

Finally, much more effort is needed from either the LDRC in Umlazi or by the political organisations themselves to educate the community about the implications of the NPA. There is a real problem of communicating what is discussed behind closed doors in the LDRC to the community at large. Neither Inkatha nor the ANC have sufficiently developed systems of community structures to publicise the substance of agreements among their grassroots membership. Furthermore, there is an evident need to create a formal mechanism to deal with the diffusion of information to other sectors of the community.

Proposals

Since 1982 almost 12 000 people have been killed in politically related violence throughout South Africa. To blame Inkatha, the security forces, the ANC or other agencies, is not enough. What is necessary today, and in particular after the signing of the National Peace Accord, is to bring the forces that are terrorising the communities to book and to discipline them.

Pressure must be brought on the government to speed up the process of implementation of those aspects of the Accord that require legislation to be enacted by parliament. Also, the control of state resources has not yet become more accountable to the whole of society, hence the need to demand from the government (the National Party) a change of attitude in relation to the implementation of the National Peace Accord.

The actions of both the security forces of the central government and of the homelands (in particular, the KwaZulu Police) will have to be closely monitored in

the transitional period. The launching of the police board is just a beginning. More has to be done to discipline and prosecute those members of the security forces who violate the law.

In the case of Umlazi, the conflict between the local administration and the Local Dispute Resolution Committee might need to be resolved at another political level: where the future of the 'homelands' should be discussed. Also, it would be necessary to integrate more representatives of the broader community into the proceedings of dispute resolution.

In Umlazi, so far, everything is undertaken at one level, behind closed doors and with the participation of only two of the political groups: Inkatha and the ANC. There is no connection between conflict at the grassroots level and the structures created by the National Peace Accord. Different means of communication should be used to disseminate information about the Accord and the proceedings of the Local Dispute Resolution Committee. Also, local structures should be established to ensure the wider participation of all community sectors.

At the national level, serious consideration should be given to the idea of bringing in an international peace-keeping force, to be involved in communities where political violence is endemic. This police/military force should be attached to the United Nations and should be locally accountable to the [transitional] government and to the communities where it would be located. It could play an important role in creating conditions for stability and reconciliation in a society currently wracked by political violence and intolerance. **UPWA**

Acknowledgement

The author would like to thank the Human Rights Commission (Natal Office) and the Independent Law Enforcement Facilitation Office for their cooperation in supplying information.

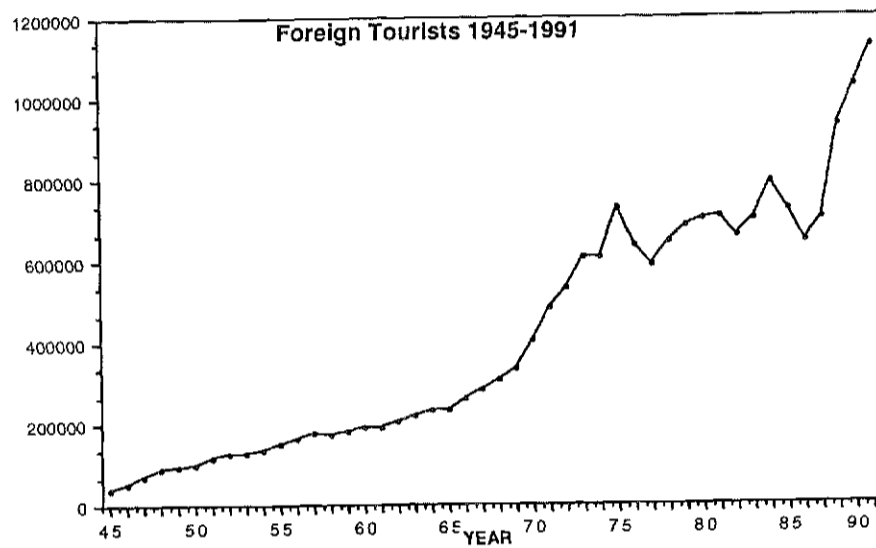
REFERENCES

- Black Sash Repression Monitoring Group (BSRMG). *Final Report*, 1992.
- Human Rights Commission (HRC). 'Bulletin No 1', 1992.
- Kriel H. 'Press release by the Minister of Law and Order', 27 April 1992.

INDUSTRIAL

M O N I T O R

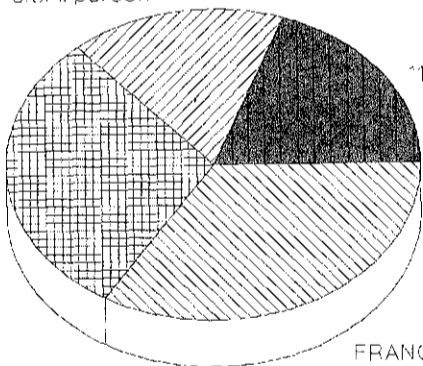
The Growth Industry: Domestic Tourism in South Africa



SOUTH AFRICA
9.5m/person

SPAIN
1m/person

ITALY
17m/person

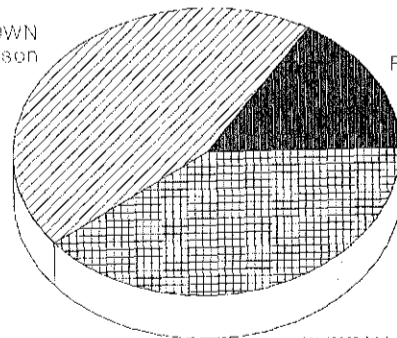


Beach Densities - Metre of Coastline/Person

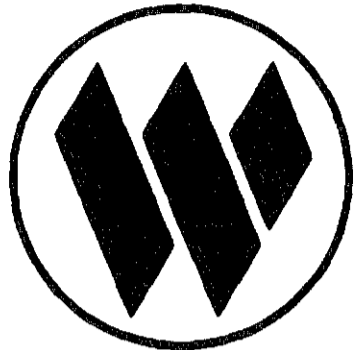
CAPE TOWN
9.4m/person

PORT ELIZABETH
3.4m/person

Beach Densities - Metres of Coastline/Person in South Africa



DURBAN
8.4m/person



WOOLTRU

committed to
the Future of South Africa.

WOOLWORTHS TRUWORTHS TOPICS makro



STARCKE
ASSOCIATES

The econo-political
resource.

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

Everite roofing slates & shingles * profiled roofing
sheets * flat & moulded facade panels * fascias
* barge boards * ceiling boards * gutters &
downpipes * building planks * internal
partition boards * windowsills
* water tanks * septic
tanks * plant
containers



50 years of
quality products from
the Everite Group

* **Everite**
manholes, water
& sewer pipes * **Paxit**
flat & profiled translucent
sheets * **Santar** subsurface drainage,
cable conduit pipes * **Agriplas** * drip &
micro irrigation systems * **Vaal Potteries**
baths * WC suites * hospital & laboratory equipment
* plant containers



NATIONALISATION

THE COMMANDING HEIGHTS

Jessica Schroenn, Department of Economics, University of Natal, Pietermaritzburg

The economic policies associated with political reform play a central role in the national debate about the shape of the 'new South Africa'. The ANC's initial proposals for nationalisation of industry as a means of attaining socio-economic objectives generated heated discussion, although its stances and statements have not been consistent and appear to have moderated. The fluidity of the political debate invites a reexamination of this policy from an economic perspective.

The question of nationalisation - government takeover of an industry or business previously in the hands of private citizens, with or without consent of the former owners, and with or without fair compensation - is highly emotive, and has provoked strong responses from across the political spectrum.

Important motives underlying the calls for nationalisation in South Africa, on the one hand, include the desire for state control of strategic industries, the expansion of investment and its direction to developmental priorities, redistribution of wealth, employment creation, affirmative action, and the reduction of concentrated economic ('monopoly') power.

Another motive is the need for provision or extension of basic services and infrastructure. Nationalisation calls made on these grounds may be seen as a response to the state's (now stalled) privatisation initiatives. As the economy stands at present, these calls are not for the nationalisation of existing private firms: rather, they amount to demands that the state halt the privatisation of essential goods and services, which would arguably result

in their undersupply to lower income markets. Further opposition to privatisation stems from its being seen as a means of diminishing the economic power base of a post-apartheid government.

Arguments opposing nationalisation, on the other hand, are drawn largely from property rights and X-efficiency theories: public firms are likely to be less efficient than private, since the former are sheltered from capital market disciplines (that is, they cannot go bankrupt or be taken over) and are regulated by politicians and civil servants who (unlike their private sector counterparts) do not have direct vested economic interests in enhancing efficiency.

As well as this productive or X-inefficiency, nationalised firms are frequently accused of allocative inefficiency. Misallocation of resources results from failure to pursue optimum pricing and production policies - for example, producing at a loss, average cost-pricing, or cross-subsidising.

Opponents of nationalisation argue that there are two major impediments to reducing misallocation and cutting costs.

Nationalised enterprises in the UK performed dismally in terms of growth in output, employment, labour productivity and total factor productivity

First, owing to the nature of public ownership and the size of the nationalised industries, issues related to the running of these enterprises are politicised, and economic decision-making is constrained. Second, public ownership raises expectations: consumers expect 'fair' prices and the provision of unprofitable services, while workers believe they have an unassailable right to jobs and wages. Both groups are confident that the government will, if necessary, supply the public corporations with money.

Comparative Experience

Most of the relevant literature from industrialised countries deals with the comparative efficiency of public and private enterprise. The issue of efficiency is especially important for South Africa, because of its implications for long-run economic growth - a factor upon which this country's economic and political future hinges.

Some of the most comprehensive studies of the performance of state enterprises have been undertaken in the United Kingdom. These studies have focused on nationalised industries in public utilities, transport and communications, and manufacturing and extractive industries, a sector accounting for around 10-11% of GDP through the 1970s and early 1980s. Their findings generally indicate that public firms are less efficient than private firms.

For instance, in a major study of British industry post-1968 (Pryke, 1981), nationalised enterprises were found to compare dismally with the manufacturing industry as a whole in terms of growth in output, employment, labour productivity and total factor productivity. Although gas, telecommunications and airways seemed notable exceptions, in general the nationalised industries failed to exploit marketing and product development opportunities, and did not improve staffing standards, efficiency, or the utilisation of plant and equipment. Their inherent inefficiency offset or dissipated any gains from the use of new, more productive technology. This dismal performance was attributed to bad management, inappropriate investment planning, and the obstructive attitude of excessively powerful trade unions.

However, some evidence can be presented to contradict the assertion that productive efficiency is necessarily lower in public

firms. The records of individual public enterprises may be cited to support this view, for example:

- In the USA, the Tennessee Valley Authority (TVA) - a nationalised firm controlling the water and natural resources of the Tennessee River basin and adjoining region - is among the cheapest sources of power in the country. The TVA operates under competitive market conditions, and uses private sector pricing criteria.
- In France, the car manufacturer, Regie Renault (confiscated by the state in 1945 on charges of collaboration with Germany) followed a path of bold expansion and export promotion. By 1975 it was the largest French car manufacturer and the leading seller of cars in the (then) EEC. Renault received no privileges by virtue of state ownership, relying largely on self-finance and independent borrowing.
- Another French example is the oil company, Elf-Aquitaine - 70% of which was state-owned through the 1970s and early 1980s. The French oil industry is characterised by competition among subsidiaries of the multinational oil companies, the private French Total group, and the state company Elf-Aquitaine. Though a latecomer, the latter achieved industrial success rapidly, pursuing a dynamic exploration policy, acquiring large interests abroad, and developing its refining capacity to account for a quarter of the French market in 1980.

So it seems that public firms are not necessarily inefficient. The performance of state-owned enterprises in semi-industrialised countries is far more disturbing, however. Evidence from Africa and Latin America shows that, in most cases, earnings from public enterprises are low; many run losses; and in some countries, cumulative public enterprise deficits have reached substantial proportions. (In a study of nineteen African countries, for instance, public enterprises were found to average an overall deficit of around 4% of GDP - Short, 1983.)

Thus, far from generating the hoped-for surplus for investment, public enterprises have had difficulty financing their own operations, and have become increasingly dependent on central government resources. These firms have also become a burden on domestic banking systems,

However, some evidence from the USA and France contradicts the assertion that productive efficiency is necessarily lower in public firms

making up credit and crowding out private sector investment. Public enterprises often overborrow, because their debts are (tacitly or officially) government guaranteed, and management is not held accountable for these loans. This in turn leads to high debt-equity ratios and a hefty debt service burden.

Poor Track Record

So by standard economic and financial criteria, public enterprises have on the whole performed poorly. Nor do they seem to be attaining non-commercial goals (Nellis, 1986): there is little evidence that these firms have provided the expected benefits in employment creation, income redistribution, technology transfer or improving regional equity. Further, countries claiming positive results in these areas have not investigated whether similar or better results could have been attained by other, lower cost methods.

This disappointing performance can be traced to several factors. Firstly, as public organisations, state-owned enterprises may be required to meet non-commercial or social objectives. Governments often fail to order objectives in terms of priority, and seldom evaluate the social costs and benefits of non-commercial activities. This is compounded by a general lack of incentives or penalties for fulfilment or non-fulfilment of targets. So enterprise managers often attempt to pursue all goals at once, or effectively determine their own goals.

Secondly, frequent and arbitrary interference by politicians in the running of public enterprises is another cause of poor performance. This is exacerbated by highly centralised governments and the emphasis of procedures and regulations over productivity and profitability.

Thirdly, price controls, implemented for socio-political reasons, have contributed to inefficient resource allocation, operating losses, diminished financial responsibility, and greater reliance on central government resources.

Poor investment decisions are a further cause of dismal performance, reflecting the scarcity of managerial and technical skills, and the weakness of incentives - if subsidies are readily available to prop up ailing enterprises, it does not matter if projects are unprofitable.

Additional problems arise with regard to employment, where public enterprises are likely to face strong socio-political pressures to raise wages substantially or to hire more employees than is strictly necessary. This reduces any surplus generated, while overstaffing may depress morale and productivity. Overstaffing at the lower levels of public enterprises in developing countries frequently coexists with severe shortages of skilled labour and especially trained and experienced management. Higher private sector remuneration, and bureaucratic hindrances to the efficient running of public firms, reduce the supply of competent managers (which is in any case scarce in these countries) to the public sector.

Illiquidity of public enterprises has been another problem, particularly in Africa (Nellis, 1986). Many are not paid at all, or paid very late for their services; few government bills are paid on time, and many enterprises do not pay taxes or each other.

Furthermore, in public enterprises in many semi-industrialised countries, accounting practices are questionable, lack of standardisation makes comparisons difficult, and accounts are often completed only after lengthy delays. This lack of relevant, up-to-date information may produce arbitrary and damaging management decisions. It also shelters the operations of the firm from the pressures of public scrutiny and hinders any attempt to hold management accountable for enterprise performance.

None of these problems is an inevitable result of state ownership of enterprises; theoretically, all of them may be resolved by appropriate policy measures. It is disturbing to note, however, the number of countries which have suffered serious economic damage because of their failure to resolve one or more of these difficulties. The efficiency of public enterprises in developing countries, and their ability to generate a surplus, will to a large extent determine the amount of resources available for future investment, the productivity of that investment, and the growth prospects of those economies.

Domestic Constraints

There seems little cause to believe that South Africa will escape all of the problems encountered by public enterprises in semi-industrialised countries. A policy of

By standard economic and financial criteria, public enterprises have on the whole performed poorly

South Africa will not escape all of the problems encountered by public enterprises in semi-industrialised countries

The evidence from elsewhere suggests that, at least in a competitive context, private is more efficient than public production

nationalisation that is recklessly implemented would be accompanied by at least some of the negative effects encountered elsewhere, the most significant of which include:

□ **loss of efficiency**

The balance of evidence from elsewhere suggests that, at least in a competitive context, private production is more efficient than public. Nationalisation would do nothing to increase competition or contestability; in fact, it would be most likely to diminish existing product market competition. This, together with the protection from capital market disciplines which public ownership affords, could give rise to characteristic public enterprise inefficiency.

□ **sapping of fiscal resources**

Reduced government revenue from nationalised industries and a drain on fiscal resources are typical of nationalised industries in developing countries. Increased taxation is a further possibility: if major concerns are nationalised and their former pre-tax profits used for welfare, the state would be likely to maintain the level of its fiscal resources by raising taxes on remaining private returns.

□ **disinvestment and capital flight**

South Africa's ability to attract new investment would not be enhanced by the threat of expropriation; state ownership of key sectors may further discourage investors, since state enterprises are notorious for providing poor service and generating fiscal deficits for taxpayers to carry. Capital flight and a continued lack of new foreign investment would be disastrous for the economy's growth prospects, and the implications for unemployment, poverty, and economic and political stability would be accordingly grim.

□ **flight of skilled personnel**

The 'brain drain' is another likely consequence of nationalisation. Skilled personnel are typically fairly mobile internationally, and substantial numbers would be likely to leave if events in South Africa threatened their interests. In fact, the existing shortage of technical and especially managerial skills may act as a constraint on the extent of nationalisation. The ANC acknowledges that serious problems may arise in finding skilled personnel who are loyal to their aims and can run nationalised industries.

□ **compensation costs**

The question of compensation of dispossessed shareholders is likely to be a further constraint on the scope of nationalisation in South Africa. Although the government would have the option of confiscation, by the ANC's own admission the devastating effects of such a strategy on investor confidence would make this an unlikely choice.

Compensation would thus have to be paid at or near market prices. The first question this raises concerns the source of the vast amount of capital which would be required. The second issue is the immense opportunity cost of nationalisation with compensation: scarce public resources would be spent purchasing private industries from (relatively wealthy) shareholders, when they could be employed instead in building up the country's infrastructure, or in eliminating inequalities in the provision of basic services.

Learning from Experience

The preceding review confirms that there have been many disappointments in the results of nationalised industries elsewhere, and that the objectives sought by the proponents of nationalisation have frequently been frustrated. However, the evidence is not entirely damning: some successes have been recorded, and it is possible to identify some of the major factors contributing to the success or failure of state-owned enterprises.

Nationalised industries are established for different reasons, operate under different circumstances, and follow different policies. This suggests that ownership is an inadequate explanation of performance; it is necessary to look beyond public vs private ownership of an industry, to how that industry functions, and the environment in which it operates.

The most important variables affecting a nationalised industry's chances of success include the nature of the industry, the degree of competition in the market, the incentives and controls governing management behaviour, pricing policy, and labour policy. Although these are major issues in their own right, we can summarise the broad impact of each on the performance of nationalised industries and derive some guidelines for minimising the economic damage associated with such a policy.

If major concerns are nationalised and their former pre-tax profits used for welfare, the state would raise taxes on remaining private returns

First, state-owned industries which have been notably successful, or at least on a par with comparable private enterprises (UK gas and telecommunications, Canadian rail and airways, French oil and cars, US electricity and the TVA's natural resource development), are all characterised by large-scale operations which suggest the existence of *economies of scale*. In addition, their costs and outputs are easily measured, facilitating the exposure of unsatisfactory performance by individual enterprises. This type of industry is therefore easily regulated, so the government is able to compensate for the absence of market disciplines by imposing standards of performance.

Second, the degree of competition or contestability faced by firms in their product markets is a well-established determinant of performance, which applies to public firms as much as to private. *Competitive product markets* will increase pressures for allocative efficiency (firms will have to equate price with marginal cost and thus allocate resources efficiently). Pressures for productive efficiency are also increased: a firm facing strong competition will afford its managers little scope to pursue personal objectives conflicting with profit maximisation.

Hence, while a protected public monopoly will probably be inefficient, a public firm operating in direct competition with private producers or facing the threat of potential new entrants to its markets is likely to perform far more satisfactorily. (Thus British Airways under public ownership was regarded as inefficient, whereas Air Canada is considered highly efficient; but while most of the former's routes were strictly regulated, Air Canada operates in an extremely competitive market.) Governments may enhance efficiency by promoting competition (by nationalising only part of a market), or contestability (by putting licences to operate state-owned enterprises out to bid every few years).

Third, there are a number of issues concerning *management incentives and controls*. Vague or conflicting objectives have given rise to poor public enterprise performance. To promote efficiency, the objective of public firms should be profit maximisation (or cost minimisation). Where a government is intent on using the enterprise to pursue social goals (which are, however, often better served by other policy instruments), these goals should be made explicit, their costs calculated, and public enterprises compensated from the state

budget for any additional costs incurred by pursuing such goals.

The degree of *managerial and financial autonomy/accountability* also affects performance. Bureaucratic interference should be avoided; managers should have control over daily operating decisions, and be held accountable for results. Financial autonomy requires that budget constraints be enforced, and public enterprises made to borrow largely from banks and to pay the opportunity cost of capital (as Renault has). The *transparency* of public enterprises is another important pressure for efficiency. This is well illustrated by the policies of the TVA, which makes information on all of its activities freely available to the public in detailed, inexpensive annual reports and regular public board meetings.

Ensuring *competent management* is also essential; inept management has been a problem in public enterprises in both industrialised and developing countries. Selection is a crucial issue, better undertaken by technical supervisory agencies or boards of directors than by political authorities. Further, a clear linkage should exist between performance and remuneration. Finally, dynamic and innovative management responses to a changing market environment should be emphasised, rather than procedures and regulations.

Fourth, *pricing policies* adopted by public firms have a direct impact on their performance. This is potentially problematic, because public enterprises - particularly those providing essential commodities - are likely to be constrained by social objectives. But it is worth stating the general finding: where marginal cost pricing is followed, enterprises have often been successful by economic/financial criteria. Conversely, price controls have contributed to inefficient resource allocation and operating losses, have reduced financial responsibility, and caused public enterprises to become a drain on fiscal resources. Moreover, price-fixing does not allow managers the flexibility to respond to competition.

Lastly, expecting public enterprises to employ more workers than necessary, or to raise wages substantially, damages productivity and profitability. It also tends to raise wage expectations in both public and private sectors, jeopardising international competitiveness and slowing job creation.

A public firm in direct competition with private producers or facing the threat of potential new entrants is likely to perform far more satisfactorily

Expecting public enterprises to employ more workers than necessary, or to raise wages substantially, damages productivity and profitability

An exception is the provision of basic services, which would be undersupplied to lower-income markets if provision were left to the private sector

In the interests of improved performance, public enterprises should follow fair but disciplined *labour policy*. Management should be allowed flexibility in hiring, firing and setting wages, and efforts should be made to shed redundant workers. (This implies that if economic growth alone cannot generate sufficient employment opportunities to absorb the labour force, other means - for example, public works programmes - should be found for alleviating unemployment, so that the performance of state-owned enterprises is not compromised by the pursuit of social objectives.)

Lessons for South Africa

Lessons for South Africa come in two sets. The first points to the failings of nationalisation elsewhere - non-fulfilment of its intended goals, together with diminished efficiency, reduced government revenue and an increasing drain on fiscal resources. It also predicts capital flight, the drying up of new investment, and an exodus of skilled personnel. Moreover, policy-makers favouring nationalisation in this country would be severely constrained by the shortage of managerial and technical skills and a lack of funds for compensation purposes.

If nationalisation is limited to sectors or industries where it is conducive to efficient performance, South Africa may be able to avoid many of the pitfalls

While the importance of the social objectives of nationalisation is recognised, this set of lessons suggests that nationalisation may not be the best instrument for their attainment. An exception here is in the provision of basic services, which would be undersupplied to lower-income markets if provision were left to the private sector. The ANC is resolute in its opposition to the privatisation of public utility corporations, and on this issue its stance is supported by theory as well as international precedent. As regards the other goals of nationalisation, however,

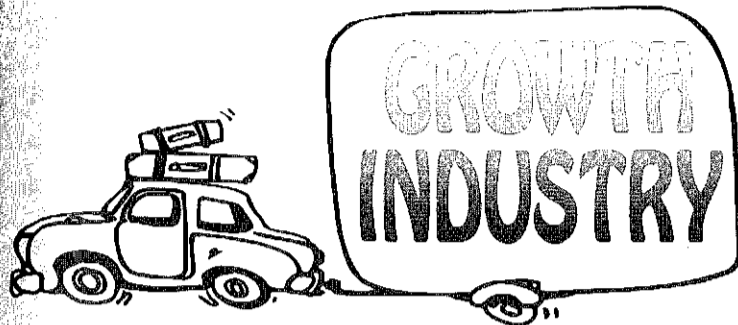
the first set of lessons indicates that other policies may be used to reach the same ends with lower costs and fewer risks.

The second set is directed at a government intent on nationalisation, despite the lessons mentioned above. It suggests that the hazards associated with nationalisation may be minimised if the policy is employed only in industries where economies of scale are large, costs and outputs are easily measured, and competition exists from international or domestic providers of similar commodities.

The efficiency of nationalised enterprises can be enhanced by government promotion of competition or contestability, and by appropriate managerial incentives, autonomy and accountability, transparent accounting and other private sector-type performance standards, as well as by requirements for marginal cost pricing and disciplined labour policies. If nationalisation is limited to those sectors or industries where these variables are conducive to efficient performance, or may be made so by appropriate policy measures, South Africa may be able to avoid many of the pitfalls which have been associated with nationalisation elsewhere. ~~IPWA~~

REFERENCES

- Coleman K. *Nationalisation: Beyond the Slogans*. Johannesburg: Raven, 1991.
- Dreyfus P. 'The efficiency of public enterprise: lessons of the French experience', in WJ Baumol (ed), *Public and Private Enterprise in a Mixed Economy: Proceedings of a Conference held by the International Economic Association in Mexico City*. London: Macmillan, 1980.
- Millward R. 'The comparative performance of public and private ownership', in E Roll (ed) *The Mixed Economy*. London: Macmillan, 1982.
- Nellis JR. *Public Enterprise in Sub-Saharan Africa*, World Bank Discussion Paper No 1. Washington DC: The World Bank, 1986.
- Pryke R. *The Nationalized Industries: Policies and Performance since 1968*. Oxford: Robertson, 1981.
- Schroenn JL. *An Economic Analysis of Nationalisation Proposals for South Africa in the 1990s*, unpublished Masters mini-thesis. Pietermaritzburg: Department of Economics, University of Natal, 1992.
- Short RP. 'The role of public enterprises: an international statistical comparison', in RH Floyd, CS Gray and RP Short, *Public Enterprise in Mixed Economies: Some Macroeconomic Aspects*. Washington DC: International Monetary Fund, 1984.



*Karen Kohler, Tourism
Research Unit, University
of Durban-Westville*

*Ag please Daddy won't you take us
down to Durban
Its only eight hours in a Chevrolet ...*

DOMESTIC TOURISM IN SOUTH AFRICA

Dramatic new developments and opportunities in the tourist industry have followed on the heels of reforms in South Africa in the 1990s. Trends in domestic tourism have also been changing since the mid to late 1980s, with the emergence of a lower income tourist market. This review stresses the importance of tourism to the economy and identifies the new challenges and opportunities offered by tourism.

Tourism has, for a long time, had a critical role to play in the economy of South Africa. As a country offering wildlife, wide open spaces and 'the African Experience', along with many first world services, South Africa offers a great deal to the foreign tourist.

For the greater part of its history, South African local and international tourism was the domain of the white middle class. But, since the middle to late 1980s, the players in the domestic tourism game have changed. Wide-ranging developments have affected the domestic tourism scene and redefined its patterns, problems and future.

New Tourist Class

Domestic tourism in South Africa was an activity in which relatively few people participated in the early days. It was restricted mainly to members of the white middle-class who had the time, the economic means, the social mobility and the inclination for travel and tourism.

Initial tourism structures set up within the country were created within the spatial dynamic of apartheid. Various controls were exerted in terms of where tourists might go and what they might do, depending upon who they were in terms of state race classification of population groups. This did not have far-reaching implications at the time as South Africa's tourist class was small - those few who could afford to pack up and head for the coast for a month or so every summer. Nevertheless, tourism patterns were primarily determined by apartheid ideology.

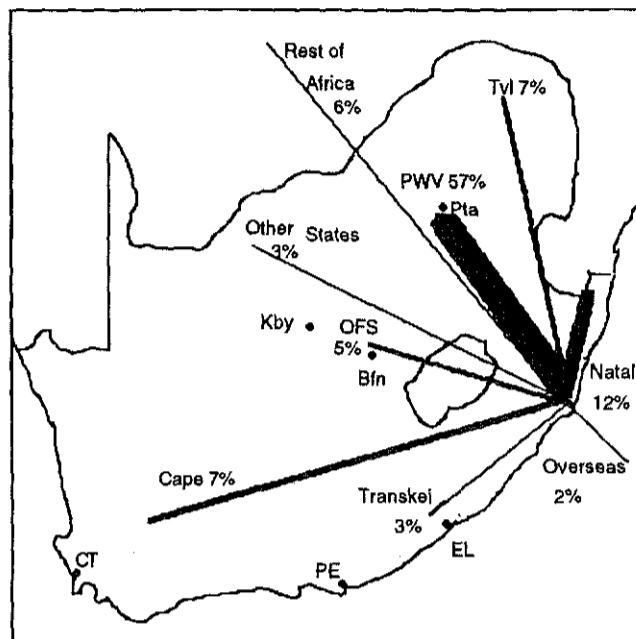
In the last decade there has been a significant change, not only in the type of tourism in South Africa, but also in the social and racial composition of tourists. Tourism used to be a long-duration phenomenon in which holiday-makers moved into hotels at their destinations for a month or so during the summer. Durbanites were well aware of the coastal migration of the 'Vaalies' (see Diagram 1). In those days, it was unaccompanied by significant problems of over-crowding, inappropriate behaviour or social confrontation.

The summer tourist migration to Durban was even popularised in the song by Jeremy Taylor (quoted above) which went on about the wonders of sand and sea and sun, emphasising elements which, at least in the South African mind of the time, were of absolute necessity for a successful summer holiday. The problems were few - the city was well able to cope with the tourist numbers of the day because it was precisely those numbers for which it had planned for in the first place.

Since the mid- to late 1980s, however, the significant and far-reaching changes in South African society have led to large-scale developments in the tourism industry. The greater amount of freedom and number of opportunities in all spheres has meant that domestic tourism has become a boom industry. Growth has been accompanied by serious changes which hold significant implications for managers, planners and professionals in the industry.

With each new study carried out by the Tourism Research Unit, it has become more apparent that the new tourist class of the

Diagram 1: Origins of Tourists to Durban



1990s is both different and in some ways similar to the original group. However, it is also larger than the old tourist class. Behaviour patterns are, interestingly, remarkably similar.

At present, a substantial volume of domestic tourism is comprised of short duration rather than, as before, month-long duration. Large numbers of the new tourists stay with friends or family, camp on the beaches, or stay in tour buses. Tourists to Durban used largely to be white, Afrikaans-speaking, lower- to middle-income families from the Transvaal. Now, the tourists who arrive in the city are mainly black, Zulu-speaking, lower- to middle income individuals or groups, and 64% still hail from the Transvaal.

The tourism structures set up and developed within the apartheid ideology are clearly unable to cope adequately with these social changes. In dealing with the problems which have arisen, a number of challenges have to be identified and met.

Apartheid at Leisure

In terms of spatial location, the vast majority of tourism facilities were formerly available only in white areas with access largely limited to white people, as they constituted the tourist market. The majority of the country's inhabitants were denied access to these facilities on apartheid and economic grounds. The economic resources of the country, which were set aside for recreation and tourism, were used for the

creation of a limited number of segregated facilities. The result was highly unequal access and opportunity.

By the early 1990s however, the internal dynamics of South Africa had changed dramatically. Apartheid legislation was largely set aside, and beaches and other facilities around the country were opened to people of all races. Large numbers of people, who had been denied access to facilities, saw those facilities become available for the first time. Naturally, the pressure on the existing resources, created for quite a different and very limited market, is enormous, more so as very little was done to upgrade tourism facilities in terms of the real but unrealised level of demand.

The results have been markedly evident, particularly during high holiday season at the main holiday destinations along the coast, and specifically in Durban (see Diagram 2). This city strongly reflects the magnitude of the change, particularly in numbers of tourists. It has had to cope with the results of enormous crowds and far too few facilities, a legacy bequeathed by the old apartheid ideology.

This dichotomy - massive increases in tourism and insufficient tourism infrastructure - is proving to be one of the greatest challenges to the tourist industry. The result appears to be that Durban is beginning to lag behind Cape Town as the country's chief summer seaside resort.

Further, the areas which are provided with tourism facilities tend to be those areas which could do with less, while the areas with few or even no facilities are desperate for them. The black township of Umlazi, on the outskirts of Durban, boasts one functioning swimming pool to cope with roughly 40 000 children, for instance. A lifeguard who was interviewed remarked, 'They swim like sardines ... and they have time limits - after ten minutes they have to get out and the next wave of kids jump in' (interview, Mr Eric Radebe).

KwaMashu, on the north side of Durban and with an even larger population, has no functioning municipal swimming pool. Other townships exhibit more or less the same dramatic lack of recreation facilities, a factor which has resulted in even more people attempting to use the existing facilities elsewhere. Thus, the pressures on the Durban beachfront area and facilities have increased enormously, largely due to spatial disparities.

Massive increases in tourism and insufficient tourism infrastructure are proving to be one of the greatest challenges to the tourist industry

Political Challenges

Politically, the changes within the country are having effects on the tourism industry which are primarily (although not solely) positive. This is particularly so in the city of Durban, the nearest coastal resort to the largest population concentration in South Africa, that of the Witwatersrand area in the Transvaal.

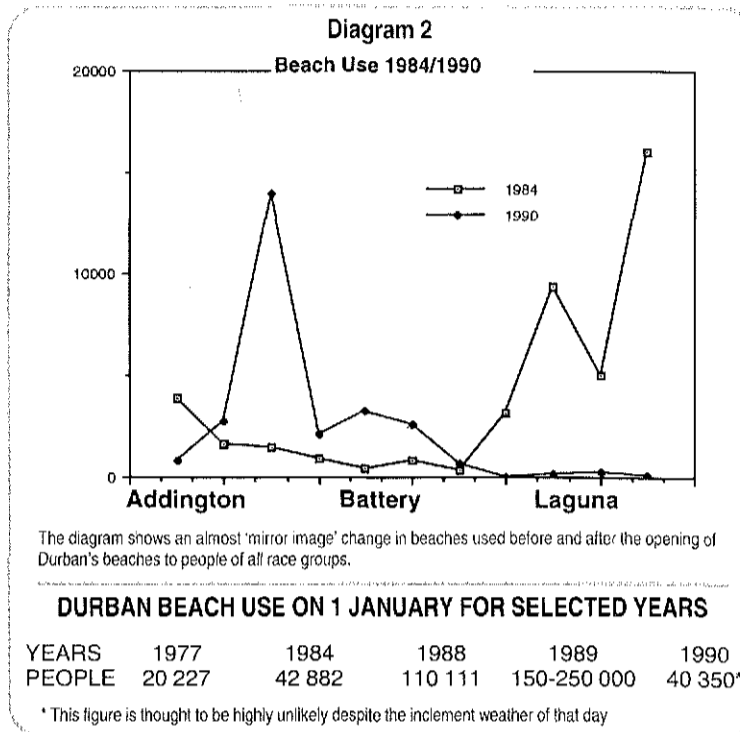
As facilities have opened up to people of all races, the tourism opportunities available have increased enormously. The removal of most, if not all, of the laws pertaining to racial restrictions, has meant that tourism has become a real possibility to literally millions of people who had been denied access to many areas of the country. The changes in terms of residential and travel possibilities have meant that tourism has the chance to grow into one of the most important domestic industries in South Africa.

Internal political changes are also having strong effects on the international tourism market as South Africa begins to attract overseas visitors once more with over one million foreign tourists entering the country during 1991 (see diagram on cover of this monitor). On the negative side, the continuing violence has succeeded in increasing the idea of risk to foreign investors, including the larger hotel chains such as Hilton and Sheraton.

Furthermore, the economic benefits to international tourists are not as great as before in South Africa, according to Mr John Auren, UK Tourist Agency Director and guest speaker at a meeting of the Tourism Association of Natal/KwaZulu (March 1992). Mr Auren said that he has noticed very large increases in the cost of accommodation, restaurant meals and other tourist facilities over the many years during which he had been bringing tourists to this country, but particularly during the last five years.

Economic Challenges

On the one hand, the substantial increase in the cost of living experienced during the past ten years or so, has meant that the original class of tourists who used to migrate coastwards for a month or more during the summer is in danger of becoming extinct. The amount of disposable income has not been sufficient to allow the types of extended holidays common to the 1950s, 1960s and even



1970s to continue. Nowadays, the original tourist class, made up in the main of white South Africans, restricts its holidays to two weeks and often less.

On the other hand, a relatively new sector of the tourist class has grown dramatically with improvements in their economic circumstances. As wages for the South African working class have increased in real terms in, particularly since the 1960s, many working class and lower-middle class people, who are largely black, have recently discovered 'the tourism experience'. Easy and widespread access to radio and television (one study puts it at 88%) have encouraged active or passive participation in tourism for the first time.

Compared to the old tourist class, the new tourists display different ways of dealing with the expenses incurred when they go on holiday. In some cases, married partners will go on holiday alternately as, although there are insufficient resources to enable them to go together, the tourism experience is too important to miss entirely. In other cases, a couple may save for several years and then spend a short time in a luxury hotel, for a real treat.

Interviews revealed that a significant number of low-income tourists, often travelling with families, would sleep in the Durban Station - it was free as well as being close to the beach. The main feeling expressed by respondents was that they were determined to get to the seaside or to have a holiday, no matter the cost (in

Many working class and lower-middle class people, who are largely black, have recently discovered the tourism experience

The tourism experience is already proving important in allowing, even encouraging, social links to develop in South Africa

As political changes permit and even encourage social mobility within the country, tourism numbers will increase

economic, social or other terms) nor the sacrifice. And such tourists, those earning a total annual income of often substantially less than R2 000 per month, made up 57% of an interview sample of almost 800.

Mostly, however, the new tourist, often together with family and friends, travels by minibus taxi or bus, often to the coast, arriving in high season with no booked accommodation, willingly sleeps on or under the bus, or on the beach until it is time to return home. A visit to the bus parking area beyond the Blue Waters Hotel late at night during the holiday season will provide evidence of the determination of mothers and children, young and old couples, who bed down on thin mattresses on the ground for another night of their holiday.

The new tourists are willing to make enormous sacrifices and put up with a great deal of uncertainty or even danger for their share of the tourism pie.

Social Challenges

Socially, the sphere of tourism remains an area of possible conflict between people who have a long history of the tourism experience on the one hand, and the newcomers, on the other. But it also remains an area of great potential for the development of links between people who have been spatially and socially separated. The tourism experience is already proving important in allowing, even encouraging, social links to develop in South Africa.

Although tourism for a white middle-class South African from Johannesburg has, in the past, had a substantially different meaning than for a black farm worker from Zululand or the far northern Cape, the growth of the tourism experience could mean a convergence in both behaviour and understanding of tourism.

Butler-Adam suggests that although recreation (or tourism, for that matter) has meant different things to different people in South Africa, it is increasingly coming to mean something common (Butler-Adam, 1989:2). He concludes that recreation (or substitute tourism), 'has ... a socio-political facet which, in South Africa, is bringing about convergence while diversity certainly remains' (ibid). It is this very convergence of views and behaviour in at least one sphere of activity in South African society which is encouraging in terms of conflict resolution.

A Growth Industry

That domestic tourism is a growth industry in South Africa is certain. Every year greater increases in the numbers of local tourists are in evidence; more and more South Africans join the tourist class. If to this number is added the rapidly increasing number of foreign tourists who choose South Africa as one of their destinations, tourism can be assured of its place as one of the most important, growing industries in the country.

Tourism also holds the possibility of other, direct and indirect benefits. It is an area for conflict resolution through the provision of a non-threatening arena for social interaction and for job creation in a growth industry badly needed by the ailing economy of South Africa.

However, the rapid rise in numbers of domestic tourists has also posed a number of significant challenges for the industry. As political changes permit and even encourage social mobility within the country, tourism numbers will increase. The tourist class also increases with economic growth, spatial changes and changes in the number of employees who earn paid annual leave.

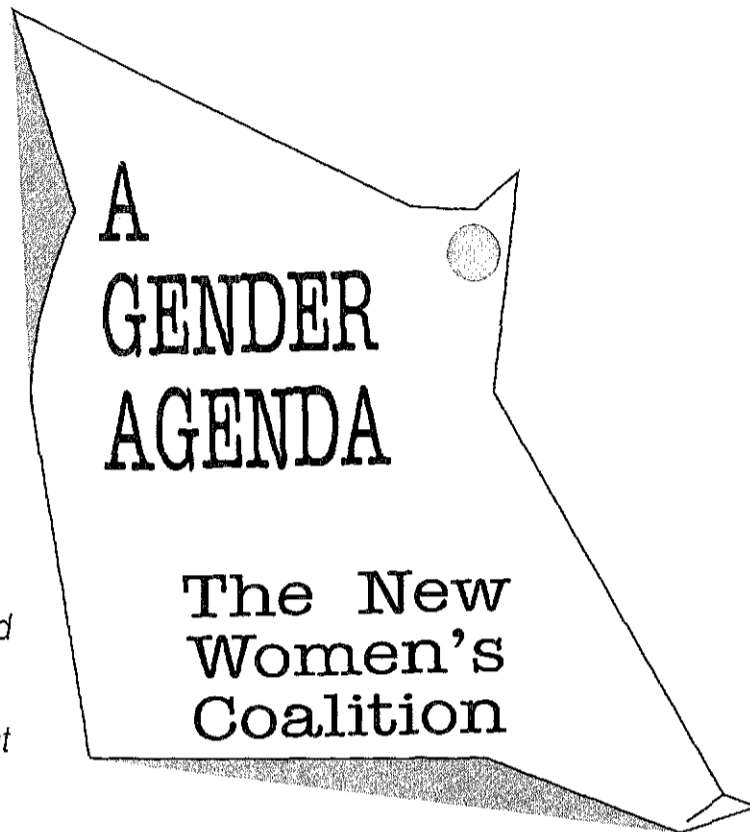
The ever-increasing tourist population is placing heavy demands upon the existing tourism structures, particularly in coastal areas, more specifically in Durban. In order to keep up with the rapidly increasing demand for tourism facilities, careful but rapid planning will have to be put into effect. Further, continuing violence both in townships and in the broader society has the effect of scaring off potential foreign tourists and investors in the tourism industry. Until serious and successful attempts are made to bring lawlessness under control, the major investors will be unwilling to take risks in South Africa. **IPDA**

REFERENCES

- Butler-Adam JF. *On the Need for Recreation within Specific Communities*. Durban: ISER, University of Durban-Westville, 1989.
- Kohler K & JF Butler-Adam. *New Horizons: Lower-Income Domestic Tourism in South Africa, Vol 2: Behaviour*. Pretoria: SATOUR, 1989.
- Kohler K. *Durban City Beaches: Use and Abuse*. Durban: Tourism Research Unit, University of Durban-Westville, 1991.
- Kohler K. 'The Development and Socio-Spatial Meaning of the Two Day Phenomenon: Weekend Tourism in Durban', unfinished MA Thesis, University of Durban-Westville, 1992.
- Lundberg D. *The Tourist Business*. CBI Publishing, USA, 1980.
- Royeppen L & JF Butler-Adam. *New Horizons: Lower-Income Domestic Tourism in South Africa, Vol 3: Present Perceptions and Future Needs*. Pretoria: SATOUR, 1989.
- Silva P & JF Butler-Adam. *New Horizons: Lower-Income Domestic Tourism in South Africa, Vol 1: Socio-Economic Profile*. Pretoria: SATOUR, 1989.
- Tourism - can it help save SA's economy? *Bulletin*, Vol 4 (1), Jan/Feb 1992. Pretoria: Centre for Scientific Development, 1992.

Pat Horn,
Member, Women's National
Coalition
and ANC Women's League
(Durban Central)

The first campaign of the new Women's National Coalition will be to formulate a Women's Charter which will bridge the needs and demands of women across the class and race divides. This report looks at affirmative action and organisational strategies to advance and recognise the role of women in the workplace and in national politics in South Africa. It is written by a participant at the launch who is a former trade unionist with CWIU and PPAWU.



On Sunday 26 April 1992, a Women's National Coalition was launched at a workshop in Johannesburg by approximately 300 representatives of 56 organisations, four regional women's alliances and three areas which are in the process of forming alliances.

The Women's National Coalition (WNC) agreed that its main objectives would be to prepare a document of women's rights (some call it a Women's Charter) for inclusion in the new constitution of South Africa. The process to be used to prepare this document was also agreed upon. In the words of one of the workshop documents:

The process of developing a document of women's rights is as important as the product itself. The educational research process and the legal documentary product must together expose the causes of the subordination of women and not only the symptoms. To be valid, the campaign must seek the views of the broad range of South African women, not only those of the educated or of the deprived. It must not prescribe to women about what they want. In women's own words it must elicit their needs, demands, and aspirations. The campaign must reflect the perspective of all urban and rural women. It must engage in a process of consultation and participation, not top-down but bottom-up.

The national co-ordinating structures of the WNC were agreed upon, and a Steering Committee was elected, consisting of a National Convenor and Co-Convenor, National Secretary, two Co-Treasurers and ten additional members. This elected Steering Committee now takes over the reins from the interim steering committee which acted as the midwife from the time that the WNC was first conceived of in September 1991.

Sisters in Step

Women are always arranging meetings nationally and internationally, getting together to discuss their joint concerns, sometimes to moan about their oppression, sometimes to re-examine their role in society, politics, the communities, etc. What is new about the Women's Coalition?

Firstly, the WNC succeeded in bringing together a remarkable range of South Africa women:

- Women across the spectrum of political parties, women's organisations, trade unions, churches, etc (see box).
- Women workers, women from rural areas, disabled women, professionals and businesswomen, housewives, church women, communists.
- Women on both sides of the racial divide - those who have struggled for

WOMEN'S NATIONAL COALITION

List of Participants at Launch, 23 April 1992

NATIONAL ORGANISATIONS

African Women's Organisation (PAC) • ANC Emancipation Department • ANC Women's League • Anglican Women's Fellowship • ATKV - Dames • Bahai Community • Black Housewives League • Black Sash • Bophelo Impilo Community Association • Black Social Workers Association • Business & Professional Women of SA • Catholic Women's League • Central Islamic Trust • Conservative Party • Cosatu • Democratic Party • Executive Womens Club • Fabcos/Sabta • Five Freedoms Forum • Gender Advisory Committee (Codesa) • Girl Guides Association of SA • IDASA • Ikageng • Inkatha Freedom Party • Kontak • National Council for the Blind • National Council of Physically Disabled • National Council of Women of SA • National Assembly of Women • National Party • National Women's Chapter • Planned Parenthood Association • Rural Women's Movement • SA Black Social Workers' Association • SA Communist Party • SA Council of Churches • SA Democratic Teachers Union • SA Association of Independent Schools • SA Association of Occupational Therapists • SA Association of University Women • SA Black Business & Professional Women's Network • SA Catholic Bishops Conference • SA Association of Early Childhood Education • Soroptimist International of SA • The Women's Lobby • Udusa • Union of Jewish Women • Western Cape Workers College • Women's Legal Status Committee • Women for Peace • Women for Peaceful Change Now • Women for SA • Women's Bureau of SA • Women's Development Banking • World Vision • YWCA

REGIONAL COALITIONS/ALLIANCES:

Northern Cape • OFS • Pietermaritzburg • PWV Region • South Natal Alliance • Transkei • Western Cape Alliance

years against apartheid and also those who have in the past felt comfortable with the benefits brought to them by apartheid.

- Women on both sides of the class divide in our society - domestic servants and also employers of domestic servants.
- Women who have suffered harsh economic oppression in the rural areas, in the factories or in impoverished black communities, and also those who have taken their more comfortable standard of living for granted.

The women at the workshop acknowledged the substantial differences between the position of different women in South Africa, who are further divided by cultural differences. These are further aggravated by the high level of illiteracy among black women, the different education background of black people as a result of apartheid, and

the fact that the economic dependence of the majority of poor (mainly black) women in South Africa stands in the way of fighting for their rights as women. That such a wide range of women have been able to agree on a single campaign as a focus for co-operation is remarkable, and new.

Secondly, it is important to note that the WNC workshop was not merely a one-off event. It was a consolidation point in an organic process which has been spontaneously emerging, almost simultaneously, in several different areas of our country.

The Western Cape Women's Alliance, the Women's Charter Alliance of Southern Natal, the PWV Women's Coalition and the Transkei Women's Coalition all started within the last year from completely different initiatives. All independently decided to focus wholly or in part on developing a charter of women's rights. These are now all affiliated to the WNC. Initiatives to form similar regional women's coalitions/alliances are already under way in the OFS and Northern Cape. It is anticipated that the launch of the WNC will further promote such initiatives in regions where this has not yet happened.

The launch of the Women's Coalition therefore represents the formalisation of something which is in fact an emerging social movement on the South African scene.

The Absent Majority

South Africa is entering a period of a negotiated transition from apartheid to democracy. In the period of apartheid, racism and exploitation have been institutionalised, and layered upon a highly patriarchal society. The experience of institutionalised racism and oppression has led to a fairly widespread recognition that we have to make very fundamental changes in attitudes as well as in almost all the institutions of our society. Codesa is the national negotiating forum where issues are now being hammered out in the search for negotiated solutions.

However, women have been missing in this political process. The majority of the South African population is female, yet hitherto, women have been noticeable by their absence in the delegations of all the parties engaged in the negotiation process. In our society women are allocated to the private

domestic domain, and in the economy women are marginalised. Political organisations and the most powerful organisations of civil society are male-dominated. Women have therefore found themselves and gender issues marginalised in the political process.

The first problem, in the negotiation process, is that there is no organisation which can claim to represent or negotiate on behalf of the women of South Africa, although the majority of South African women are by no means entirely unorganised. Most of them belong to organisations such as *stokvels*, *manyanos*, burial societies, etc. which are not involved in political debate or the constitutional process. But political organisations, which have many female members, are not adequately representing the concerns of those members.

Even women's organisations, constituted specifically with all-female membership to deal with women's interests and gender oppression, have not managed to spread themselves widely enough to be able to represent the vast and complex constituency of South African women.

In Canada in 1969, when Canadians were involved in drawing up their own federal constitution, the Royal Commission on the Status of Women was formed to reach the women of Canada to find out what their needs, demands and concerns were. In South Africa in 1992, we are at a very similar political moment. However, if women were to wait for the government to set up a similar commission, we would wait forever, and miss the opportunity to have any influence in the new constitutional dispensation.

The women of South Africa have therefore initiated the process of collecting the needs, demands and aspirations of women, realising the need for a new constitution with provision for traditionally disadvantaged groups of people such as women to exercise their general rights as contained in the Bill of Rights.

In 1954, a Women's Charter was drawn up by the Federation of South African Women, a women's organisation connected to the Congress Alliance. That document therefore represented the particular concerns of women in the Congress Alliance. The document which the WNC now aims to develop will go much further in that:

- it will represent the interests of a

- broader range of South African women;
- it will aim to address the needs of women in a post-apartheid South Africa, something which it was almost impossible for women to address in 1954; and
- while the planned document of women's rights may contain many of the issues mentioned in the 1954 Women's Charter (as many of them have still not been rectified) it aims to address women's interests and concerns in much more detail.

This coming together by South African women from such different backgrounds in order to ensure that women's interests are represented in the new South Africa, potentially puts the cat among the pigeons in the delicately-balanced political scenario. It introduces a new political actor onto the scene.

Women's determination to transcend race, class, religious, political and cultural differences in order to be able to significantly influence the future dispensation, indicates a shared strategic perspective rather than the more short-sighted pursuit of only the most immediate concerns which is normally attributed to women. Once the women of South Africa have started to co-operate across these divides, and have produced a document containing their needs, demands and aspirations, they are likely to want to fight hard to have this incorporated into the new South Africa. Instead of being a meaningless piece of paper understood by only the most intellectual women, it can be something which is owned by all women who contributed to its creation.

Affirmative Action

Don Mkhwanazi argues, in 'Corporate Outsiders Coming on Board' (*Indicator SA* Vol9/No2:76-80), that the process of political transformation in South Africa can never be complete without simultaneous democratisation of the economy. So we can expect the common concerns of women in the economic sphere, who have experienced marginalisation at different levels of industry, in the informal sector, in domestic service, etc. to start being expressed more and more as women campaign for a bigger say in the political future of this country.

Mkhwanazi talks about the need for affirmative action and positive discrimination in order to 'accelerate the process of black and women representation

In the negotiation process, there is no organisation which can claim to represent or negotiate on behalf of the women of South Africa

Women are determined to transcend race, class, religious, political and cultural differences in order to influence the future dispensation

Employers can expect more and more to have to deal with demands for affirmative action in order to eliminate sexual discrimination at the workplace

on South Africa's corporate boards'. He says that:

fundamental change must take place in corporate South Africa. It must be transformed and democratised. There must be a fundamental shift in attitudes, behaviour and value systems in order to create an environment responsive to the needs and abilities of black and women employees.

The Women's Coalition does not have a position on affirmative action, or in fact on any issue which is likely to form part of the content in the planned document of women's rights. Such positions are yet to be developed out of the campaign to elicit the views of South African women.

However, as a result of the historical disadvantages which have been caused by apartheid and hitherto unchallenged patriarchal traditions in South Africa, employers can expect more and more to have to deal with demands for affirmative action in order to eliminate discrimination at the workplace. This would apply at the level of directors, on which Mkhwanazi concentrates, right down to unskilled workers, temporary and casual workers, etc.

Most of the current arguments for and against affirmative action are very crude. As a result most employers have an extremely limited understanding of what is meant by affirmative action. In their view it simply means employing people in jobs they are unable to do just because they are black or female or handicapped. However, a more creative approach is going to be needed in order to affect any meaningful change to the current status quo in the economy. Employers will have to get away from token or single-factor approaches to the removal of discrimination at their workplaces. They will be increasingly under pressure to implement creative, multi-pronged and effective affirmative action programmes.

Trade unions, even though they themselves suffer the effects of decades of gender discrimination in their own structures, are starting to go on the offensive with regard to the scrapping of gender discrimination at

the workplace. Employers are going to have to negotiate affirmative action programmes whether they like it or not.

Trade unions will, as before, not accept the argument that they should wait for the laws to change, which employers are fond of suggesting as a desperate alternative to negotiating difficult issues. Like many other issues such as May Day, the Labour Relations Act, etc., the collective bargaining process around the removal of gender discrimination is going to have to shape the laws around affirmative action to achieve this in industry.

Seizing the Moment

Now that trade union women have joined forces with other women in our society in the Women's National Coalition, we can expect resistance against gender discrimination in specific instances to become part of a wider effort to eliminate all forms of discrimination against women.

No doubt the process will not be all easy going in the WNC. Different constituencies of women in the WNC have different priorities. Some women in South Africa are so preoccupied with the mere problem of survival, that they will not feel so strongly about the rights issues for which other women will fight so passionately. At times the differences between women in the WNC will no doubt loom larger than the common ground. And no doubt there will be many, sitting on the sidelines, who will hope for the differences to degenerate into divisions and split the WNC into many ineffectual pieces.

However, the imperative which has drawn women from all these different organisations together remains - the need for women to act now while there is the opportunity to influence the new South Africa. This has thus far provided the incentive for women to transcend their differences in order to build women into a more effective collective force. For women, the hope of a democratic South Africa is the hope for democracy, human rights and equality for all, including women. **UPWA**

The collective bargaining process around the removal of gender discrimination is going to have to shape the laws around affirmative action

INDICATOR PROJECT SOUTH AFRICA.
Contributing to informed debate among South African decision makers of all persuasions.
Will you join them?

In this climate of negotiation and change, access to the 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 publish informed analysis by prominent commentators. To monitor data trends, current affairs and policy scenarios.

Indicator SA is a quarterly report divided into five monitors: political, economic, rural & regional, urban and industrial.

Indicator SA is available by subscription and from selected bookshops.

By subscription only

As part of our service to subscribers, you will receive two special reports on current national issues in addition to four *Indicator SA* editions per annum.

Over the past decade, our publications have won national and international acclaim for astute, impartial monitoring of a changing South Africa.

Subscription rates

Individual	R165,00 (incl VAT & postage)
Foreign	\$150,00 (incl airmail postage)

For information on corporate/donor subscription rates and advertising facilities, please write to:

Indicator Project SA
Centre for Social and Development Studies
University of Natal
King George V Avenue
Durban 4001 South Africa

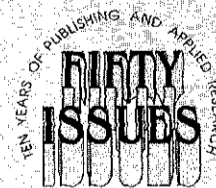
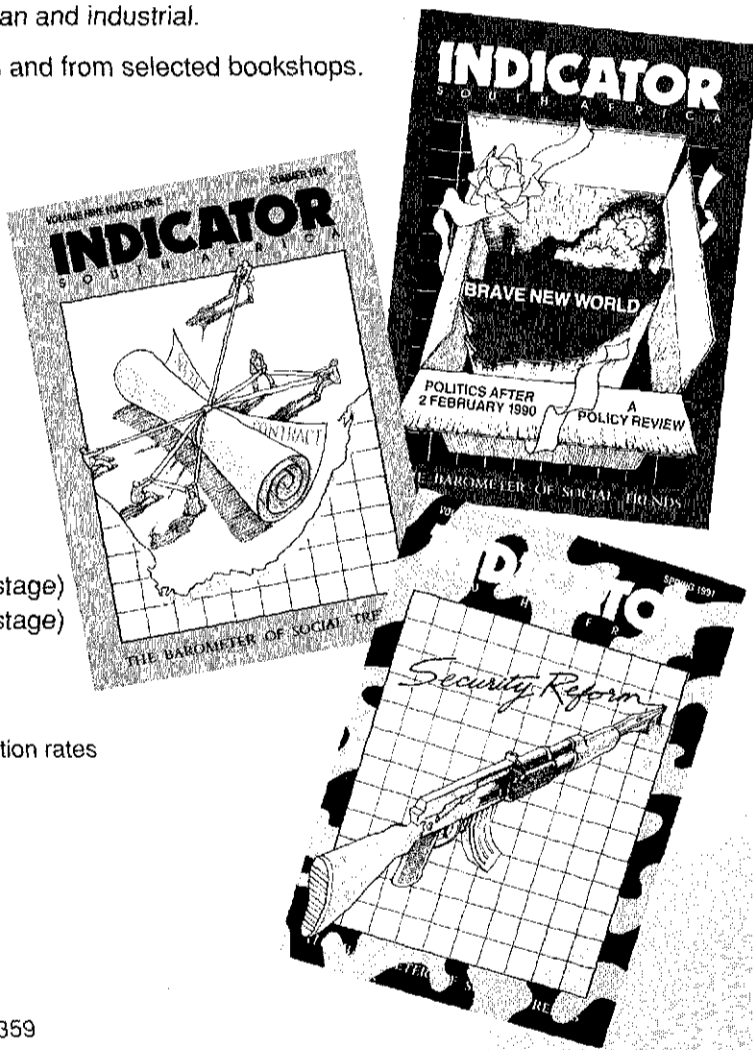
or contact *Indicator SA* Subscriptions at
Tel: (031) 816 2525/2526 Fax: (031) 816 2359

A free catalogue of our publications is available on request.
Back issues of the fifty *Indicator SA* reports published since 1982 are still available.

Make all cheques payable to **University of Natal**

Subscribe now

If you are committed to the new 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

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/>