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WINTER 1991

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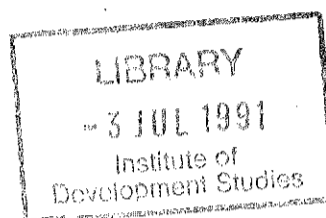
# INDICATOR SOUTH AFRICA QUARTERLY REPORT

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# NO 3

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# TRANSITIONAL POLITICS

Overall, it has been a rough ride for South Africa in 1991. The high expectations of rapid and peaceful reform have been subdued by endemic civil violence in the townships. The ideals of equitable redistribution have been tempered by the breadth of competing claims on the nation's finite store of resources.

It is sixteen short months since President de Klerk turned South African politics topsy-turvy with his bold gesture of reform. But the honeymoon is now over. The sober tasks of negotiation and compromise lie immediately ahead. And although some significant steps have been taken towards conflict resolution, many stumbling-blocks remain.

Before places are laid at the national negotiation table, for instance, the key parties must reach agreement on transitional arrangements in various spheres of society. The uncertain new terrain requires of all political actors at all levels that they exhibit both pragmatism and realism in this pre-negotiation phase. Only through active commitment may the foundations be built for lasting consensus and national reconciliation.

This mid-year edition of *Indicator SA* attempts to capture the spirit and the issues at the heart of what could be termed, South Africa's *transitional politics*. Black opposition groups from the ANC down to civic associations are already helping to reshape and participate in many institutions from which they were formerly excluded. These practical measures are designed to fill a vacuum where rigid apartheid structures are dying but negotiated post-apartheid structures are yet to be born.

In the following pages, our correspondents monitor transitional politics at work in:

- *pre-negotiations*: Lawrie Schlemmer evaluates whether the main political parties are ready for negotiations and identifies the dilemmas they face.
- *local government*: Robert Cameron, Simon Bekker and Pravin Singh look at interim arrangements at work and the local option debates about principles of participatory democracy.

- *metropolitan government*: Moses Mayekiso is interviewed on the pros and cons of the Greater Soweto Accord as an interim mechanism for the redistribution of power and resources.
- *social expenditure*: Nikki Natrass and James Moulder summarise the redistribution debates about achieving equity through redirected spending, growth or taxation.
- *social contracts*: Mike McGrath, Merle Holden and others call for a national pact between state, capital and labour to facilitate an economic and political recovery.
- *sports negotiations*: Doug Booth reports on progress made towards non-racial codes of sport and participation in the international arena.

In other articles in this edition, *Indicator SA* also focuses on the historic legislative reforms contained in the land and labour bills currently before parliament. Is this 'the right stuff' to lend substance to the government's gestures of reform? Do these concessions meet popular expectations of restitution to compensate for past inequality and injustice?

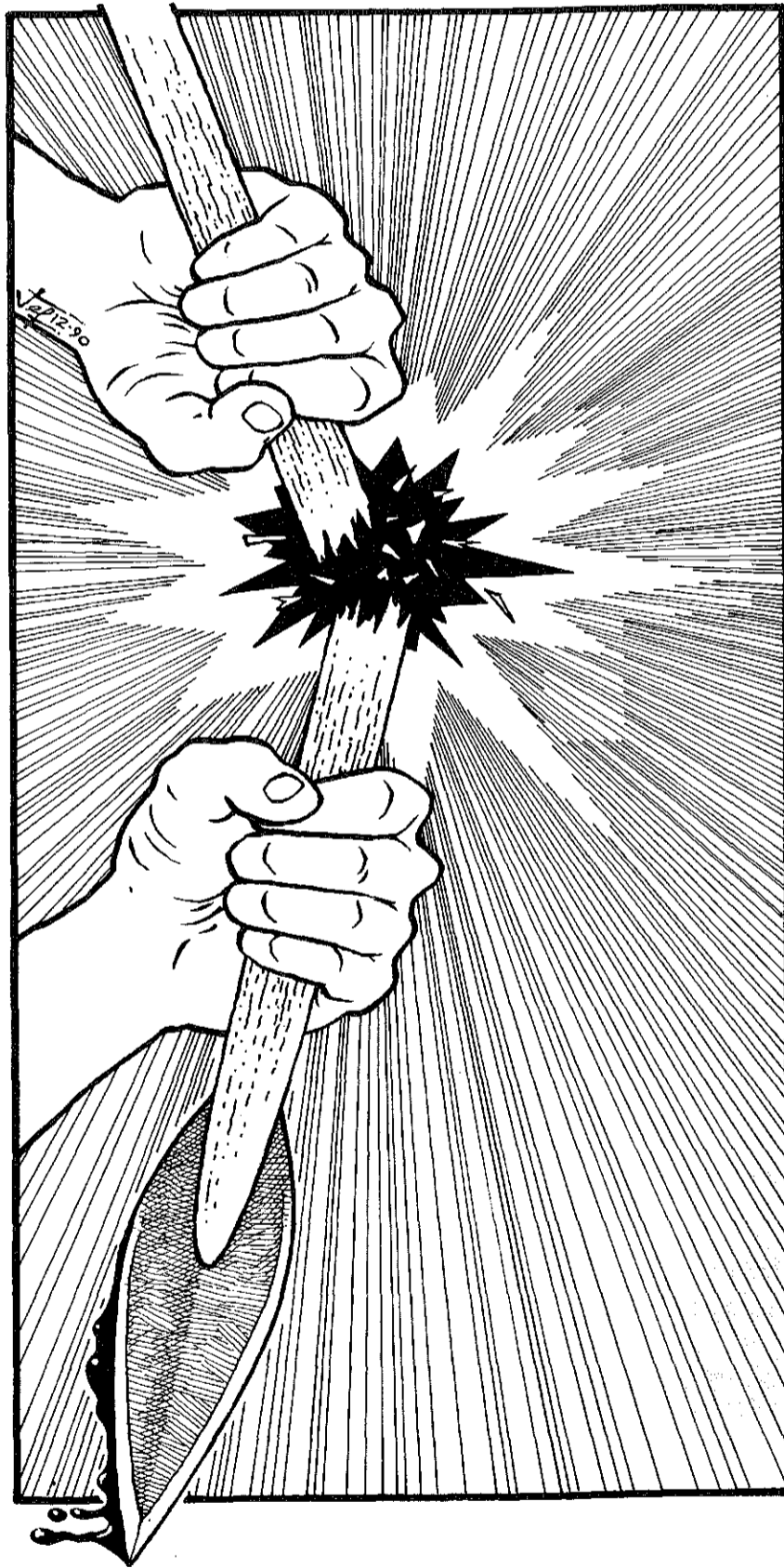
The urban conflicts which surfaced in South Africa in the 1970s and 1980s drew visible attention to the need for massive urban renewal of black areas. Although an urban development model has been formulated and partially implemented, an equivalent model for rural renewal lags far behind. Commenting on the White Paper on Land Reform, our contributors conclude that this neglect as well as other crucial shortcomings of the draft legislation must be overcome.

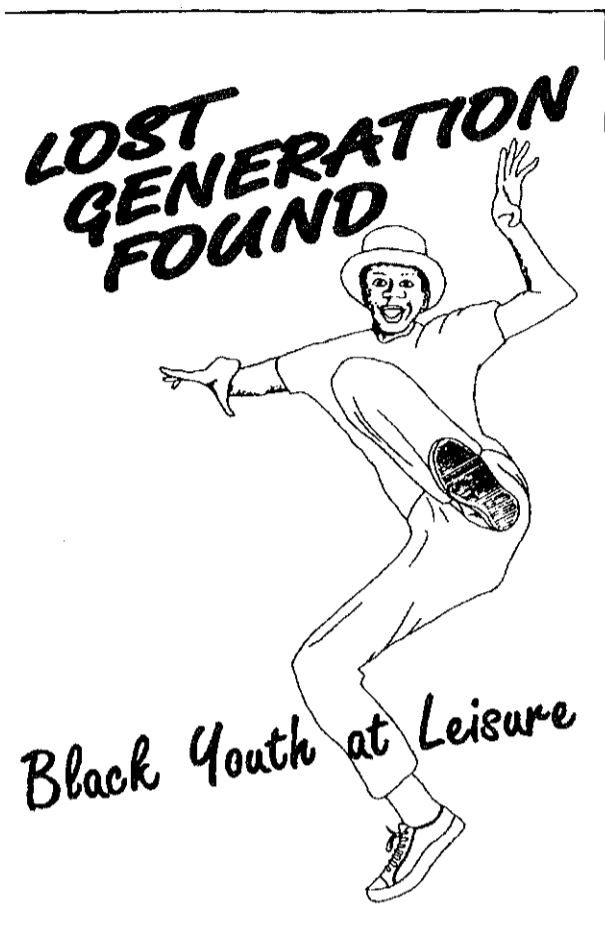
The new emphasis on all of these aspects of transitional politics may seem like taking the proverbial 'one step forward and two steps backward'. It is understandable that there is widespread frustration over the present logjam, but interim arrangements must be put firmly in place before we can begin to resolve 'the big issues'. The disputed legitimacy of many institutions has been thrown into relief by the radical departure from the status quo signalled on 2 February 1990. The process of negotiated resolution is only just beginning ...

Graham Howe, Editor  
June 1991

# POLITICAL

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## Negotiation Dilemmas After the Sound and Fury

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

*What is the likely outcome of the negotiations in South Africa? Early resolution or post-apartheid stalemate? In this analysis, Prof Schlemmer deals with the stance of each major political agency in the current pre-negotiation phase and attempts to assess the probable outcome once negotiations begin. For reasons of brevity, only those parties and movements capable of disrupting the negotiated transition are discussed in detail.*

South Africa is a very confusing place at the moment. Current events are capable of leading observers to reach a number of completely contradictory conclusions.

Underlying the confusion, however, are two fairly obvious and incontrovertible facts. The first is that no political or constitutional change is going to be possible without the consent of the National Party government. The second is that no solution or resolution of political and socio-economic conflict can take place without the consent of at least two other movements: the ANC-led Congress Alliance and the Inkatha Freedom Party. Indeed, one might have to add the Conservative Party to this assembly of political actors, as well.

Hence, a number of major political movements and parties are manifestly simultaneous 'gatekeepers' to each other. Without each other's cooperation and consent, each is condemned to operate under conditions which made negotiation necessary in the first place.

This rather obvious statement of fact, however, can indicate two very different outcomes in the short to medium term. It could indicate that despite all the sound and fury of the current pre-negotiations position-play and turmoil, ultimate negotiations are secure and cannot be derailed.

By now the major political protagonists must be aware of these underlying facts and realities, however. Clearly not all are responding to their implications. This may mean that it is much too late, or ironically too early, for negotiations. So current trends could also indicate that South Africa's short-to medium-term future is likely to be

what could be termed an 'inconclusive, post-apartheid stalemate'.

At this point, it is worth considering the stances and stresses of each of the major political actors in turn:

- *The National Party*

The Cabinet, and the National Party caucus is clearly in a negotiation mode. Apart from public statements to this effect, various personal conversations with members of the cabinet and the caucus clearly indicate strategic preparations for constitutional negotiations. Indeed, one prominent view is that negotiation should begin, and reach at least a basic conclusion on key principles, as soon as possible. There are few signs of any overt hesitation within the party about the process which President FW de Klerk has embarked upon.

The NP ostensibly stands to lose most in a future constitutional dispensation. Since 1948 it has enjoyed what has amounted to the effective status of a one-party administration. Its control of parliament has never really been challenged within the racial constraints of the constitution. Why then is there this remarkable unity around the goal of negotiations which will most probably lead to a significant reduction in the influence and power of the party? The probable reasons can be summarised as follows:

In the results of the 1989 general election there were clear indications that the NP was losing support to the right and the left; the latter mainly in urban middle-class constituencies. Had it continued to adopt a vacillating or inconclusive stance on resolving the major issue undermining economic confidence, namely the

*Without each other's cooperation, each party is condemned to operate under conditions which made negotiation necessary in the first place*

*The NP can enter into negotiations with the reasonable expectation of remaining a major player in a future administration*

unresolved political conflict, it would in all probability have lost its absolute majority by the next general election. Hence it was in part a strategic decision to move conclusively in the direction most likely to prevent further erosion of support. Its nominal commitment since the early eighties has been to 'power-sharing', and therefore it was both logical and strategic to move towards a position of reform and negotiation.

The NP has a constituency base comprising Afrikaans and English-speaking pragmatic 'liberals' and more conservative voters with a longer-term rational or realistic perspective on the future of South Africa. The principles of compromise and equitable resolution are keynote elements in the consciousness of these voters. Hence, for the constituencies there is only one way to go, as it were, and that is to promote an inclusive democracy.

The new stance of the NP has strengthened it politically. All opinion polls show that white support for the Democratic Party has recently declined by over 50 per cent. Currently the NP is attracting more and more defecting Labour Party MPs and it may soon have a majority in the House of Representatives. In the House of Delegates, the Solidarity Party will most probably align itself with the NP. Furthermore, opinion polls suggest that there is increasing potential voter-support for the NP in the black townships.

Taking all the various indications into account would suggest that the NP is the second most popular party after the ANC among Africans and that President FW de Klerk's personal standing may even today be able to augment that support and attract somewhere around 20 per cent of African adults into the support-base of the NP. The business community is also fairly solidly in support of the NP at present.

Overseas governments generally would tend to favour a compromise dispensation in which, at least for a while after the new dispensation is implemented, there is some form of 'multi-party' coalition government, but without it being structured on the basis of race. The British Ambassador has tended to articulate this view most clearly.

Given the expectations of its present and anticipated future constituency, its strengthening political status, as well as the obvious leverage of a government in power in any negotiations, the NP can enter into negotiations with the reasonable

expectation of remaining a major player in a future administration of the country. It can depend on both a large voter support-base and on even relatively mild constitutional provisions for minority participation to ensure this. For the NP, negotiations are a risk well worth taking.

• *The Inkatha Freedom Party*

The Inkatha Freedom Party has always endorsed negotiations. For a period after the unbanning of the ANC, PAC and the SACP, however, it seemed as if the IFP was losing political ground. Some observers suggested at that stage that the IFP might be sidelined by the major players.

From the ANC-linked 'Conference for a Democratic Alternative' held in December 1989 onwards, 'mass-action' placed increasing political pressure, and indeed in some cases violent coercive pressure, on IFP or IFP-linked local political actors, including many Zulu-speaking town councillors. The IFP claims, and indeed there are lists of names to support at least part of these claims, that over 150 of its local personnel were assassinated in recent years.

The massive inter-factional violence in Natal, and from August 1990 onwards in the Transvaal, has largely been a form of reaction by IFP or IFP-linked local political actors to the mass-action referred to above. On the one hand, the mass-mobilisation of the 'Mass Democratic Movement' (MDM) and later, the ANC, heightened a very threatening climate of political competition in black communities. On the other hand, there is ample evidence of reaction on the part of IFP-linked groups which have been so intense, destructive of life and property and threatening to local formations of the ANC, that further counter-reaction has occurred.

Whatever the precise aetiology of the violence might be is a separate topic for the moment. Suffice it to say that the recent profile and actions of the IFP are in the process of demonstrating a particular principle of conflict-resolution in deeply-divided societies. This is that not only size and scope but *intensity* of interests have to be taken into account. The intensity of the IFP's interaction in the political process has clearly signalled the potential costs of excluding it, or reducing its leverage in negotiations.

Two further factors might give the IFP confidence to negotiate in the expectation

*Inkatha has demonstrated a capacity to counter-act any political exclusion and with its solid support base, can also enter negotiations fairly confidently*

of avoiding any loss of political status. One is the fact that its membership is increasing, and according to party claims, among minority groups as well. Some 40 000 white members in the Transvaal alone are claimed. This parallels the fact of considerable sympathy for Inkatha among both NP and DP rank-and-file in Natal and elsewhere. Hence it is strategic for the National Party to maintain cordial and cooperative relations with the IFP and to ensure that the IFP gets a 'cut' in the settlement.

The second additional factor is that the IFP controls the regional administration of KwaZulu and could, theoretically, destabilise that administration if it were to fall into different political hands or have its powers or policies altered from above.

Hence the IFP, by virtue of a demonstrated capacity to counter-act any political exclusion (the intensity factor), its strategic regional control and the nature of its support base, can also enter negotiations fairly confidently.

#### • *The ANC Alliance*

The African National Congress is in a most ambiguous position with regard to negotiations and compromise. On the one hand, it formally supports the principle of negotiation. Furthermore, it expects to have the support of a majority of Africans, is generally seen as being the biggest mass-based party, and, therefore, can hardly be over-riden or treated lightly in the process. To boot, virtually the entire external world expects it to be part of a future government. These factors and others would lead one to expect that it too would enter negotiations confidently.

Yet the ANC is faced with a genuine dilemma. Its major strength is also a factor which makes negotiation problematic. Put crudely, the ANC's major strength and its importance as a negotiating party is that it is the only party which can end the crisis of administration in black townships, finally terminate the sanctions campaign abroad and, hence, also end the problems of economic confidence in the country.

Ironically, however, as soon as the ANC actively commits itself to negotiation it will find itself in a situation in which its strategic strengths are either liabilities or are made subject to negotiation. In other words, it will be impossible to negotiate and engage in boycotts and mass action at the same time.

Without mass-mobilisation and external leverage via sanctions, the ANC will be merely another party or grouping in the negotiations, albeit with tremendous symbolic resonance and numbers of opinion poll results to demonstrate its size. It could be called upon to make compromises like any other party.

This leads to the ANC's second dilemma. Its entire political platform, its programme of policy formulation and more broadly its reputation have been based on the general goal of restructuring or transforming the society and of having the power to do it. Substantial compromises are likely to erode its image as a party with a transforming mission.

There are other problems within the ANC, such as competing internal agendas and objectives, and competition within its ranks for positions, but the most basic problem is probably the one referred to above. Put simply, it has the symbolic status of a 'liberation movement'. This status can hardly remain 'heroic' in a process of pragmatic horse-trading in negotiations.

It is therefore understandable that the ANC has operated at two levels: in a *negotiation mode* on the one hand, and in a *pressure mode* on the other. While this dual strategy continues, it is understandably very difficult for it to achieve strategic unity and coherence within its own ranks.

The ANC's solutions to the problem have a strong but partial logic to them: early elections for a constituent assembly and the establishment of an interim government in which the ANC is a major player, enabling it to strip the NP of the credit it is getting for successive socio-economic reforms. The logic is partial, however, simply because de Klerk has no mandate to hand over power and he is most unlikely to do this while the NP is becoming stronger.

#### • *The Conservative Party*

This is the other major grouping which can disrupt or challenge an outcome. If the concessions made by the National Party in negotiations are too large, and if the political climate is still as uncertain as it is at the moment, then the Conservative Party might be able to mobilise for a majority 'no vote' among whites in a future referendum. All the recent by-election results indicate that the CP has 35 per cent of white support or more, and it could increase this to over 50 per cent in a climate of minority fear and uncertainty.

*The ANC is in a most ambiguous position with regard to compromise as it operates in a dual negotiation and pressure mode*

*If negotiations proceed beyond a point of no return, the CP, PAC and Azapo might well have to enter the negotiations*

*It is impossible to say whether we will move towards resolution in the short term or deepen the strategic trenches of the stalemate*

The NP probably knows this, and therefore de Klerk will not make the mistake of holding a referendum in an unfavourable climate and on the basis of unfavourable terms.

The most important implication, however, is that the CP factor will make it impossible for de Klerk to 'save' the negotiation process at one or another point of crisis by making large concessions to accommodate ANC demands.

In parenthesis, if negotiations proceed beyond a point of no return in the perception of the CP, it might well have to enter the negotiations. The same would apply to Azapo and the PAC. With these new participants, negotiations will become much more complex than they are already turning out to be.

### Resolution or Stalemate?

The balance sheet appears as follows: the NP, the IFP, the DP, the LP, Solidarity, the National People's Party (NPP), some other parties and organised business, are positively poised for negotiation. Whatever controversies there may be regarding other aspects of their actions or programmes, they can be reckoned on the side of 'resolution'.

The CP, the PAC and Azapo, and reactionary fringe groups cannot stop the process moving ahead. Only if the management of the process by President de Klerk generates greater uncertainty than exists at the moment, will the CP and right-wing fringe groups be able to impede a resolution. They must be counted as neutral factors at this point.

The greater uncertainty lies with the ANC. To the extent that it has realistic anxieties about a loss of symbolic status and leverage in negotiations, it will continue to adopt strategies outside negotiations which generate reactions (by the IFP or the authorities) and, in turn, become impediments for negotiation for the ANC itself.

The strategic situation of the ANC, therefore, is trapping it in contradictions. One must be realistic and assume that the dilemma will persist, because if the Cabinet attempts to assist the ANC out of its dilemma by conceding to demands for an interim government in the full sense, it stands to lose a significant fraction of its own support base.

Basically, the ANC needs time to organise an enrolled membership-base constituency which can compare with that of the NP and the IFP. This will reduce its need to rely on mass mobilisation, mass action and sanctions for leverage, hence easing its entry into negotiations.

But this, for the ANC is a risk. According to the editor of *The Sunday Times*, the ANC's present membership is a mere 150 000, and even ANC estimates put it at little more than double that. The initial romance of an unbanned liberation movement is fading and membership drives are hard work.

Furthermore, the more time elapses, the less the ANC can rely on its symbolic status and historic mission to give it major player status. This might make negotiations even more threatening for many in the ANC.

Unless constructive negotiations in the form of a multi-party conference start soon, the possibility of an extended and self-entrenching stalemate will increase. Hence the balance-sheet is 'in balance' as it were. It is impossible to say whether we will move towards resolution in the short term or deepen the strategic trenches of the stalemate.

### Tipping the Scales

In the longer run, negotiations will occur simply because the major parties have nowhere else to go. The short to medium term, however, say up to 1993, is critical for South Africa's economic recovery.

In the light of the very stressed balance of probabilities described, some additional impetus or facilitation in the negotiation process may be called for. If progress towards a multi-party conference does not occur within the next six months, it might be necessary for the major parties to consider the often mumbled concept of a panel of impartial 'wise persons' to commute between the major parties to ameliorate difficulties. At least such a group could assist in a process of negotiation about negotiations.

Such facilitation would not, and should not, qualify or usurp the prerogatives of the parties involved in negotiations. They might, however, just tip the scales of the delicate balance of South Africa's politics.

IPJA

*In the longer run, negotiations will occur simply because the major parties have nowhere else to go*

# HOSTEL HOSTILITIES

## TOWNSHIP WARS ON THE REEF

By Jeremy Seekings,

Research Unit for Sociology of Development, University of Stellenbosch

*Hostels were marginal to black political organisation and protest during the early and mid-1980s but have now shifted to the centre of township politics. In a report drawing on firsthand investigations concluded in the Reef townships between April/May this year, our correspondent focuses on the particular role and dynamics of hostel politics in the current violence on the Witwatersrand. Although the violence is not homogenous, as local and regional-cum-national factors have enmeshed in different ways, some broad patterns and characteristics can be identified.*

High levels of violent political conflict have afflicted the townships of the Witwatersrand, and to a lesser extent the Vaal Triangle, during the past twelve months. As with the prior violence in Natal/KwaZulu, appalling death-tolls regrettably provoked little response at first. At least, this was the case until April 1991 when the ANC raised the political prominence of the violence by publishing its open letter to President de Klerk.

While platitudes about the evil of violence now abound, there is still little hard analysis of its causes and course. And as usual in the muddied waters of South African politics, we know too little to reach grand conclusions. This veil of secrecy is unlikely to lift until the government accepts more public scrutiny or monitoring of political violence, whether or not the violence involves the security forces. But there is sufficient evidence to warrant a set of qualified observations, and to expect clear responses to these from the major political actors involved.

### Pattern of Conflict

Whilst the course of the Reef violence has no clear starting-point, a sharp rise in the incidence of violent conflict can be dated from late July 1990. Two important new developments can be traced to mid-1990.

Firstly, Inkatha re-established itself as the Inkatha Freedom Party (IFP) and apparently embarked on an aggressive recruitment campaign in certain Transvaal hostels. Secondly, a number of pro-ANC organisations, notably the South African Youth Congress (Sayco), proclaimed Inkatha an 'enemy', after which the houses of many Inkatha officials in the Transvaal were petrol-bombed.

The stayaway called by Cosatu on 2 July 1990 to protest against the violence in Natal/KwaZulu further exacerbated tensions. All of these developments were clearly related to this regional civil war and to the national political manoeuvring prompted by the government's embrace of political change on 2 February 1990.

The specific 'trigger' of the rise in violence was an Inkatha rally in the Vaal Triangle on 22 July 1990. It is unclear what was said at this rally or what kind of provocation or harassment Inkatha supporters were subjected to outside of the stadium. What is clear is that after the rally the participants rampaged through Sebokeng, and at least 27 people were killed in the ensuing violence. These pro-Inkatha hostel residents were prevented from re-entering the large KwaMasiza hostel by other hostel residents, and occupied another local, but disused hostel.

*The sharp rise in violent conflict is clearly related to the political manoeuvring prompted by the government's embrace of political change*

*The hostel violence on the Reef quickly broadened, drawing in township residents and squatter camps*

The general spread of civil violence to other areas first took the form of clashes between pro-Inkatha and other hostel residents. The exclusion of pro-Inkatha residents from the Sebokeng hostel may have provided some basis for Inkatha members to fear they faced being attacked and evicted. Many hostel residents had previously been harassed by township 'youth' over local protest campaigns. Their fears also seem to have been fuelled by Inkatha leaders at rallies held in early August 1990. In Kagiso, on the West Rand, for example, Inkatha members returned from one rally and barricaded themselves into their hostel, excluding other residents. When these hostel residents sought to force their way in, violence escalated rapidly.

The refugees from contested hostels - non-Inkatha members in almost all cases - fled into neighbouring townships and especially squatter camps. These camps, such as Crossroads in Katlehong and Phola Park in Tokoza, then became the focus of violence. The refugees launched return attacks on hostels, and pro-Inkatha hostel occupants launched further or pre-emptive attacks on the squatter camps. In most cases the hostels were more easily defended than the squatter camps, and police seem to have been more zealous in confiscating weaponry from the latter. In Tokoza, however, one hostel was burnt out following particularly bitter conflict. In Sebokeng, atypically, it was the Inkatha supporters who had been evicted from the hostel. On 3 September, a highly-armed Inkatha group attacked this hostel, killing 38 occupants.

*Whereas the violence of late 1990 was concentrated on the East Rand, the struggles of 1991 have taken place over the hostels of Soweto and Alexandria*

At this point, the violence quickly broadened, drawing in other township residents. On the one hand, many squatter settlements became militant anti-Inkatha areas. On the other, unemployed pro-Inkatha Zulu men from rural areas were brought into the under-occupied hostels to bolster their strength. In Kagiso, the first incidents of violence in early August involved conflicting hostel residents only; two weeks later the rumoured killing of an Inkatha member at a taxi-rank led to pro-Inkatha hostel-residents invading the township and to township-based counter-attacks. Typically, each attack led to 'defensive' steps being taken by other groups, which increased the tension and often escalated the violence.

The violence of the second half of 1990 was primarily concentrated on the East Rand, especially in Tokoza, Vosloorus, Katlehong, KwaThema and Tembisa. There

were lesser, but nonetheless very serious periods of conflict in Sebokeng, Kagiso, and parts of Soweto. Control over most of the hostels in Soweto, Johannesburg and Alexandra only seems to have become fiercely contested in early 1991, and non-Inkatha residents were only evicted from hostels such as Dube, Mzimhlophe and George Goch in March this year.

At the risk of over-generalisation, it would seem that the hostels where violence was first concentrated had higher proportions of Zulu migrants from rural areas, and hostel residents had more limited links with surrounding township residents. But the increased political polarisation of early 1991 has extended widely.

Whilst the hostels and their occupants were at the heart of events, there were a range of other important events. Inkatha has emphasised the assassinations of its leaders, including its West Rand chairman Pat Mbatha in December 1990, and Diepmeadow Mayor MB Khumalo in April 1991. But Inkatha has not been the only party to have suffered from assassinations. The ANC and its allies have also lost township-level leaders, and many members of their families, to assassinations, abductions, or unexplained disappearances. All of these assassinations have contributed to heightening tensions and to sustaining the cycles of violence.

A continuing trend has been the high levels of violence accompanying funerals and rallies. Typically, pro-Inkatha impis, often fuelled by bellicose rhetoric at the rallies, and sometimes following provocation, have rampaged through township streets. Some pro-Inkatha people have been killed en route to rallies, and in other areas tension has risen in anticipation of post-rally attacks. One of the factors behind the Swannieville massacre in Kagiso in May 1991 was the squatters' expulsion of possible pro-Inkatha residents, lest they serve as 'fifth columnists' when Inkatha supporters would pass by after a big impending rally in nearby Bekkersdal.

### The Township Underclass

Hostels have clearly played a central role in the violence in the Transvaal, unlike in Natal/KwaZulu. Several analyses of the violence have primarily emphasised the socio-economic position of hostel residents, and their political and social alienation from the rest of the township 'community'. The combination of appalling living

conditions (see Schreiner on Hostels: pp87/88) and fierce competition for jobs provides the basis for chronic violence.

Other research, however, suggests that the class composition of hostels and squatter settlements is not so markedly different from many old township areas. Whilst economic factors may shape political conflict, the rise in fatal violence over the last year needs to be analysed in terms of more political factors.

One of the important political factors is the marginalisation of hostel residents within township politics. Civic and youth organisations generally failed to organise within hostels, or to take up their concerns. In some cases, civic organisations were explicitly opposed to hostels. It has also been suggested that the politicisation of the trade unions in the late 1980s has seen a decline in the role played by hostel-based shop stewards, and the unions have thus less and less been able to play a bridging role.

However, hostel residents did not in the first instance organise collectively against township residents, but rather clashed among themselves. The marginalisation of the hostels was nonetheless an important factor, contributing to poor understanding within hostels about township politics and organisations, with rumours and exaggerated fears easily leading to peremptory action.

Fear, uncertainty, isolation and vulnerability have been a major cause of the intensification of violence. The media has portrayed Zulu migrants as angry and proud. Mediators point to another side of many of these same migrants: fearful of the alien township population, concerned about the future of the hostels and of their jobs, not comprehending the motivations of their assailants.

The intimate nature of hostel life may facilitate collective organisation, as the independent trade unions found a decade ago, but it also intensifies the dangers of attack from within. Pro-Inkatha hostel residents, having been convinced of the threat posed to them by supposedly ANC-led groups, were driven to expel possible 'enemies'. Pro-ANC residents in Sebokeng's hostels faced the same choices.

Even before mid-1990 the form of organisation found in most hostels was hierarchical and coercive. The potential for the violent resolution of problems, and for

the political manipulation of this, had long been apparent. As recently as May 1989, hostel residents in Tembisa led by local induna and warlord Goodman Mbatha, forcibly evicted families which had occupied vacant sections of the Vusimusi hostel. The hostel residents led by Mbatha seem to have been used by local township councillors and the police to control or intimidate pro-ANC sections of the township. Mbatha was later shown to have linked up with Inkatha.

### Politics of Ethnicity

The violence has been widely described in terms of an allegedly age-old 'Zulu-Xhosa' enmity. The 'tribal' explanation has been provided with a spurious respectability in the (historically inaccurate) commentaries of RW Johnson and others. Whilst rejecting such crude explanations, it must be acknowledged that ethnic identities have come to play a role in the conflict. Pro-Inkatha hostel residents have increasingly portrayed the violence in ethnic terms. This dimension needs to be explained, not ignored.

Firstly, the material position of many Zulu migrants appears to differ from many non-Zulu migrants. Significant numbers of Zulu hostel residents on the Reef do not wish to settle in town, with or without their families, but wish to remain migrants. They are thus particularly prone to being mobilised against the threat of dismantling the migrant labour system and converting all hostels into family accommodation. Among non-Zulu migrants there seems to be less commitment to migrancy. Whilst this is not true of all Zulu hostel residents and is true of some non-Zulu residents, there seems to be a general, if under-researched pattern.

Secondly, the intensification of party-political competition in 1990-91 drew in different groups in contrasting ways. In 1990 Inkatha concentrated its initial recruitment and organisation among Zulu-speakers. If there was a strategy of organising more broadly within hostels - which would have made national political sense - this was overtaken by events on the ground. According to one account of a reluctant Inkatha member interviewed in the *Weekly Mail* in August:

*Inkatha wanted everyone in the hostels to go out and join them in the township. Many Xhosa people resisted. Inkatha took that refusal to mean it is because Mandela is a Xhosa. That is why they*

*Civic and youth organisations generally failed to organise within hostels, thus marginalising hostel residents*

*The fear, uncertainty and isolation of hostel residents have been a major factor in the intensification of violence*

*Hostel residents seem to have been used by local township councillors and the police to control or intimidate pro-ANC township sections*

*think these people are not joining Inkatha, and why the fighting has become Xhosas against Zulus.*

The importance of ethnic identities was uneven, but increased during the course of the conflict. In the confusion of hostel violence, it was not always clear who was who. Pro-Inkatha hostel residents in Kagiso even killed some of their Zulu-speaking co-residents in August 1990 when they sought to re-enter the hostel which the former had taken over. Some Zulu-speaking migrants fled the hostels rather than join Inkatha. But such non-Inkatha Zulu hostel residents were sometimes driven to Inkatha for protection by the indiscriminate actions of township youth. Similarly, non-Zulu hostel residents who might have been attracted to Inkatha as a conservative organisation were alienated by its supporters' indiscriminate attacks on non-Zulus.

Ethnic political mobilisation deepened and rigidified divisions, and hampered solutions. Fortunately, ethnic polarisation does not seem to have had much impact on politics outside of the hostels, where Zulu-speakers have been killed by pro-Inkatha hostel-based impis, and have joined in actions against them. There is no evidence to show that support for Inkatha has grown in the Transvaal townships beyond the minimal levels consistently shown in opinion polls throughout the late 1980s.

### ANC & Inkatha Roles

Since its legal re-emergence in early 1990 the ANC has sought to build a party structure inside South Africa out of very disparate elements: former prison-based and exiled leaders and cadres, several overlapping regional leadership networks, pro-ANC civic activists and a wide range of so-called township 'youth'. Organisationally, at this stage, the ANC is complex and for the most part still chaotic. There is little discipline within the organisation, particularly when it comes to the youth.

More obviously than any other party, the ANC is caught in the invidious position of trying to make visible progress in national political negotiations whilst maintaining its vast, angry and militant grass-roots constituency. Evidence at the local level in most Reef townships suggests that ANC leadership has sought to reign in its more militant supporters, although with very

uneven success. At the same time, township residents have, with good reason, remained sceptical of the bona fides of a government whose security forces have changed little since the mid-1980s.

Whilst the structure and support base of Inkatha are rather different, it is to some extent also constrained by the character of its supporters. Although in the late 1970s Inkatha had active branches in many Reef townships, and participated in a number of civic protests, by the late 1980s its support was largely inactive and limited to the hostels.

The disappearance of Inkatha support in the Transvaal outside of the hostels seems to have been related to national and local factors. Firstly, many former supporters turned to the revived ANC and the UDF, as Inkatha appeared to grow closer to the government. Secondly, the participation of local Inkatha members in black township councils discredited the party. Thus when the new IFP sought to rebuild itself in 1990, its starting-point was its residual membership in the hostels. In the polarised political context of mid-1990, however, the immediate concerns of this core membership prevented Inkatha from easily broadening its support-base either within the hostel, or into the townships outside.

Inkatha on the Reef has adopted the form not of a conventional political party, but more of a feudal quasi-military structure. An apparently simple hierarchy of authority links bellicose regional leaders such as Themba Khoza and Musa Myeni to semi-autonomous indunas in the various hostels. This kind of organisation might be understandable from the point of view of defense against external aggression, but certainly does not facilitate peaceful political competition. Inkatha's political advances will be largely limited to those areas - especially shack settlements adjoining hostels - over which hostel-based indunas can maintain territorial control.

The apparent militarisation of Inkatha structures may be related to the shifting character of Inkatha in Natal. According to figures reportedly provided by the Inkatha Institute, the share of total Inkatha membership accounted for by the Inkatha Youth Brigade rose from 22% to 41% between 1987 and 1989. The most prominent regional Inkatha leader on the Reef is its regional Youth Brigade leader, Themba Khoza. If the experience of the ANC *vis-à-vis* its own Youth League is anything to go by, the rising prominence of

*There is no evidence to show that support for Inkatha has grown in the Transvaal townships beyond minimal levels*



the Inkatha Youth Brigade suggests the growth of a more militant and inflexible constituency within Inkatha.

The role of Inkatha on the Reef reflects both the character of its original support base, and the ideology and strategy which the Party brought from Natal/KwaZulu. Inkatha provides a mobilising ideology which emphasises both ethnicity and the violent nature of political competition in the townships. For many Zulu-speaking hostel residents this approach makes sense of the general confusion of township politics and their particular experiences of marginalisation.

Whilst the media generally portray Inkatha impis as armed with 'cultural weapons', there is considerable evidence of Inkatha members using AK-47s and other firearms. Indeed, a large number of people officially acknowledged to have been killed by Inkatha supporters have been shot - for example, many of the 38 people killed on 3 September 1990 by Inkatha supporters in their attack on the hostel in Sebokeng. The police subsequently found AK-47s in the boot of Inkatha Transvaal leader Themba Khoza's car (he denied all knowledge of them). Further, the Inkatha-linked attackers on night-vigils in Sebokeng and Alexandra (in January and March 1991, killing 13 and 38 people respectively) used AK-47s and other firearms.

Police raids on hostels on the East Rand in late 1990 unearthed massive arms caches. When the police were prevented from raiding Inkatha-controlled Wolhuter Hostel in Johannesburg in May 1991, they acknowledged that the hostel-inmates were seen to have guns. (The hostel was said to have become Inkatha's major arsenal in the region). Several newspapers have published reports of Inkatha-linked gun-running operations, and even of Inkatha members having been trained by the security forces (which both parties deny). There is thus little reason not to believe that Inkatha have or use AK-47s and other firearms any less than other groups, including the ANC's Umkhonto we Sizwe.

### Prerequisites for Peace

This report has focused on just one, albeit central, aspect of the Reef violence: the role

of hostels, *how and why* hostel residents have been drawn into the escalating violence. It has not examined how the violence has been used, directly or indirectly, in broader political struggles. It has thus not addressed the issues of state strategy, partisan policing, and the role of the security forces in covert violence, nor of the ANC and Inkatha's national strategies, nor of the factors promoting and restraining violence within the townships.

One further issue can be touched upon here. Since early on in the violence there have been a series of local peace initiatives. Some of these have involved senior ANC and or Inkatha leaders in a generally ad hoc manner, others have brought together local leaders under independent mediators for round-table talks. Prominent among the latter was a peace accord drawn up in Tokoza on the East Rand in April 1991. Such initiatives have had some success in preserving a temporary and precarious peace, or at least low levels of violence.

The violence needs to be understood as a process, which is profoundly shaped by the character of hostel politics and by the organisation and ideology which Inkatha has brought to the hostels. For peace initiatives to succeed, they somehow have to interrupt or 'break' this process.

There are three prerequisites for the negotiated construction of sustained peace in the townships - guaranteed security, protection of economic interests, and a commitment to peaceful political competition. None of these three prerequisites will be easily achieved, however:

- The first prerequisite requires extensive, effective and non-partisan policing by the state - which has been strikingly absent until now (giving rise to credible suspicions of an ulterior state strategy).
- The second requires a clear recognition that some urban workers wish to remain single migrants, and their interests need to be accommodated. Hostels need to be upgraded into a combination of family and single-sex accommodation.
- The third relates to the character of Inkatha and of hostel politics. Prospects for peace are best in areas where the local Inkatha leadership includes credible township leaders as well as hostel residents. **TPA**

*The rising prominence of youth wings suggests the growth of a more militant and inflexible constituency within both the ANC and Inkatha*

*To sustain peace in the townships will require guaranteed security, protection of economic interests, and a commitment to peaceful political competition*

# Participatory Democracy

## Local Option Debates

By Robert Cameron,  
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In recent issues of Indicator SA, local government issues have featured prominently. In Indicator SA Vol7/No4, Simon Bekker and Pravin Singh discussed three city government change processes in Durban's future. In Indicator SA Vol8/No1, Kehla Shubane examined the relationship between the ANC's local government policy and local civics. In this contribution, Robert Cameron considers whether the ANC's local government proposals are conducive to the operation of strong, autonomous local authorities. A case study of the DFR follows.

*The ANC's position on local government reforms is vague and contradictory*

When it comes to the ANC's local government policy, two contemporary documents are of importance. The first is the organisation's constitutional guidelines, where it is stated that :

- South Africa shall be an independent, unitary, democratic and non-racial state;
- Sovereignty shall belong to the people as a whole and shall be exercised through one central legislature, executive, judiciary and administration.
- Provision shall be made for the delegation of the powers of the central authority to subordinate administrative units for more effective administration and democratic participation.

What is proposed here is a centralised state with a certain amount of delegation to local units as a matter of administrative convenience. In terms of this document, the ANC's position on local government is vague; it is not even clear if provision is going to be made for elected representatives at local level. There is also a certain debate about whether the proposals are specific enough, with some commentators calling them a detailed blueprint and others calling them only guidelines for discussion.

The other important document is the proceedings of the ANC's National Consultative Conference on Local Government in 1990. At this meeting the ANC attempted to put more flesh on its local government policy. This was a discussion document intended to generate debate about local government issues in ANC branches and civic associations. As such the resolutions adopted at the conference cannot be regarded as binding.

The abbreviated resolutions are:

- that all racially based local structures must be abolished;
- that the delimitation of local authorities should be done on the principles of non-racialism and redistribution of land and resources;
- that a system of universal suffrage based on the principle of 'one person one vote' be introduced;
- that unified municipalities be created for small towns and cities;
- that metropolitan government structures be created in big towns and cities;
- that affirmative action programmes be introduced;
- that the future electoral system ensures an equitable representation of women;
- that a balance be maintained between the powers of national and local governments;

- that government powers relating to local issues be delegated to local authorities to ensure a democratic and efficient administration.

### ANC Centralisation

Segregated cities have caused a massive disparity between resources and needs with the poorer black townships being most adversely affected. There is no question that, as the ANC proposes, consolidated local authorities with one tax base are needed to ensure a more equal distribution of resources.

In major metropolitan areas which are too large to have a single local authority, a two-tier metropolitan system is proposed. Metropolitan authorities have a number of advantages. They can redistribute resources within metropolitan regions from richer to poorer local authorities. It is also held that it is more efficient to provide certain services at metropolitan level. However, there is a major disadvantage which is not mentioned in the latter ANC report. In many two-tier systems, the lower-tier governments have lost many of their historic powers and functions to higher authorities. Such units have declined as meaningful arenas for political participation, which has led to citizens losing interest in such bodies.

In order to arrest this increasing centralisation, many recent metropolitan reorganisations have been introduced simultaneously with attempts to foster citizen participation. These attempts have generally failed to stop the locus of power being sucked up to metropolitan level. This particular problem of safeguarding local democracy needs to be thought through further.

A case could possibly be made for the introduction of a number of regional governments instead of metropolitan authorities. Such bodies would have larger areas of jurisdiction than metropolitan RSCs yet would not be as large as current provincial boundaries. They would encompass both urban and rural areas. Such bodies could undertake functions such as regional investment and planning and be entrusted with ensuring inter-regional redistribution. Such a solution could lead to greater inter-regional equity, while ensuring that local governments remain small and do not become too remote. There would also be a need for central government subsidisation to ensure inter-regional equity.

The ANC places much emphasis on a strong centralised state in both the constitutional guidelines and the proceedings of the conference. It is stated that 'we reject federalism and decentralisation as a strategy to retain privilege' (1990: 27). However, the ANC is incorrect on a number of issues.

Firstly, there are different forms of federalism. Socialist Yugoslavia and Social-Democratic (West) Germany are examples of federal countries which have redistributed wealth on the basis of entitlement. Secondly, federalism and decentralisation are not synonymous; some unitary states are decentralised, e.g. Holland, and some federal states especially in the Third World, e.g. Brazil and Nigeria, are particularly centralist towards local authorities in their regions. Nor is decentralisation necessarily reactionary. The Left has a rich tradition of decentralised socialism. A local government variant of this was the municipal socialism propounded by the Webbs and the early Fabians.

### State Devolution

This blurring of federalism and decentralisation has important strategic implications. It conflates two separate, although overlapping, strategies of the state.

The first is an older strategy: to protect white interests through the creation of federal regions. While this position still has its advocates within the state, it is becoming less tenable because studies have shown that whites will be the minority in every subordinate region anyway.

The second strategy, and the one that is increasingly coming to the fore, is that whites' interests can be strongly protected through decentralisation to small local government units which would control their own schools, police, and municipal services. They would have an infinitely wealthier tax base which would enable them to maintain their privileged way of life. This, from the state's perspective, is a far more practical option.

Elements of this strategy are evident in the state's Co-ordinating Council report on local government. For instance, the community government model (one of the five proposed local government options in the report) involves devolution of power within local authorities.

*There is a rich tradition of decentralised socialism which safeguards democracy at the local level*

*The ANC emphasises a strong centralised state while rejecting federalism as a strategy to retain white privilege*

*The ANC acknowledges that existing local authorities are over-centralised, bureaucratic and authoritarian*

The Council's report suggests that a local authority could be divided into neighbourhood management committees. The municipal council consists of representatives of these committees. Such committees would be endowed with extensive functions and powers, their own budgets and own sources of revenue. The local authority would, however, be responsible for minimum standards within the cities. Although such committees would not be able to discriminate on racial grounds, past inequalities would ensure that most of the richer committees would be predominantly white. With their own budgets and sources of revenue they could continue living in exclusive enclaves and not contribute to the upliftment of the poorer black areas in the cities.

There is no surer way of discrediting decentralisation than through this particular scenario. However, this community model was either inadequately researched or it was deliberately designed in this particular way in order to maximise white interests, because it does not generally operate in this way. Even in the USA, the most developed variant of this model, such committees do not have the powers to tax and compile their own budgets. More common is a limited variant of this model, whereby committees are vested with the performance of certain local functions, have budgetary discretion over some portion of funds that the city is planning to spend in the area, and limited veto powers.

### Decentralised Model

In the context of the Council's report the ANC, perhaps understandably, does not make reference to devolution of powers to such local units. However, a case can be made for a limited variant of this community model. Such forms of participatory structures have often been used in left-wing controlled local authorities in Western Europe on the grounds that traditional representative mechanisms are inadequate.

Similarly in South Africa, there is a need to diminish the distance between citizens and the allocated representatives, which has been particularly pronounced in larger local authorities. Although councillors are elected on a ward basis, there is often not enough scope to represent such local interests once elected to council. Councillors tend to get sucked into city-wide issues at the expense of their ward concerns.

A limited form of participatory democracy will help redress the imbalance in this regard. Such a system would, unlike the Co-ordinating Council system, not fragment the local authority to such an extent that it would be unable to govern the city effectively. It will also have a single tax base and could ensure a possible redistribution of sources to where the greatest need exists. The ANC needs to give this issue further attention.

Along with political decentralisation there is a great need for administrative decentralisation too. One puzzling aspect of the 'One City' campaign is the enthusiasm of civic organisations to fall under the auspices of white local administrations. Such local administrations have often been characterised by rigidity, red tape and unresponsiveness to the public. In fairness, the ANC acknowledges that 'existing local authorities are over-centralised, bureaucratic and authoritarian and that a new form of administration and management is needed'. However, this is not built upon and no resolution was taken in this regard.

In Western Europe and the USA, concern with centralised bureaucratic service-delivery has stimulated decentralisation within local authorities. Decentralisation has been supported by both the Left and the Right. The Urban Left oppose the inflexible nature and alienation of centralised service delivery. Decentralisation of decision-making lessens the need for hierarchical control and permits a diversity of response rather than uniformity of practice.

Public choice theorists of the Right argue that elected representatives become captured by the bureaucracy and fail to provide an adequate check on spending and the direction of provision. The solution is to try and create something approximating market conditions. This involves a form of decentralisation.

An example of administrative decentralisation is the provision of sub-authority outlets for service delivery in various localities. Another form is the shifting of responsibility for resources or control over certain aspects of policy towards those who work at a management level closest to the people actually providing services. All these schemes are premised on the view that decentralisation can improve the public's access to local authority services. This issue also needs greater attention.

*In South Africa, we need to diminish the distance between citizens and their representatives, particularly in the larger local authorities*

## Electoral System

A few comments can also be made about the local electoral system. The ANC correctly points out that single member constituencies create disproportion and will inevitably favour the richer (white) parties at the expense of poorer (black) ones. A preference is expressed for the 'list variant' of the proportional representation (PR) system. It is contended that the single transferable vote (STV) variant of the PR system is more conducive to local autonomy than the list system. It is true, as the ANC point out, that the list system can provide for a more accurate representation of party strengths than the STV system, which can lead to anomalies along the lines of single-member constituencies. However, this is more than offset by other advantages of the STV system.

Under the list system the party managers are given a crucial role in determining which individual members will be elected by votes cast for the party, thereby strengthening party discipline. A major objection to this is that local accountability is undermined and that power is sucked upwards to the regional or national level of the party. Candidates are often chosen, not according to merit, but rather on the basis of patronage.

The STV vote is a method of election providing for preferential voting in multi-member constituencies. It seeks to represent the opinions of individual electors as well as between parties. The STV thus allows the elector rather than the party to choose which candidate should represent him/her. It also offers the voter a choice between candidates of the same party and in so doing allows the voter to discriminate between effective and less effective candidates of the same party.

The STV, unlike the list system, would give independent candidates a fair chance of election to local councils. This could have important implications for the quality of local representation. In Nigeria, the military government banned party politics at

municipal level. Party machinery at local level was responsible for much corruption, nepotism and power-mongering. The 1976 elections were the first to be based on the individual merit of the candidate with no party political considerations. The result was the election of what was generally considered the best crop of councillors to serve Nigeria.

Finally, the STV system is more simple to comprehend than the list system, which is complex in nature and likely to sow confusion amongst an unsophisticated electorate.

## Power Struggle

The ANC's local government proposals are an improvement on the highly centralist constitutional guidelines. The organisation is at least now committed to a system of independent local authorities. Nevertheless, there are a number of areas where it is still too centralist. The organisation still seems deeply suspicious of decentralisation. However, as this analysis has pointed out, it is possible to devolve powers to local government in a way that will not perpetuate existing inequalities.

Finally, it is becoming more apparent that in the field of local government there is, as in the areas of the economy and land reform, a power struggle between centralists and decentralists within the party. While many within the party are committed to a system of local government, there are others in the party who are not. For example, Albic Sachs sees the role of local authorities as agents of the central government.

The important issue is that the resolutions adopted at the ANC's National Consultative Conference on Local Government are not yet binding. These proposals co-exist uneasily with the highly centralist constitutional guidelines. There is no guarantee that if the ANC comes to power, thriving autonomous local authorities would be permitted. **IPA**

*It is possible to devolve powers to local government in a way that will not perpetuate existing inequalities*

*The final shape of the ANC's proposals will depend on the outcome of a power struggle in the Party between the centralists and decentralists*

**INTERIM ARRANGEMENTS NEGOTIATED BETWEEN STATE AND CIVIC ORGANISATIONS - 1990/91**

STATE	COMMUNITY	AGREEMENT
Transvaal Provincial Administration, Soweto City Council, Diepmeadow City Council, Dobsonville City Council	Soweto Peoples' Delegation	The <b>Greater Soweto Accord</b> establishes the Central Witwatersrand Metropolitan Chamber to serve as a forum with primary goals: <ul style="list-style-type: none"> <li>• to formulate regional, non-racial and democratic approaches for long-term constitutional, economic, institutional and social development of the metropolis;</li> <li>• to investigate and make recommendations for upgrading the services and infrastructure of greater Soweto, setting affordable tariffs and services, transferring rented housing stock to residents and establishing a common fiscal base for the metropolis.</li> </ul> (The Chamber will have fulfilled its functions once an appropriate system of local government and administration has been established.)
Standerton Town Clerk	Local civic organisations	Appoints Town Clerk from the white municipality as the administrator of the township after the BLA councillors resign. He meets weekly and consults with the executive of the civic organisations.
Klerksdorp	Jouberton	Establishes a single administration for the white town and the black township. An administrator, his heads of department and the civics form part of a joint committee.
Delmas	Local civic organisations	Establishes a joint committee involving representatives of the municipality, the business community and the civics.
Benoni Town Council	Wattville Concerned Residents Committee (WCRC)	Negotiate the lease of parts of the 'illegally occupied Tamboville' (Wattville South). BTC and the WRCC to undertake proper planning of the area, provide essential services and tar streets, grant ownership rights, and allocate R500 000 from the Capital Development Fund.
Parys Municipality, Tumahole Town Council, OFS Provincial Administration, SA Police, Eskom	Tumahole Peoples' Delegation	Secures resignation of the Tumahole Town Council and the appointment of an administrator. Establishes a joint working group of representatives from all parties to investigate <i>inter alia</i> a new system of local government, financing and administration. Agreement also involves calling off the consumer boycott, payment of a flat rate for service and levy charges of R18,50 per month, and immediate restoration of water to Tumahole.
Cape Province Administration (CPA)	ANC, UDF, Cosatu, Sayco, Western Cape United Civic Organisation	Declares moratorium on development of District Six and establishes structures to plan a 'post-group areas city'. Agree to end occupation of a state building and hunger strike; to provide services at 'Tambo Square' (Guguletu); to collectively identify alternative land to settle the community; to fund the development of the area; to grant a sum of R1m in 1991/92 for housing provision.

IPSA

## LAST STOP FOR THE METRO

Moses Mayekiso,  
President of the Civic Association of  
the Southern Transvaal (Cast)  
and the Alexandra Action Committee, talks to  
Indicator Project SA Researcher, Pravin Singh

*IPSA: Nationwide, at least ten interim arrangements have been negotiated between local authorities and civic organisations since 1990. What is your current assessment of these agreements?*

*MM: Firstly, there is a need for regional co-ordination. We should co-ordinate all negotiations and arrangements in the Transvaal through Cast, for instance, although the local civics would still remain independent and autonomous. Secondly, there is a need for higher level, national co-ordination. That is why we opted at our meeting in Bloemfontein in May to launch a new, national civic organisation (scheduled for August 1991, the seventh anniversary of the UDF's launch). Thirdly, we need a Civics Charter to guide us - we should have policies and programmes that cover all our approaches towards black local authorities (BLAs) and the new interim structures for non-racial municipalities.*

All of these interim arrangements for local government are confusing. In some cases, they even contradict our objective of trying to get rid of racist structures. We are compromising too much on basic policies and basic issues. So my main point is that there is a lack of co-ordination between the civics.

*IPSA: Some of these diverse arrangements appear to contradict popular strategies of civic organisations, for example, through negotiating with the BLAs and working within apartheid-created structures. Are there any guiding principles for civics on local level negotiations at present?*

*MM: Well, there are none yet, though in the Transvaal we have tried to come forward with a loose arrangement. We are working towards a concrete arrangement on our guiding principles. We are a little disorganised because we don't have the resources to enable us to work out a co-ordinated approach. We have been calling for the resignation of BLA councillors. We have said that we are not going to participate in (interim) structures if these councillors are present, unless they say they will resign. In the Alex Accord we said that unless they pledge to resign, we would not participate.*

*IPSA: Civics also argue that immediate joint administration between white local authorities and black areas is necessary to lift the financial burden of BLAs and to ensure better service delivery to the townships, despite the glaring contradictions. Is this a valid argument?*

*MM: We find that civics enter into these arrangements without considering that they are contradicting our democratic movement's stand against racial structures. Let us take the (Central Witwatersrand) Metropolitan Chamber. We have been criticising the format because though it is an interim arrangement, it is dangerous because representation is on a racial basis. The signing of these types of constitutions can contradict the national approach. As civics, we are concerned about national political change. We would like to see constituent assemblies, not structures like the tricameral parliaments or the Chamber. It's really a new tricameral system.*

In Cast we are saying we need constituent assemblies, we need these structures at local and regional level. That's how we can push the government to agree to a national constituent assembly and a national interim government. The model of the Chamber is going to be adopted by right-wing areas where we may end up with these racial structures and never move further. They will say, 'Well, this is a structure we can certainly negotiate with'! So in some areas we could end up with a chamber that entrenches group rights and approves federal structures.

The government says it intends to decentralise power. But why now? They want the (Greater Soweto) Accord because they do not want to get rid of racism, they do not want to get rid of economic inequalities. Soweto will remain a ghetto forever for Johannesburg doesn't want to carry such a financial burden. They want Soweto to be an independent sub-region. That is why they are pushing for this Chamber! The Alex Accord - yes, it has its own loopholes also but we have tried to build in some safeguards. We have forced the councillors to pledge that they would resign. They are not going to be part of the interim structures. This is on record now.

*IPSA: There are reports of differing points of view within Cast on the Central Witwatersrand Metropolitan Chamber which was formed out of the Greater Soweto Accord. How does Cast hope to resolve these differences, when some of its affiliates have already signed the Chamber's constitution?*

*MM: I have already outlined some of these problems. Yes, Cast is critical but in a constructive way of the Chamber. We were critical, even in those meetings where we got together to discuss things. Then the Accord became a public document, so we had to respond publicly. Once the Chamber becomes a model, our members have to be informed about what Cast feels about such structures. So that's why we came out openly, not necessarily criticising people personally. The Chamber undermines the call for a*

national constituent assembly. And it is not a genuine interim arrangement because of its racial format.

*IPSA: Will the different approaches of the affiliates necessarily lead to a split in Cast?*

*MM:* We believe it won't split because all the civics know that they are autonomous. They can reach agreements with whomever they want to, and Cast can analyse critically whatever comes forward.

*IPSA: The Soweto People's Delegation (SPD) could argue that although the Greater Soweto Accord fell short of civic demands for local government restructuring it secured some important concessions, for example, writing off arrears and committing the government to a process that could eventually meet civic demands.*

*MM:* If you weigh up both sides, the advantages are very few. The power balance is not the same. The Johannesburg civic structure represents many more people but must go cap in hand to the Chamber, saying, 'Can you please help us to develop our own areas'. The civics have no power within the Chamber. There was nothing pushing us to accept those little concessions. I would say we gained 40% of what we wanted which is not much. At this stage we should be pushing for more. Take the Alex Accord - we did not get all we wanted in one day. We stipulated conditions ...

Then there is the problem of not consulting. We have a tradition of the white man negotiating answers for his children or his constituencies without the kind of consultation which the civics have cultivated. We have to consult. We have to account for our actions. We have to report back to our constituencies.

*IPSA: Why have Cast affiliates responded so differently to the Chamber? How will Cast itself relate to the Chamber in future?*

*MM:* Well, some Cast affiliates have joined the Chamber and other Cast affiliates have refused to join the Chamber because of these reservations. As I have said, these civics are autonomous and they can do whatever they like. In any healthy democratic situation, you have got to have opposition - those who are for and those who are against ... I don't see a problem as long as the participating affiliates also recognise the need to maintain pressure for national demands, to work towards something better.

*IPSA: Local government also entails a very technical side. Do you think that the different responses of the affiliates is due to this 'uneven technical knowledge'?*

*MM:* Yes, we are in a new phase. People in the civics are putting themselves in a position where they have to agree to things that they are not familiar with. They are not used to the terrain of local government or to all these interim arrangements. That is why we say, 'You don't have to rush in'.

*IPSA: Are there prerequisites for Cast or civic affiliates participating in the Chamber or in any other interim arrangement with present state structures?*

*MM:* Yes, the prerequisite is that there should be consultation. You must consult, you must discuss with the people - on the ground, at street committee level, zone level, at area level - and then win a mandate, so that you carry the people with you. We must not water down the years of struggle when we said that racial structures must go. Interim structures must be like mini-constituent assemblies, where representation is non-racial and freely chosen by the people. We must move away from tricameral systems. The guys who are participating say that they have gained some concessions ... which is true ... but they also gained a Chamber which is similar to the tricameral system.

*IPSA: Should civics take on the role of local government or should they participate in structures like the Chamber (or in a future local government) as the gatekeepers of democracy and accountability?*

*MM:* We believe that the civics must be independent of political organisations, parties or government structures. Whilst we are negotiating, the civics can participate in regional structures or local sub-structures to introduce non-racial principles. But once things are set up, then the political parties would compete for leadership of local government. The civics would remain the watchdogs of democracy, stay independent, stay out of such structures. This does not mean, however, that the civic leaders cannot stand as individuals or as party-political candidates for positions in local government.

*IPSA: How does this relationship play itself out practically? Most of the civics are already aligned to what would become a political party, for example, the ANC.*

*MM:* Traditionally, yes, most of the civics are more biased towards the ANC policies. But the trend now is that the civics must remain out of the government structures, even an ANC government, so that we can remain independent of such structures as the watchdogs of democracy.

*IPSA: Lastly, what strategies are available currently for local government restructuring in South Africa?*

*MM:* Well, I think that everybody would like to see change but there are different approaches ... The civics must gear themselves to engage in actions to promote non-racial local government and non-racial municipalities. We must engage in negotiations locally, regionally and nationally. We must also engage the central government and other government structures. The Transvaal Provincial Administration (TPA) is committed to change, though on their own, different terms. I am optimistic that there are positive moves towards non-racialising local government in South Africa. **IPSA**



# RESHAPING THE DFR METROPOLIS

By Professor Simon Bekker, Centre for Social & Development Studies  
and Pravin Singh, Indicator SA

*This article will identify and discuss a number of current initiatives aimed at restructuring third-tier government in Durban and in Pietermaritzburg. Five are located at local, and one at metropolitan, level. Though not intended to be comprehensive, it will nonetheless reflect changing trends in thinking, policy and practice on the part of governments and of extra-parliamentary bodies.*

It is now common wisdom that local government in South Africa needs to be radically restructured. The government's intention in this regard is most succinctly reflected in statements contained in the State President's speech to Parliament in February, and in the subsequent Bill on Interim Measures for Local Government, published in March 1991.

In the words of the State President: *Legislation will be submitted in 1991 to enable communities to enter into discussions with one another on a voluntary basis and establish joint structures ... In terms of this legislation, room will be created for the following:*

- the joint provision of services and the establishment of a single administration for various participating local authorities;
- the possibility of various participating local authorities to take decisions at joint meetings that will be binding on all of the participants;
- the admissibility of the various local authorities that wish to enter into such an agreement proceeding to the establishment of a single body or bodies to which the powers, duties and functions of the various participating local authorities may be assigned, either wholly or in part.

Recent developments in the city of Johannesburg and in Soweto - widely known as the Greater Soweto Accord, are probably the best-known examples of proposed restructuring of third-tier government. Before addressing the six initiatives in Durban and Pietermaritzburg, a summary of existing local government arrangements in Durban will be given. This case study is followed by comment on the implications of the recent changes in government policy on local authorities for the status quo in the DFR.

An overview of the present public institutional situation in the Durban Functional Region (DFR) reflects:

- a mosaic of uncoordinated local authorities ('own affairs' local bodies within Natal and a variety of tribal and other bodies within KwaZulu);
- a resultant fragmentation of service delivery to the

DFR's different communities;

- a highly diversified political culture in the region;
- a number of rapidly expanding informal settlements with high priority development needs;
- centralised governmental control over planning in the region (rather than devolved and participative planning); and
- deep division over alternative future scenarios for the city of Durban and the wider metropolitan region.

The DFR contains a diversity of local bodies. These are not only structured along racial lines but differ in size and in terms of the duties which they undertake. Local authorities under the control of the Natal Provincial Administration (NPA) differ in status. There are Boroughs, Town Boards, Town Committees, Health Committees and the City Council. Two Indian areas within the region have obtained borough status. Black townships under NPA control have not yet reached either town or city council status, in terms of the Black Local Authorities Act, 1982. The Development and Services Board is responsible for development areas and regulated areas. In trust land there is a township committee and a non-operative advisory board. The Indian and coloured local affairs committees are advisory structures.

There are also certain urban areas, with no formal representation, which are served by the NPA. Local authorities in KwaZulu are controlled by the Department of the Chief Minister under proclamation 263/62 and are therefore subject to a different system of local government (Pistorius, 1989: 1-3; Evans, 1988: 52).

Since the beginning of 1990, the South African government has launched a number of reform programmes aimed at the restructuring of local and metropolitan government arrangements in the country:

- *The 'Thornhill' proposals*

During 1990, the responsible minister, Mr Kriel, announced the so-called 'Thornhill' proposals

(Council for the Coordination of Local Government Affairs, 1990). These include a list of five options for city government arrangements. The minister also requested all interested parties in different South African cities to identify, by October 1990, which option they believed would be most suited to their city and their interests.

These options comprise:

- a continuation of the present 'own affairs' and 'general affairs' local government system;
- a local services council with joint administration constituted by autonomous local bodies;
- a joint local authority constituted by neighbourhood management committees on a non-racial basis;
- a single majoritarian model; or
- any other arrangement negotiated at local level.

Durban City Council have already identified the last above option as their choice. A number of other local authorities operating in Durban may have chosen their own specific options as well.

#### • *Extended Delivery of Services*

In mid-1990 the MEC for local government in the NPA announced the extension of the municipal areas of jurisdiction of some established white local authorities to include neighbouring black residential areas with regard to responsibility for service delivery (Miller 1990). The announcement (gazetted in the provincial gazette) was made in Pinetown. It effectively places a number of these municipalities in a position from which the formation of non-racial urban local authorities could rationally be established.

#### • *Pietermaritzburg 2000*

Launched in the late 1980s, this initiative aims at enabling the creation of a unified city.

#### • *Durban Indaba*

The launch in Durban of a series of informal discussions regarding city government issues has been undertaken by the Mayor of the City of Durban, a man who will be sorely missed after his recent tragic death.

#### • *Joint Services Boards for Natal and KwaZulu*

The KwaZulu and Natal Joint Services Act (No 84 of 1990), is closely modelled on the Regional Services Council (RSC) Act of 1985. RSCs are currently operating in the other three provinces. The purpose of the 1985 legislation was described as three-fold:

- to rationalise service provision through bulk supply;
- to enable joint decision-making on matters of common concern; and
- to provide for infrastructural development in areas of 'greatest need' from new levies on employment and turnover.

The JSB Act reflects these purposes. There are, however, two major differences. Firstly, the pivotal role played by the administrator in the RSC system is instead assumed by the Joint Executive Authority (JEA) (which incorporates representatives from both KwaZulu and Natal). Secondly, the new metropolitan authorities will include from the outset local bodies in KwaZulu as well as in Natal. In short, the Natal/KwaZulu divide in the city of Durban, as well as service fragmentation caused by the city's plethora of 'own affairs' local authorities, will - potentially at least - be circumvented by this new metropolitan authority.

In January 1991, the JEA announced their intention to establish, from April 1991, six JSBs in the region. The JSB which will serve the DFR is to be called the Port Natal-Ebhodwe JSB (PNE JSB).

The African National Congress (ANC), in a public statement at the end of March, rejected JSBs in their present form, as state structures reflecting apartheid characteristics.

### Six Initiatives

#### • *The Durban Joint Areas Committee*

In March of this year, the NPA gave an undertaking to make available, prior to action, all plans involving Durban's zoned black areas to a Durban civic body, the Joint Areas Committee (JAC), representing the black townships of Lamontville, Chesterville, and the Glebe, S J Smith and Thokoza hostels. This is seen by civic leaders as the beginning of appropriate negotiation and consultation, though there is a sense of restraint regarding too high expectations.

#### • *Mariannhill and Pinetown Municipality*

From 1975 to 1985, the Mariannhill area fell under the control of a Development Board. In the mid-eighties, administration passed to the NPA. The NPA administered the area until 2 July 1990, when an agreement was signed between the Province of Natal and the Borough of Pinetown, in terms of which the management and development of Pinetown South, which includes Klaarwater, the Link Area, St Wendolins, Savannah Park, Southampton Park, Thornwood and Mariannhill, became the responsibility of the Borough of Pinetown. The NPA is now serving in an advisory capacity, and will withdraw completely from the area during the next six months.

After criticism from civic associations last year regarding the need for consultation before such a decision was implemented, a recent agreement between Pinetown's Council (led by the Mayor) and local civic organisations has led to agreement on regular meetings between the bodies concerned, meetings which address Mariannhill community needs and grievances.

### *Cato Manor*

In December of last year, the Deputy Minister of Planning and Provincial Affairs, Dr Delpont, gave an undertaking that full consultations over Cato Manor - situated close to the CBD of Durban - would be entered into between the state and appropriate community organisations. Reacting to this request, a number of community representatives have formed a development forum comprising civic organisations as well as service and planning agencies.

To date, the Cato Manor Development Forum has put forward the following recommendations:

- co-ordinated planning of Cato Manor 'as part of a whole' of the Durban Metropolitan Area;
- provision of housing according to need, whilst catering for all income groups in terms of affordability;
- flexibility in planning and engineering standards, appropriate to different income groups;
- careful and detailed planning so that residential densities are acceptably high on the understanding that high rise development is not acceptable, especially not for low income groups;
- planning of the area so as to encourage local work opportunities.

In addition, the recommendations warn against unacceptable strategies intended to promote development in the area, namely piecemeal development, public sale of Cato Manor property, inadequate community participation, or fragmented institutional structures based upon 'own affairs' arrangements.

### *Highway City*

In April 1991, the Town Clerk of the borough of New Germany proposed the formation of 'Highway City'. Such a unified urban region would be able to compete on equal terms with the city of Durban, and could include the municipal areas of Westville, Queensburgh, Pinetown and New Germany together with the 'poorer' neighbouring African, Indian and Coloured townships. The proposal pointed to the establishment of a single city council which would be responsible for service delivery to the region as a whole. Each sub-region within its area of jurisdiction would have civic association representation.

### *Sobantu*

In April 1991, the MEC for Local Government in the Natal Provincial Administration, Mr Volker, launched an investigation into the possible merger of Sobantu Village into Pietermaritzburg. The focus is upon shared municipal service delivery, and civic associations are being approached to become involved in the investigation.

### *The Port Natal-Ebhodwe JSB*

'Operation Jump-Start' is a broad-based initiative

aimed at promoting metropolitan-wide economic development in the DFR. It has identified, as a priority aim, the need for an interim state arrangement which will facilitate land-use and infrastructural planning and implementation in order that immediate economic development may be promoted in the DFR.

With this aim in mind, it is currently considering, as one option, an amended form of the Port Natal-Ebhodwe Joint Services Board. The proposal under consideration will be briefly sketched:

### *Interim Metropolitan Body*

The Port Natal-Ebhodwe Joint Services Board (PNE JSB) may be appropriate for a number of reasons:

- its area of jurisdiction will effectively be the DFR (regional and national bodies, whilst laying down the guidelines for JSB decision-making, will be too 'slow' and too 'far' to be able to intervene directly and effectively in the DFR);
- the JSB will have planning expertise and experience within its ranks, as well as available from its main agent;
- the JSB will include members who represent significant DFR community interests.
- the JSB can be legally empowered to play the envisaged role (legislation mooted by the State President lend greater clarity to such powers)
- the JSB is a new body to be established during the current period of state restructuring.

In the light of the particularly complex local circumstances in the DFR, and of rapidly changing political circumstances at national level, two amendments to the present envisaged structure of the PNE JSB are proposed.

The first calls for the devolution (by the JEA) down to the JSB level of appropriate functions regarding land use and infrastructural planning and implementation. (In particular, functions 4 and 21 in Schedule 2 of the Act are relevant.) The second calls for the direct involvement in JSB planning and implementation activities of representatives of extra-parliamentary organisations (the ANC in particular) based in the DFR.

These decisions cannot be taken unilaterally. In order to develop a credible climate for them to be discussed and agreed to, many need to be involved. The PNE JSB will comprise representatives from some 65 participating local authorities, approximately 25 of whom will represent African, Indian and coloured local authorities in KwaZulu and Natal. These representatives need to be involved in the proposed process. The Durban City Council, in particular, needs direct involvement since it is probable that its municipality will act as main JSB agent.

These 65 participating local authorities will continue to plan in their local areas of jurisdiction. It is

important to assure them that the JSB planning role will be of a broad-brush nature and essentially focused upon issues which cross local authority boundaries. It will not intervene in local area decisions other than by developing a metropolitan planning framework.

The PNE JSB is accountable to the JEA. The JEA, in turn, comprises an Advisory Committee for Planning (ACP) which is responsible for laying down planning guidelines for Natal and KwaZulu as a whole. It is important that the JEA is involved in this process so as to ensure that the JSB accords to ACP planning guidelines, and that the JEA agrees to the devolution of the above mentioned functions to the JSB. It is also worth noting that both the KwaZulu government and the Natal Provincial Executive (who make up the JEA) will hereby also be directly involved in the process. Accordingly, the credibility and ability of the JEA to act as an effective regional state body needs acceptance.

### Broadening Participation

The extra-parliamentary organisations in the country - the African National Congress in particular - are key participants in the current process of national constitutional negotiations. It is generally acknowledged that the ANC is one of the gatekeepers to this process. Without its involvement, this process would come to a halt.

The same may be said for the development process in the DFR. Accordingly, while the PNE JSB, the KwaZulu government and the Natal Provincial Executive are gatekeepers to this metropolitan-based process, without DFR-based ANC involvement, there is little chance of success.

In this light, the ANC needs to be involved in the decisions proposed, and needs to be involved with representatives of the participating local authorities in the PNE JSB. This may either be done in an informal body whose purpose is to discuss and make recommendations on planning and implementation proposals at metropolitan level or via the working committees the JSB is presently establishing. Such recommendations may then be communicated to the JSB for ratification.

Two aspects of this proposal deserve additional comment. Ideally, direct participation in the JSB by acceptable ANC representatives would be preferable to the proposal given above. However, it is unlikely that such a proposal would be acceptable at present either to the ANC or to JSB members (and the JEA). All racially based local state structures are unacceptable to the ANC, and participants in the JSB do, at present, represent such 'own affairs' structures.

Members of the JEA, on the other hand, argue that participation in decision-making should be accompanied by the acceptance of responsibility for

these decisions by those making them. Individuals appointed by extra-parliamentary political movements, they argue further, may find themselves obliged to work to two conflicting agendas.

It is accordingly of importance that decisions taken by the informal body or by extended JSB working committees, and subsequently ratified by the JSB, are accepted as binding by the parties concerned.

### Parallel Developments

The success of these initiatives in restructuring local government, as pointed out in Cameron's article in this issue, depends on the parallel development by the major political actors in the country of a negotiated constitution entrenching participatory democracy at urban level. One critical issue in this regard is whether government powers should be devolved or delegated to urban local governments, and which powers these should be.

In the interim transitional period, the huge development challenges facing South African cities - the DFR in particular - cannot simply be suspended. Organisations involved in the urban development field moreover have reached broad agreement that community participation in the development process is a prerequisite for successful intervention. Accordingly, local governments whose role in this process is critical, need to broaden their constituencies and facilitate such participation. In short, interim state arrangements need to be agreed upon and established.

Such arrangements depend heavily upon the investment of considerable time and effort on the part of representatives of the bodies concerned and, probably, upon the investment of time and effort by a number of brokers who are of standing and credibility in the eyes of all concerned. In short, success depends more upon the individuals than upon the organisations involved. Such individuals are often able, by themselves, to open doors and process requests which would otherwise be blocked in the fragmented bureaucratic system presently operating.

Finally, interim state arrangements of the type proposed here will be institutions of deep importance. Future government and state decision-makers will probably apply lessons learnt during the period of constitutional transition. The experiences, policy and practice of such arrangements may serve as guidelines for future state action. Failures of such arrangements, in like measure, will also be of consequence. One such consequence of failures at urban or metropolitan levels may be the future centralisation of state authority. **DPJA**

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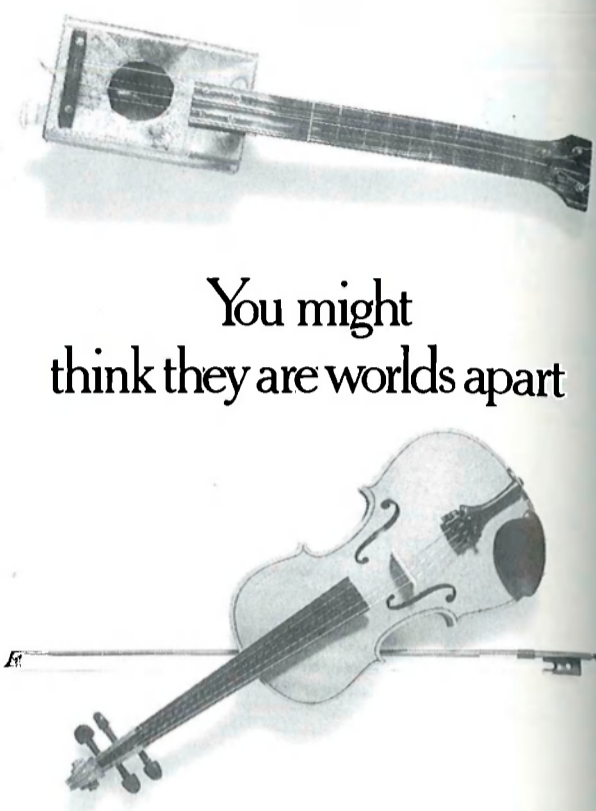
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
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# Rich Man, Poor Man ...

## Redistribution Debates

By Nicoli Nattrass,

Research Unit for the Sociology of Development, University of Stellenbosch

*One of the most important South African debates centres on whether redistribution policies, if carefully designed and implemented, can achieve both humanitarian and economic objectives. Drawing on a workshop on 'Budgeting for Redistribution' (organised by the University of the Western Cape, 1991), this review critically examines proposed strategies for redistribution through growth, taxation and redirected expenditure. The author argues that we need to channel state spending in ways which 'invest' in the poor by improving their capabilities and access to opportunities, rather than by simply subsidising their consumption via direct transfers.*

The national budget is an important instrument in any country's development programme. By channeling resources from rich productive sectors of the economy to poverty-stricken regions and individuals, the state is able to make a significant impact on the employment opportunities and quality of life of the poor.

However, the developmental impact of redistribution policies depends crucially on the growth rate and on maintaining external and domestic macro-economic balance. Policy-makers should avoid overvalued exchange rates (which discriminate against export producing sectors) and negative real interest rates (which stunt saving and place pressure on the balance of payments). Low interest rates in the face of an increased fiscal deficit are likely to cause the deficit to be monetised and thus boost inflation (Kahn, 1991).

South Africa's budget deficit (as conventionally defined) was roughly 3% of GDP in 1990. As a general rule, the IMF recommends that the deficit before borrowing be kept between 2% and 4% of GDP. In these terms, it appears that very little space exists for South Africa to extend the deficit without risking serious macro-economic imbalance. While the potentially harmful effects of large budget deficits depend crucially on a range of factors such as the nature of state spending and economic growth prospects, the international evidence suggests that developing countries which have maintained budget deficits of 7% or more of GDP have suffered the consequences of rapid inflation and IMF structural adjustment programmes (P Moll, 1991a).

Where governments have resorted to printing money in order to finance significantly increased levels of government spending, this has invariably led to the erosion of real wages (and thus had a particularly harmful impact on the poor). Such actions provoked capital flight, reduced investment, shrunk the tax base by driving many economic activities into the informal and illegal sectors, led to the misallocation of foreign exchange and even produced a right-wing backlash in the political arena (T Moll, 1991). It would thus be prudent for South Africa to keep the budget deficit down to manageable proportions and to avoid monetising it. Furthermore, the borrowed money should be spent wisely with an emphasis on capital rather than consumption expenditure (Kahn, 1991).

### Redistribution via Growth

Unfortunately, the prospects for rapid growth in South Africa over the next decade are not encouraging. Between 1984 and 1989, growth of real GDP averaged a mere 1.5% per annum. This was well below the 5% growth rate required to absorb the new entrants to the labour market. Unemployment has risen as a result (Roux, 1991). Unless business confidence recovers enough to boost South Africa's stagnant levels of investment, the prospects for rapid growth and significant employment creation remain bleak.

A stable and favourable environment for accumulation and growth must be created. If South Africa is to attract the foreign investment necessary to ensure rapid and

*In IMF terms, little space exists for South Africa to extend the budget deficit without high risk*

**Table: Comparative Economic Indicators**

Countries(\$)	GNP per capita	Life expectancy	Infant mortality <sup>1</sup>	Govt Exp as % GNP			Govt Exp. as % of GNP
				Defence	Health	Educ	
Low Income <sup>2</sup>	280	54	98	2,6	0,7	2,2	24,1
Sri Lanka	420	71	21	3,0	1,7	2,4	31,4
Indonesia	440	61	68	1,9	0,4	2,3	22,7
Lower Middle	1 380	65	57	2,0	0,6	2,0	15,4
Brazil	2 160	65	61	1,0	2,4	1,2	25,1
Costa Rica	1 690	75	18	0,6	5,4	4,5	28,0
Botswana	1 010	67	41	6,2	3,8	9,2	50,9
Zimbabwe	650	63	49	6,3	2,9	8,5	38,7
Upper Middle	3 240	68	42	-	-	-	-
Korea	3 600	70	24	4,3	0,3	3,0	15,7
Venezuela	3 250	70	35	1,3	2,2	4,3	21,8
Argentina	2 520	71	31	1,5	0,5	1,5	21,6
South Africa	2 290	61	70	4,3	3,2	6,1	33,1
High Income	17 080	76	9	3,9	3,6	1,4	28,9
United Kingdom	12 810	75	9	4,7	5,1	0,8	37,6
Australia	12 340	76	9	2,6	2,8	2,1	28,7

**FOOTNOTES:**

1 Infant mortality per 1000 births.  
2 Excluding China and India.

**SOURCES:**

World Development Report, 1990, statistical tables numbers 1, 11, 28, 30. Statistical News Release 'Expenditure by the General Government, 1982/83 - 1987/88', P9141, Central Statistical Services.

*Threats of nationalisation or heavy tax increases will instantly be met by capital flight and limited inflow*

sustained expansion in employment as well as prevent capital flight out of the country, then development policies must be highly sensitive to the growth imperative.

South Africa is a small open economy. Capital can move quickly in and out in its search for profitable investment opportunities. Macro-economic instability, threats of nationalisation, rumoured heavy increases in taxation, etc. will instantly be met by capital flight and limited capital inflow. Even with exchange controls, the outflow of capital cannot be stemmed in the long run because any firm engaged in foreign trade can under-invoice exports, over-invoice imports and deposit the difference abroad.

**Via Taxation...**

Financial limitations and the need to ensure rapid growth (a necessary condition for a sustained increase in the tax base) impose hard constraints on the extent to which redistribution and development initiatives can be affected through the budget. Taxes in South Africa are already some 30% of GDP; a figure well above most developing countries. In some European and Scandinavian countries the overall tax rate is higher than this, but during the 1980s, most of them reformed their tax structures because it was felt that the high tax burden was negatively influencing their growth.

South Africa may already be near the point where additional taxation could harm

economic growth and for this reason there is only limited potential for redistribution of the revenue side of the budget (Loots, 1991). If the overall tax rate rises too far and too fast, the effects on investment incentives would probably be serious. Loots suggests that the overall tax rate be increased by only 0,5% or at most 1% of GDP, and that this should happen only in years when there is positive GDP growth.

However, given the vast disparities in income and wealth in South Africa, leaving the tax structure entirely unaltered is politically unacceptable and economically inefficient in so far as more people avoid paying taxes when the system is regarded as unjust. In the interests of perceived fairness, Loots (1991) argues in favour of the introduction of a land tax, a property tax and a capital transfer tax. Because of the large size of the base, the tax rates imposed would not have to be high.

In addition, Loots makes a case for a minimum tax to be placed on companies, using revenue or some other measure rather than profits as a base, in order to counteract the tendency of many firms to make accounting losses by exploiting complexities in the tax law. Again, the rate imposed should be low as the intention here is to promote efficiency. A similar proposal is to eliminate tax expenditures and incentives; there are so many of these that the tax system becomes overloaded and none has the desired output effects. In aggregate then, much the same amount of tax would be collected each year as the shifts in the tax system would tend to cancel one another out.

**Via Expenditure ...**

The consequence of the limited potential for increasing revenue through taxation is that the developmental impact of the budget has to be felt on the expenditure side. At issue here is redirecting expenditure between spending categories, and re-organising spending within such categories. Given South Africa's relatively high levels of social spending, it is argued that the greatest possibilities for promoting development objectives through the budget lie in re-organising spending within spending categories.

A highly topical and important question concerns the 'savings' which could be made from eliminating apartheid-inspired state spending. According to van der Berg's estimates, the costs of administering



apartheid were less than 2% of GDP - with 1% the most likely scenario. Together with another 2% of GDP chopped from the military's share of 4% in 1990 and with 0,4% of GDP rescued from the government's decentralisation attempts, a post-apartheid government could rely on an additional 3,4% of GDP as a result of dismantling apartheid.

These savings are paltry when compared to the scale of legitimate needs in South Africa. According to van der Berg, racial equalisation of social spending at the levels received by whites in 1990 would increase spending from the 1986 level of 9,5% of GDP to 24,5% (with a conservative estimate) or 30,8% (with a liberal estimate) of GDP. The implication is clear: racial equalisation at current 'white' levels is impossible at the present time given South Africa's level of economic development.

It is worth noting that South Africa's spending on health, education and welfare (approximately 10% of GDP in the late 1980s) was a little higher than had been achieved by most of the now developed countries when they were at levels of per capita income comparable to those of South Africa today (P Moll, 1991b). Sweden, for example, reached South Africa's level of per capita income in about 1915, but achieved a 10% social spending level only in the 1950s (loc cit). The problem is not that South Africa spends 'too little' on health, education and welfare, but rather that the pattern of spending is racially and regionally biased.

Van der Berg (1991) has shown that social expenditure levels are not greatly out of line with other countries at comparable levels of development. Indeed, South Africa's educational expenditure of 5,6% of GDP compares relatively well with the average for middle-income countries (2,9%) and is close to the highest in the developing world (6,4% in oil-rich Oman).

However, given that there is no clear relationship between the performance of development indicators such as life expectancy, infant mortality and the proportion of GNP spent on health (Nattrass and Roux, 1991), the question of how the money is actually spent by the state is of far more relevance. Unequal income distribution, broader macro-economic policies and how welfare programmes are designed and implemented are more important than their size when it comes to impact (Stewart, 1985; Cornia, 1989).

### Targeting the very Poor

South Africa's performance illustrates very clearly that relatively high levels of welfare spending do not necessarily lead to acceptable quality of life indicators (see table). Although South Africa has a per capita income consistent with middle income countries, her average life expectancy and infant mortality statistics are more in line with low income countries (Nattrass and Roux, 1991). Unequal income distribution and racial and regional bias in social spending are at the root of this. In the health sphere for example, per capita hospital related expenditures were R38 for rural blacks, R159 for urban blacks and R238 for whites in 1986. This is reflected in infant mortality figures: 12 per 1000 live births for whites, and between 94 to 124 for blacks (World Bank, 1990:37).

Rather than attempt the financially impossible task of equalising social spending at current white levels, Nattrass and Roux (1991) argue in favour of targeting programmes more specifically at the poor. Taking the provision of primary health care as an example, they show that South Africa's entire population could be provided with such services at a current cost of less than one tenth of the R7,4bn allocated to health spending in 1989/90. Even if the estimate is on the low side (as it makes no provision for capital spending), it is clear that there is tremendous scope for moving away from the subsidisation of expensive capital-intensive health care for better-off urban dwellers towards widely spread basic services for everybody.

Furthermore, there already exists in South Africa several examples of efficient and fairly effective primary health care programmes. In the Ciskei for example, one nurse per 224 people is provided at a cost of R46 per capita. This can be contrasted with Bophuthatswana where one nurse per 651 people is provided at a cost of R83 per capita. In redirecting health spending in South Africa, existing successful programmes can be used as guides.

Another way of reaching the poor is to extend the welfare net by creating more instruments of welfare policy. One such idea is the introduction of special employment programmes in rural areas at low wages. According to the World Bank (1990), special employment programmes tend to be cost-effective relief measures since the wage level can be used to screen out the non-poor. In this way one might reduce the administrative costs and

*To achieve racial equality in social spending at 1990 levels for whites, would increase spending from 9,5% of GDP to 24,5 - 30,8 %*

*South Africa's current educational expenditure of 5,6% of GDP compares well with the average for middle-income states (2,9%)*

*South Africa's performance illustrates that relatively high levels of welfare spending do not necessarily lead to acceptable quality of life*

disincentive effects of welfare programmes which rely on means testing and contingent criteria for allocating welfare benefits.

The costs of a fairly extensive and poverty-oriented, special employment programme for South Africa need not be prohibitive. If, for example, 500 000 people were employed at a wage of R175 per month - which is the old-age pension for Africans and is slightly more than one-half of the cash and in-kind wage of the average urban female domestic worker - and labour costs were held at 60% of total costs (an internationally accepted norm), then the total bill would be in the region of R1,76bn per annum, which is well below 1% of GDP. Even a programme accommodating a million people could be considered provided the wage was held sufficiently low. However, given that poor people, particularly women with domestic commitments, still manage to slip through the welfare net provided by special employment programmes, these programmes must not be regarded in any way as sufficient.

### Investing in People

The most efficient way of alleviating poverty is to provide the poor with increased capabilities to earn income. In this respect, the link between education, earnings and development has been well established.

The crucial question facing South Africa is how to allocate educational spending in the most equitable and efficient manner (see Moulder in this edition:63-66). It has been shown that if the government were to spend the same amount on the education of all children as it did on white children in 1988/89, the total cost would be R37bn (in 1988/89 Rands) which amounts to 18% of GDP (P Moll, 1991b). Even if equalisation of education spending were to take place at the level of spending on coloured pupils, then the total cost would be about R20bn.

Given that South Africa spends about 5 to 6% of GDP on education - a proportion which puts her amongst the top spenders on education in the world - it is clear that a radical re-orientation of the education vote is more feasible than equalisation of education spending at 'white' or 'coloured' levels. Peter Moll (1991a) suggests that 60% of education spending be concentrated on universal, free primary schooling, 30% on secondary schooling and 10% on tertiary education. As the economy grows, it would

be possible to extend the number of places in the secondary school system, but in the meantime, rationing would have to be applied. This might be done, for instance, by subsidising schools in rural areas while requiring schools in the wealthier urban suburbs to charge fees.

On the tertiary level, Moll suggests that subsidies to universities be removed and directed to students in the form of loans or grants to the most needy. In this way, the development of more market-oriented institutions such as technikons would be encouraged and intelligent student from poor backgrounds would have access to tertiary education.

### Comparative Lessons

The challenge facing South Africa is to make macro-economic and growth objectives consistent with welfare priorities. Achieving a successful balance between reducing poverty through growth promotion and by redistributing through the budget is of over-riding importance.

Brazil and Pakistan were able to reduce poverty through successful growth strategies, but owing to inadequate levels of social spending, maintained high levels of infant mortality. Conversely, Sri-Lanka's impressive quality of life indicators have not been matched by significant increases in the incomes of the poor as growth has been inadequate. Indonesia and Malaysia on the other hand were able to increase the incomes of the poor by promoting the productive use of labour, while at the same time increasing the quality of life by means of social spending programmes (World Bank, 1991). **UPA**

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*The most efficient way of alleviating poverty is to provide the poor with increased capabilities to earn income*

# New Deal Economics Post-Apartheid Priorities

By Dr Bernard Weimer, the Foundation for Science & Politics  
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*The challenge of economic transformation faced by any South African government at the juncture to a post-apartheid future centres on firstly, the nature of the present economic crisis, secondly, the position of the economy in the international market place, and, thirdly, the resultant economic policy issues. For argument's sake, the author assumes that a non-racial constitution has been negotiated and a new democratically elected government is in power. What would be its socio-economic inheritance and what are the real challenges?*

Any post-apartheid government in South Africa will inherit a formidable, deep-rooted socio-economic crisis. No partial solutions in the sense of reforms or adjustment policies appear to be possible. The depth of the crisis calls for a redesign and transformation of the whole socio-economic system.

The extent of the crisis can be illustrated by economic indicators such as high unemployment, mass poverty, unequal distribution of income, productive assets and land, negative average per-capita growth rates of GNP, de-industrialisation, huge capital outflows, high inflation rates and a tremendous deterioration of the Rand exchange rate.

Taken together, these features point to the cumulative effects of three inter-related crises, namely:

- a structural crisis, which in many, but by no means all aspects is related to apartheid and its consequences, e.g. international isolation;
- a conjunctural crisis, especially with regard to a drop of the world market price of gold, the large outflow of capital due to the risk assessment of foreign creditors and a drop of business confidence ('market sanctions');
- a crisis of the development trajectory or development strategy, which has run its course in serving the interests of various class alliances in the apartheid era, leaving behind tremendous structural distortions.

It seems obvious that the organic crisis cannot be managed or resolved either by the improvement of economic policies or the abolition of apartheid laws alone; neither through a structural adjustment programme nor by an increase of the gold price or a sudden inflow of foreign exchange. These points could be considered necessary conditions for the task of socio-economic transformation but are obviously not sufficient, neither individually nor taken together. At the macro-economic level, a

return to the relatively successful economic policy recipes of the 1950s and 1960s is equally impossible.

## New Trajectory

The inherited organic crisis in South Africa is producing a specific and unique challenge. A gigantic economic transformation effort is needed to make the fundamental political changes which are bound to come (e.g. the negotiation of a new constitution) meaningful and viable. If a political democracy is to be embedded in the South African society, then material and social justice must be established too.

The socio-economic challenges ahead therefore are the redistribution of wealth and incomes, the fight against poverty and unemployment, and the empowerment of the poor. However, these challenges might have to be surmounted under conditions of continued, possibly sharpening economic and environmental crises, and with rising expectations of the poor majority concerning their participation in the political and economic affairs of their country.

It is not easy to see clear-cut and highly promising paths to sustain real economic growth of a minimum of 5% per annum over the next decade, deemed necessary by many an analyst and politician to absorb the natural growth of the labour force. This challenge requires a continued debate and a high degree of national consensus concerning the formulation and application of a new development trajectory, specifically tailored to the needs of the South African majority.

These challenges and conditions do not necessarily provide a conducive climate for local and foreign investors. The slowdown in the rate of capital formation during the past decade is another one of the serious structural deficiencies inherited from

the apartheid era. Foreign capital will not rush back to South Africa once the apartheid laws finally are scrapped and the new government democratically elected.

South Africa will not easily return to a position as a net-importer of capital, but might rather have to increasingly compete with reform countries in central and eastern Europe, and developing countries (including neighbouring states) for investment capital, credit and concessionary aid. Thus the formation and tapping of domestic and regional capital markets, e.g. through the encouragement and utilisation of domestic savings, become much more important issues of regional economic cooperation than in the past. A regional (cross-border) regime for investments, savings and capital flows seems to be most desirable, and the steps taken by SADCC in this direction need to be encouraged.

### Policy Failures

If South Africa's economic development and performance since World War II is compared with other developing countries, one can detect a move towards a newly industrialised country (NIC) position during the 1950s and 1960s, but a subsequent gradual return towards a 'typical African developing economy', i.e. a classical commodity exporter. In the author's view, South Africa can best be characterised as a semi-industrialised developing country. It is in the same (analytical) category with Mexico, India and Brazil, where it holds a position at the lower end of the scale rather than at the top. This group is distinct from the group of NIC's in which the East Asian 'Gang of Four' usually are counted.

Thus, South Africa as a major commodity exporter in the category of a semi-industrialised developing economy is in structural terms rather similar to Zambia and Zimbabwe on reaching independence, despite the apparent differences in GNP volume, economic performance and political make-up.

In my own study (1990), the author employed a comparative model based on the theoretical work of Menzel/Senghaas (1986). This model takes into account six criteria:

- structure and efficiency of the agricultural sector;
- effective utilisation of the domestic market capacity;
- sectoral coherence (degree of inter-sectoral linkages);
- sectoral homogeneity (sector's relative share in GNP - composition in relation to sector's relative absorption of labour);
- technological maturity; and
- international competitiveness.

This is not the place to discuss the results of the

analysis in great detail. It should suffice to note, that the exercise of applying the Menzel/Senghaas model (1986) clearly leads to the conclusion that South Africa does not fall into the NIC category. With the exception of the efficiency of its agricultural sector (in terms of growth), a certain degree of sectoral inter-linkage (notably between the capital goods industry, the mining sector and the processing of agricultural raw materials) and technological maturity in key industrial sectors, the respective threshold values do not match the requirements for NIC's stipulated by the model.

In other words, in comparison with highly successful cases of industrialisation, notably South Korea, South Africa has not managed to unleash its domestic market potential. It did not recognise the economic virtues of beneficiation of its human and natural resources early enough but rather emphasised imported know-how and the export of commodities. It largely misallocated its labour force, lacked insight into the political necessity and economic benefits of land reform, and tried to avoid the stimulating climate of national and international competition for production, innovation and quality, through over-regulation, over-protection, and concentration.

These policy failures are to a large extent attributable to the apartheid concept in all its manifestations (e.g. unequal income distribution), executed by a strong and centralised state in the interests of the few. Yet, this concept imposed extra costs on the South African economy (e.g. support for homelands, additional bureaucracies, civil unrest, sanctions, etc.). Other fallacies, such as the over-emphasis on credit-financed import-substitution industrialisation were not peculiar to South Africa but were made by other semi-industrialised developing economies as well (e.g. Mexico and Brazil), with worse results, in terms of the resulting debt problem.

### Export Shortcomings

The South African economy in its present state has little chances of copying the successes of the East Asian NIC's in terms of a successful export-led growth strategy. Stiff competition and the technological advancement of the NIC's (and, indeed, the OECD-economies), on the one hand, and a tendency to protectionism in international trade, on the other, are likely to dampen South Africa's hopes for increased participation in world trade through manufactured products.

The major endogenous factors for South Africa's lack of international competitiveness are low quality standards, high production cost levels - the result of low productive efficiency and productivity - and the lack of indigenous technological innovation capabilities. Those available are largely imported and a result of the

import substitution efforts of the past decades.

While export chances for manufactured products with a few exceptions are dim, mineral commodity exports (possibly with the exception of diamonds) are notoriously prone to world market fluctuations. Even in the case of gold, where South Africa is still the major producer despite its declining output and share in the world market, the economy may remain a hostage of both its rich endowments and market forces. A depressed gold price is the most likely outcome of increased production and marketing on the world market.

South Africa might not easily return to the position of a net-importer of capital, despite comparative advantages in credit rating vis-a-vis countries such as Brazil or Poland. If the idea of a Marshall-Plan were to be realised, the IMF and World Bank would almost certainly be involved, along with their stipulations. The experience of structural adjustment programmes in Africa suggests that in South Africa, with its high degree of urbanisation and rural dependence on urban incomes, such programmes would have disastrous socio-economic effects. On the other hand, the involvement of the IMF and World Bank could be considered worthwhile if their programmes are tailored to specific sectoral or regional needs, e.g. vocational training, housing, and environment.

To some extent, sanctions against South Africa (judged by their effects) can be equated with an enforced structural adjustment programme, albeit without bridging finance, standby-facilities on aid programmes and with the poor majority of the population bearing the brunt of these measures. Thus a structural adjustment programme of the IMF/World Bank type with finance, support facilities and a bias in favour of the poor surely offers itself as a rational choice deserving some political attention, at least in a transitional period.

### New Policy Agenda

Given South Africa's restricted manoeuvrability in the international economy and the urgent need to tackle the challenges of socio-economic transformation, it seems clear that the economic policymakers' only significant leverage is the internal restructuring of the economy. The foregoing discussions provide some clues as far as identifying six priorities of an economic policy agenda:

- Firstly, it is important to develop and 'liberate' domestic market potential, which has largely been neglected due to apartheid-related income and production structures and consumer patterns. The development and utilisation of this potential is only possible through the strengthening of mass demand and the purchasing power of the black majority.

This approach would require redistribution of income by a variety of conventional means (i.e. taxation, subsidisation, wage and salary policies, share-holder schemes, etc.), as well as creation of income and wealth through employment programmes, especially in the field of housing. Unconventional means of redistribution, such as the 'reparation tax for the wealthy' proposed by the parliamentary leader of the Democratic Party, Zach de Beer, could also be considered (*Business Day*, 30/05/90).

- Secondly, human resources need to be developed on all fronts, especially in the field of technological and vocational skills. One reason for low labour productivity in South African industry is the lack of skilled manpower which prevents the running of more than one shift in industrial enterprises, leading to under-utilisation of installed capacity.

The development of human resources would require massive investment in education and training of black people as well as in the social infrastructure (housing, health, etc.). At the same time, the hitherto deliberately blocked labour market needs to be liberalised, and horizontal and vertical labour mobility promoted. Settlement, housing and transport policies would have to be readjusted to support this goal.

- Thirdly, the hitherto highly subsidised, highly concentrated agricultural sector is in need of restructuring, through disaggregation and redistribution of land, the reviewing of credit, pricing and marketing policies, the introduction of some degree of market elements into the sector, the promotion of small-scale farming as well as ecologically sound agrarian production.

- A fourth priority on a new policy agenda pertains to the need to increase inter-sectoral links, especially with a view to the beneficiation of agrarian and mineral raw materials, both for domestic and export markets. This should lead to an expansion of the manufacturing sector which is in need of a specific mix of labour intensive and capital intensive production lines. The most important criterion is not so much the technological feasibility, but the employment creation aspect of production.

Some sectors or branches obviously need capital-intensive and technology-intensive production, for technological innovation as well as export-led-growth strategies in selected subsectors. The same is true for appropriate technology in the field of environmental protection. In this regard, a conversion of Armscor into a technological innovation centre for civilian purposes could be discussed. On the other hand, production which caters for basic mass needs (food, shelter, clothing, etc.) ought to be labour-intensive, given the unemployment problem.

- The fifth priority concerns the hotly debated issues of nationalisation, the role of the state and the role of big business. The four big South African business conglomerates own or control more than 70% of productive assets and shares listed at the Johannesburg Stock Exchange and determine to a large extent the economics of virtually all formal sectors (mining, agriculture, manufacturing, banking and insurance, transport, tourism, etc.).

Even from the perspective of conventional economic wisdom, there can be no doubt that their economic power is to the detriment of the South African economy, whatever its political make-up. Obviously, there is a strong case in favour of disaggregation of the big conglomerates and the curtailment of their economic power through strong anti-trust legislation and other measures.

As for the state, it continues to play a central role both as legislator/regulator and operator in the sense of shareholder and partner in joint ventures, especially in key industries which are of strategic interest. In the mining sector, South Africa could learn much from neighbouring Botswana's experiences. There, the natural resource endowment is national property but prospecting and exploitation is in the hands of private companies licensed by governments within the context of joint ventures, with the state being a major benefactor in terms of revenues and profits, especially in the diamond sector.

The maintenance of state enterprises need not to be rejected out of hand. The case of Iscor prior to its privatisation demonstrates clearly that a state enterprise can be managed profitably. The state as a regulator/legislator can help to balance the economic power of big business and the rectify unfair labour practices. Adequate labour, social welfare and pension legislation need to be enacted to encourage co-determination of trade unions in business and social welfare decisions. Lastly, the increasing fiscal support of small scale and medium scale enterprises and cooperatives is also a measure contributing to the balancing of corporate economic power.

- The sixth and last priority on the agenda is the issue of regional economic relations. Until South Africa's own domestic market potential is fully developed, the regional market will remain of tremendous importance, especially for South Africa's manufacturing sector. Due to the SADCC's own industrialisation initiatives, trade conflicts are highly likely and the issue of intra-regional industrial protection needs to be tackled. The region as a whole can ill-afford trade wars. Therefore, South Africa should not attempt to dominate regional trade, but to cooperate, guided by the principle of mutual benefits and economic restraint.

A regional trade regime consisting of preferential bilateral trade agreements, especially in the mould of SADCC, seems to have more merits than an extension of the existing SA Custom's Union (Sacu) beyond its present members (South Africa, Botswana, Lesotho, and Swaziland). Equally important, the issues of investment, ecology and security must have a regional framework for cooperation and conflict resolution. This framework potentially exists in SADCC, and South Africa might become the eleventh member. An invitation to participate in this, the most successful regional economic cooperation scheme in Africa, has already been extended by the present SADCC members.

### Regional Blueprint

In Southern Africa, only a unified and economically integrated regional trade regime embracing South Africa and SADCC will be of sufficient interest to entice foreign investment, international trade and development assistance.

Inside South Africa, the ending of violence, the negotiation of a new constitution and genuine reconciliation between all groups seem to be the most crucial items on the political agenda. A convincing economic policy blueprint for the post-apartheid era, which is supported by the vast majority of South Africans and which is recognisable as the cornerstone of a New Deal, is one of the major preconditions for a satisfactory solution. At the same time it would be a convincing contribution to the dissolving of the present organic crisis and the ending of international isolation.

However, the implementation of such an economic blueprint will only yield fruitful results if it is supported by the creation of a new regional regime of economic and military limits, accompanied by checks and balances. There are strong arguments in favour of the institutionalisation of cooperation and security in Southern Africa. Imaginative arrangements and policy measures could provide the impetus for the transformation of Southern Africa from a region of conflict into a region of peace. **UPWA**

#### Author's Note

*These considerations are treated in a much broader and deeper manner in B Weimer, 'Das Ende der weiBen Vorherrschaft im Sudlichen Afrika. Anatomie der Wirtschaftskrise in Sudafrrika und die Auswirkungen auf die Nachbarstaaten' (Ph.D.Thesis, Free University, Berlin, 1990). The model for measuring economic performance is based on U Menzel and D Senghaas, 'Europas Entwicklung und die Dritte Welt: Eine Bestandsaufnahme', Frankfurt, 1986.*

# Economic Outlook

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## RETROSPECT

The expectation that the political reform process which was announced dramatically on 2 February 1990 would lead to rapid economic benefits has been disappointed. In the first quarter of 1991, real Gross Domestic Product (GDP) declined for the sixth successive quarter at an annualised rate of 0,9%, against a 1% decline for the year of 1990. The only sector to show significant real growth in the first quarter of 1991 was agriculture, with its contribution to GDP increasing by 3,5%. At the national level, the unexpected bloodbath which has occurred in South Africa's townships since the freeing of the political system and continuing labour militancy have both played a role in delaying a recovery in confidence. At the international level, the Gulf War has also had a negative impact on recovery for the South African economy. The disturbing trends at work in the economy are:

- The economy has continued to become more consumption oriented as the ratio of consumption expenditure by households and government to GDP has increased from 65% in 1980 to 75% in 1990. The other side of this coin is a reduction in the domestic savings ratio, indicating a reduction in the economy's ability to generate new capital formation without creating inflationary pressures.
- The turmoil in the townships since early 1990, and the failure of the ANC to give an unequivocal commitment to a non-interventionist economic stance has prevented any rekindling of investor confidence. Instead of the political reforms sparking a new wave of investment, in 1990 real fixed investment declined marginally from its 1988 level.
- Since the intensification of political pressures in the mid-1980s, falling levels of investment have resulted in a real decline in the capital stock of the manufacturing, construction, electricity, and transport sectors. Sustained new investment is now urgently needed to regenerate the ageing capital stock of the economy.
- Successes in reducing inflation through restrictive monetary and fiscal policy were reversed sharply in October and November 1990. Principally as a consequence of the Gulf War, the imported component of the Producer Price Index rose from

an annualised rate of increase of 4,4% in August 1990, to 18,1% in January 1991. Despite the restrictive macroeconomic policies in place the inflation rate for 1990 of 14,3% was hardly reduced below its 1988 level. The pressures from the Gulf War on import prices have now terminated, but the domestic inflation rate has not come down, being sustained by rising food prices and cost increases flowing from wage pressures.

- The international gold price did not respond in any significant way to the Gulf War, showing that gold is no longer demanded as a hedge against economic and political uncertainty.
- Some success had been achieved with the 'monetary guidelines' for growth in M3 in the range of 11 - 15% in 1990, with an actual growth in M3 for the year of 12%. The monetary guidelines for M3 were lowered for 1991 to a range between 8 - 12%. However, the April 1991 money supply figures indicate that M3 has been growing at over 15%. Some of the increased growth of the money supply has come from a technical redefinition, but there are renewed fears of an increase in the money supply growth.
- By moving onto a lower growth path in the 1980s the South African economy's capacity to absorb its rapidly growing labour force was dramatically depressed. Between 1980 and 1989, formal wage employment in the non-agricultural sectors increased in total by only 8,5%, adding only 400 000 new jobs in total, while the labour force grew in total by 2,4m people. The six quarters of recession since late 1989 have delayed any additional new employment growth in the formal sector of the economy, and at September 1990 the index of non-agricultural employment was at its December 1988 level.
- More recent official aggregate data is not available, but considerable retrenchments have taken place in the gold mining industry and certain sectors of manufacturing since then. The chronic levels of joblessness which now exist amongst the black population in the South African economy are undoubtedly a factor contributing to the violence in the black townships.

## The 1991/92 Budget

The 1991/92 Budget announced in February 1991 has given little indication of stimulation to the economy. Expenditures of government are planned to increase by 13,7%, against an increase of 11,1% in revenue, generating a deficit before borrowing of 3,2%. The expectation on which the budget is premised is that real GDP will decline in 1991/92, and any real growth of GDP will result in higher than expected revenues and a reduced budget deficit, if the expenditure plans are observed. The revenue from the introduction of Value Added Tax (VAT) in the fourth quarter of 1991 is also likely to be underestimated, further contributing to a reduced deficit. The budget therefore will not contribute towards lifting the economy out of the recession.

The theme of the budget was equality with growth, but there is scope for debate about how much it actually does achieve either goal. On the tax side the most significant proposals are: the introduction of VAT at a rate of 12%, with minimal exemptions; a reduction in company tax from 50 to 48% and a lower tax formula for the gold mines; attainment of completely separate taxation of married women; a reduction from 44 to 43% in the highest marginal tax rate; and a reduction in import surcharges on capital and intermediate goods. However, because tax scales have not been adjusted for inflation the direct tax burden on individuals is budgeted to increase by 27,2%.

The tax proposals in their own right are regressive: VAT is extended to cover items of foods previously exempted from GST; and fiscal drag will operate to make lower income households on the margin become personal tax payers. Lowering the rate of company taxation, and reducing the top marginal personal tax rate will benefit the highest earners in the income distribution. On the expenditure side of the budget there is a continuation of the movement

towards greater racial equity in access to services, but the benefits here are likely to have a strong urban bias, and benefit households in the middle order of the black income distribution most.

The budget slashes government defence spending by 22% in real terms; the gap in state pensions between whites and blacks is reduced to R75 per month (white pensions are allowed to fall in real terms); expenditures on social services are increased by 14,8%; and in total an additional amount of R571m is to be made available for capital projects in education, development aid and poverty relief.

Some economic benefits have flowed from the political reforms, mainly in the areas of foreign trade and capital flows. On the trade front it is too early to measure these gains as sanctions have in only a few cases resulted in decreased trade, as is illustrated by the ratio of South African merchandise exports to GDP which has risen from a low level of 11% in 1983 to 16,1% in 1990, and the volume of South African merchandise exports which grew impressively at an average annual rate above 10% for the period 1984 to 1990. Sanctions did prevent the exporters of manufactured goods from campaigning aggressively for their products in many countries, and depressed investment in new capacity aimed at export markets.

Some opening of trade post February 1990 undoubtedly contributed to the record high level of merchandise exports which was achieved in the last quarter of 1990. With a reduced level of imports, which were caused by a running down of inventories, a near record current account surplus on the balance of payments resulted. The capital account of the balance of payments has also improved significantly as 1990 saw a tentative renewal of long-term capital inflows into the public corporation stocks, and also into the private sector. Pressures for the repayment of foreign debt are also being reduced.

## PROSPECT

Economic growth in the rest of the world will continue to have an effect on the growth prospects for South Africa through the demand for exports and the prices which we can expect to obtain for exports. It is anticipated that the general world-wide slowdown which started last year will continue with a low in the United States of 0,7% for 1991, 3,4% in Japan after 5,6% in 1990 and 2,5% in Germany for 1991 after 4,7% in 1990.

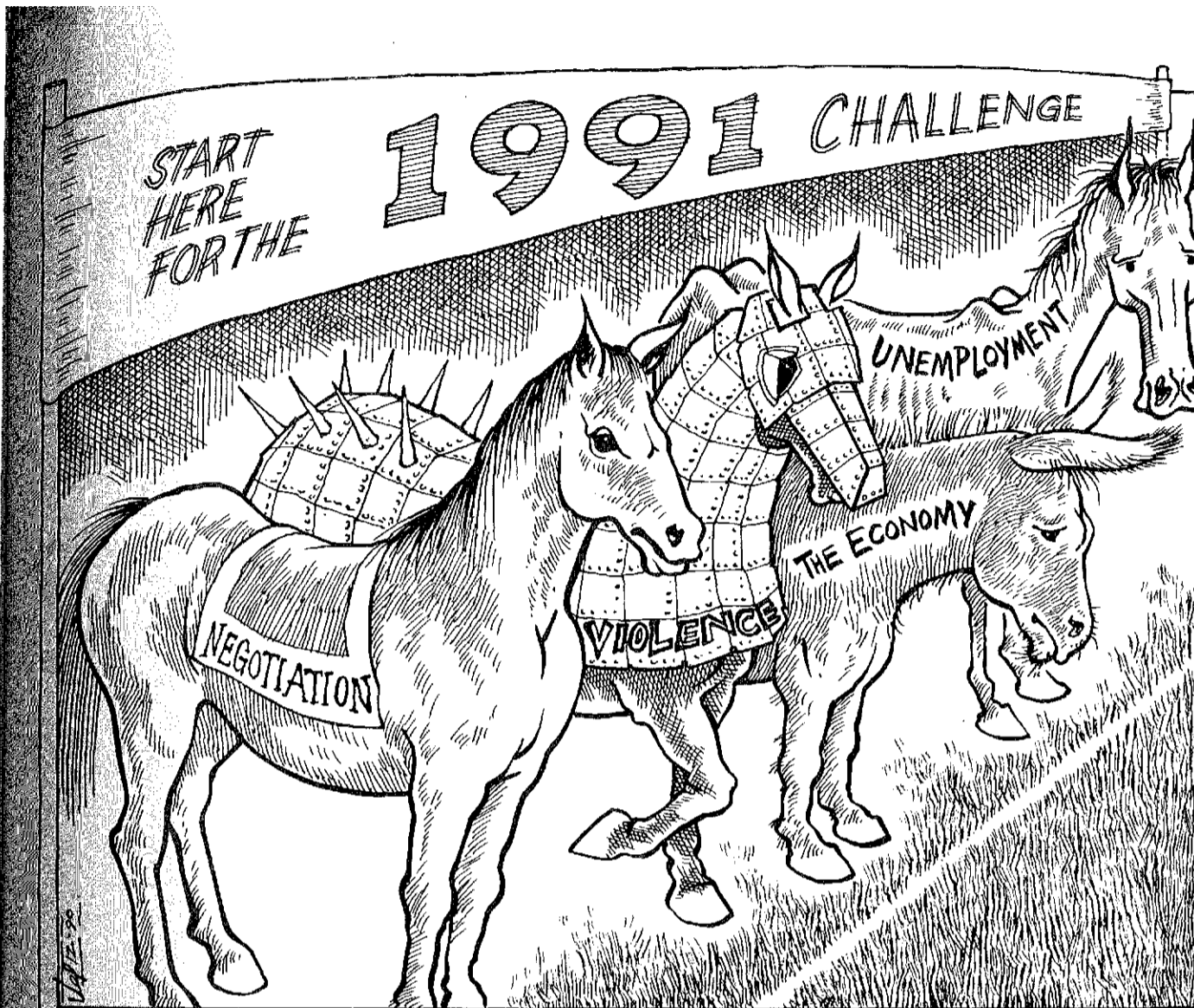
These poorer growth prospects will dampen the demand for exports and will also ensure that commodity prices do not recover during 1991. Nevertheless exports other than gold are expected to increase by 4,5% in real terms for 1991. These buoyant exports arise from the continued application of the General Export Incentive Scheme and the

continued growth in exports to Africa. Exports to Africa increased by 29% last year, with 30% of manufactured exports going to Africa.

It is expected that the price of gold will remain in the price range of US\$350 - \$370 for the rest of the year. The end of the Gulf War and the deterioration in the economic situation in the USSR provide the prospect of continued downward pressure on the price. This relatively low price combined with the real appreciation of the Rand will continue to exert pressure on the gold mines and these depressing effects of unemployment and lower demand from the mines will ripple through the economy.

However, the depressing effects of the contraction in the gold mining industry may be partially offset by





the booming export market for coal. Improved export prices, renewed access to the Japanese and European markets, the elimination of the price discounting which was necessary to counter sanctions, and a preference in European markets for South Africa's sulphur content coal will boost South Africa's exports of coal and employment in coal mining.

On the domestic front it is expected that gross domestic investment will decline. The private sector has little reason to feel sanguine about the immediate prospect for profit in the South African economy. The continuing and escalating violence, combined with high real rates of interest, is placing severe strain on business confidence in the immediate future. To the extent that government consumption expenditure is maintained, the depressing effect of a lack of investment may be contained. However, the structure of the budget for 1991/92 is such that fiscal discipline has been exercised thereby strengthening the attack on inflation.

The maintenance of high real rates of interest and an appreciated Rand in real terms are both directed at slowing the rate of inflation in South Africa. Although the main aim of policy-makers is to reduce the rate of

inflation to below 10%, this policy is taking its toll on the economy in terms of unemployment without providing any evidence of success. If the present policy is maintained, and there is no indication that it will change, it is expected that wage increases should temper in the second half of 1991 and moderate the rate of inflation. Increases in the price of food remain high at 16% and are expected to remain so for the duration of 1991, so that overall the economy is only expecting a dent in the inflation problem. The intractability of this problem has caused the ANC to question the viability of the present policy in the face of rising unemployment and has led to their suggestion that perhaps the economy can live with a 15% rate of inflation. However, as the pressures for redistribution rise in the new South Africa, the new government may well be very grateful to have an economy where inflation has been contained.

Overall the prognosis for the economy for the rest of 1991 is poor. It is expected that growth may improve marginally on 1990 but is unlikely to exceed 1% for 1991. It is only to be hoped that social stability is improved by the channelling of expenditure by the state towards socio-economic upliftment.

## POLICY AND PACTS

Trade regimes have been classified into three main groups, *import substituting*, *export promoting* and *neutral regimes*. This classification depends on the degree to which incentives are given to produce for the home and the foreign market. When the average incentive to produce for the home market is greater than the incentive to produce for the foreign market, the regime has been classified as import substituting. Whereas when the average incentive is greater in the foreign market, the regime is said to be export promoting, and when the incentives are the same in both markets, the regime is neutral.

During the fifties and sixties, many less developed countries (including South Africa) followed import substituting policies by means of import tariffs and quantitative restrictions. By the seventies there was a growing recognition that import substitution had run its course and the bias against producing for the foreign market was reduced, increasing the profitability of exporting. These countries grew rapidly, ushering in the era of export promotion as a policy for successful development.

South Africa attempted the same course but was unable to address the bias against exports in both the seventies and eighties. Despite the introduction of measures to encourage exports the degree of protection offered on the domestic market made production for this market far more attractive. In 1984 the average weighted rate of effective protection in the economy was 30%, ranging from a high of 149,2% to a low of 6,9%. By 1988 with the addition of the import surcharge and other changes in nominal protection, the average had risen to 70% with a high of 348% and a low of 9,9%. Consumer goods carry the highest rates while capital goods receive the lowest amount of protection.

The introduction of the General Export Incentive Scheme (GEIS) in 1990 will address some of the bias against exports, but it is proving to be somewhat of a drain on the Exchequer. Evidence of this has been the conversion of the cash payments under the GEIS into promissory notes.

A recent report by the Industrial Development Corporation (IDC) recommends some sweeping changes in the setting of tariffs and the granting of subsidies to exports. The IDC recommends that tariffs on imports should be reduced. It is suggested that higher tariffs will have to be adjusted downward at a rate faster than the lower tariffs in order to establish a more uniform tariff structure. However, the IDC is also of the view that this would be achieved over a period of five to six years. It is interesting that the report does not deal with the problems of adjustment which will arise. Retraining and grants to displaced workers should have been considered even if the time of adjustment is lengthened.

In addition, the IDC report recommends that tariffs may be granted to new industries in their initial start-up phase and that this protection is then phased

out within a reasonable period of time. Although the report advises against the use of formula duties it recognises the need for a system of protection against dumping. Finally, the report recommends that the subsidy levels under the GEIS be constantly reviewed with the aim of eventually phasing out the GEIS completely.

This package forms a cohesive whole in terms of redressing the bias against exports and directing the economy in a more outward oriented fashion. It is interesting that it does not recommend beefing up export incentives while maintaining existing levels of protection. This would have resulted in a situation where the economy would have had the worst of all possible worlds - high costs of both protection and export subsidisation. The recommendations are in line with slowly taking the economy closer to a situation of free trade, a position which will undoubtedly be approved of by the GATT in the future. Consumers in this country will have the benefit of being served by the most efficient producers be they domestic or foreign, while foreign consumers will enjoy the variety of South African goods at competitive prices.

### Social Contract

A vicious cycle of violence and political stalemate between government and the ANC has completely exhausted business confidence. At the same time, it is undeniable that the recessionary conditions in the economy are making political progress more difficult.

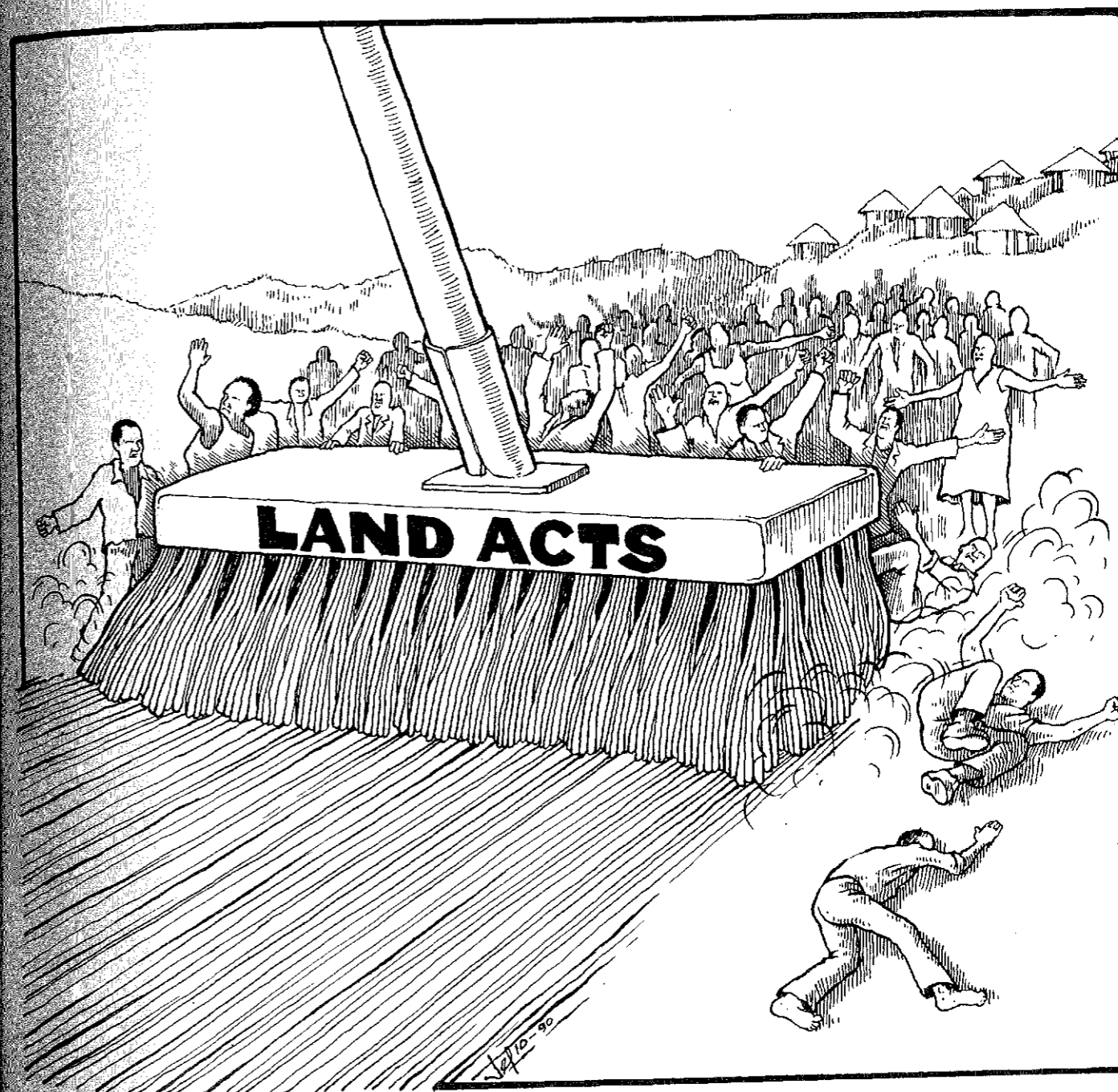
Conditions are right for some stimulation of the economy, were it not for the high inflation rate and worker militancy in the labour market. The time has come for an embryonic social contract to be forged between the major actors in the South African economy, i.e. the government, the ANC, the trade unions and business.

As components of a new social contract, the ANC must end its insistence on the maintenance of sanctions, and agree to campaign for the opening of foreign trade and international capital markets. Trade unions must agree to moderate their wage demands, committing their members to levels of wage increases below the expected inflation rate. Conglomerate business, with its power to determine prices, must also agree to moderate price increases and ensure the maintenance of employment in the short term. In the short term, government can then allow nominal and real interest rates to fall, and in the longer term can provide greater resources for social services, housing and education from its share of an expanding GDP.

Bold gestures are needed now to negotiate a social contract, and the business community is best placed to take the initiative. Without such a social contract economic stagnation and political violence may become so entrenched in South Africa that the prospects of long-term growth will be completely eliminated. **IPA**

# RURAL & REGIONAL

M O N I T O R



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# RURAL LAND REFORM AT LAST?

## Review of the White Paper

By Simon Bekker, Catherine Cross, Jeremy Evans,  
Rural-Urban Studies Unit, Centre for Social & Development Studies,  
University of Natal

*This critique raises a number of issues that directly concern the formulation of a legitimate development paradigm in rural areas. The authors' focus is on black rural communities and on their practices, needs and aspirations regarding rural land. The issues that they address have been selected after an analysis of the government's proposed policy framework and its suggested strategies concerning land reform. Some of the policy elements contained in the White Paper on land reform need more full examination in the light of proposals found in the supporting bills, which indicate how the proposed policies are to be implemented.*

The recent White Paper on Land Reform tries to offer a route to achieving justice on the land issue by means acceptable to both whites and Africans. As such, it represents the fruit of intense labour in the middle and upper reaches of the state's bureaucracy, and seems to show signs of having passed through the fires of bureaucratic conflict. What needs to be asked is whether the resulting policy document achieves its intended aims. Although the bills do appear to improve access to land for African urban dwellers quite substantially, the answer in regard to rural land reform is probably no on most counts.

What has been on offer is the White Paper itself - a fairly detailed policy statement covering where the government is prepared to go with the land question - and in addition, a five-bill package of draft legislation written to put the policy statements into effect. Difficulties emerge here, and recent changes appear to shift the basic thrust of the package very little.

While the White Paper declares in its opening pages some important goals in regard to equity on the land, the actual policy provisions can be criticised as falling far short of providing what is advocated. Rumours of last-minute bureaucratic

infighting over the implementation of provisions have been widespread. There seems to be considerable daylight between the actual implementing thrust of the proposed legislation and the expressed aims of the policy statement.

As they stand, the five bills appear to express a relatively conservative line, often appearing to emerge directly from the threadbare Tomlinson Commission provisions of the 1950s, which were intended to implement rural apartheid at the least cost to white interests. Although the bills are clearly intended to offer routes for African people to acquire farmland as well as land to live on, the means on offer are so limiting that this primary goal seems unlikely to be achieved. But more broadly, what the government is on record as envisioning at this stage does not amount to land reform in the usually accepted sense.

Although South Africans often use the term very loosely to mean any tinkering with rural land or land rights, 'land reform' is normally taken to mean a redistribution of rural land assets from well-off groups who are not using all their land to its maximum, in favour of the poor and disadvantaged who will put more effort into using it. This definition signals concern for both equity and increased economic efficiency.

*There seems to be a major gap between the actual thrust of the proposed legislation and the expressed aims of the policy statement*

*The White Paper proposals are relatively mild and do not make provision to restore land confiscated from Africans under apartheid policies*

While the present government initiative does try to make some agricultural land available to Africans under a considerable number of restrictions, it stops short of opening the way to any broad redistribution. Nor, as originally offered, does it make provision to restore land confiscated from Africans under apartheid policies. Focusing on South African Development Trust land, the White Paper proposals are in fact relatively mild. Other far-reaching proposals regarding redistribution of farmland - approaching nearly half of the total - have already been floated in parastatal circles.

In response, the ANC, Inkatha Freedom Party and other interested organisations have issued statements and made representations pointing to these shortcomings and demanding that these issues be addressed. The Urban Foundation is now reported to have publicly demanded that all four of the actual land policy bills be dropped. With the public criticism of the land package increasing, reports in the press and on the radio indicate that the State's position is being reconsidered. Government reaction has been to withdraw two of the five draft bills and to replace them with one, scrapping discriminatory land legislation and scaling down measures to maintain standards in urban areas. Government intends to retain the three other bills which address land tenure rights, less formal township development, and rural development.

We can suggest here that what is really missing from the state initiative at this stage is any realistic political and economic vision of the future for rural South Africa - that is, a new paradigm for rural restructuring; one which can generate a dynamic rural economy able to provide fair land access and a just living for all.

Instead, what has emerged from the government's drafting process tries to offer free-market solutions of doubtful value to the very poor. At the same time it clings to bureaucratic centralisation and reflects the vested interests of the civil service before it responds to the real interests of the African majority. These contradictions will have to be resolved before a real solution can be reached.

### New Framework

The 1913 and 1936 Land Acts fragmented South African rural regions into racially defined land parcels within each of which

control over land - control over access, over utilisation and over exchange - was restricted to a racially defined 'population group'. Group Areas legislation established the same principle in urban areas.

The South African government's recent White Paper on Land Reform proposes to repeal this discriminatory legislation and to supplant the underlying philosophy of those Acts with a new policy framework. The White Paper's long-term aims include:

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

Given time and adaptation, these aims may separately not be unacceptable. What is not clear is whether the government can juggle its strategies to provide them all at once.

Over the past ten years, there has been extensive, continuous debate and contention over land issues in South African cities and towns. Much less attention has been directed to the rural land question. Political cleavage and political conflict have largely been rooted in urban areas, and the idea of urbanisation has been in the forefront of South African popular consciousness. As a result, the urban development paradigm is relatively sophisticated and legitimate. Nothing as clear has emerged for the rural areas.

The focus here on a rural development paradigm has been chosen because the proposed government strategies appear to be geared towards promoting general economic use of rural land (see Aims above) through giving priority to the development of individual title and a market in land. The proposed ways in which these aims are to be implemented may frustrate the intention to increase the availability of land for disadvantaged black rural communities and may also serve to reduce the security that the new forms of title may offer.

The government strategies proposed leave a strong impression that priority will be given to developing individual title and a land market, with the goal of promoting economic land use ahead of the first aim, that of access to and security in land for the disadvantaged black rural communities. If this is so, then it is vital to look more

*The government has since withdrawn two draft bills but retained three bills on land tenure rights and township/rural development*

closely at what the bills and the White Paper say on rural land access, rural land use, and the role of government bodies in rural areas.

### Rural Land Measures

Under the White Paper proposals, the disadvantaged would obtain rural land either by buying it on the market, or through one of the proposed agricultural settlement schemes on tribal, trust and private land. Since the cost of land in South Africa is presently very high, and it appears that only full-size farms could be sold privately under the proposed legislation, it is clear that very few of the rural poor would be able to buy land on the open market.

The limitations of the proposed rural land market are serious, since proposed legislation and policy would also limit access to the agricultural settlement schemes. The result is likely to be only slight gains in land access for the rural majority unless the present reconsiderations and negotiations bear abundant fruit.

With regard to private title in rural land, the proposed policy will encourage - except in tribal authority areas - the rapid introduction of a uniform system of freehold tenure. In tribal authority areas of jurisdiction, the government proposes - over a ten year period - the devolution of powers of land privatisation to tribal authorities. These authorities will enjoy discretion regarding the sale of tribal land to tribal members, and will negotiate with a judicial authority over sales to other parties. Though private title is not enforced until the ten-year period is up, there are immediate and serious problems here.

Since there is a real question of whether freehold ownership is advisable so long as desperate poverty conditions prevail in the 'homelands' and black-occupied rural areas, the absence of consultation is very unfortunate here. A number of commentators on the land issue are very suspicious of privatisation, and tend to see the proposals as an effort to legislate the principle of private land title without any legitimating prior public debate. Neither the people on the ground nor the extra-parliamentary movements nor local and national development organisations have been brought into the planning; the same may well be true for the 'homeland' governments.

Whatever is done with rural tenure rights, it is important to make provision to ensure that land designated for the disadvantaged will remain with the communities for which it is intended. In an economic context of general poverty, if full freehold is instituted too rapidly it will tend to transfer ownership to outside capital interests if any demand is present.

Under prevailing conditions of rural poverty, rapid private sale of land will, in the case of poor households, lead to pressure to sell land. Accordingly, before legislating for rural freehold the Parliamentary committee should seriously consider the introduction of a system of secure and legal leasehold for agricultural land. This will allow the secure exchange of agricultural land between local families without putting the very poor at risk of losing their land to powerful local interests through informal leasehold contracts.

Adding to the confusion surrounding ownership, enforcement of freehold title in the proposed package has been interpreted by a number of other commentators not as a commitment to equal access but as a backhanded strategy to force the rural poor off the land and into town. In this light, steps need to be taken to secure the future position of the poor as the stated beneficiaries of the new rural dispensation. In addition, groups advocating the land rights of the rural majority have argued that it is unacceptable to ask rural black people to buy land, whether on the market or through settlement schemes, which they cannot afford and to which they may already have a birthright claim.

Beyond the freehold question itself, the mechanisms introduced to carry through the transition are debatable. Attention has been paid neither to possible interim registration procedures to facilitate transition, nor to the important role that the entire range of existing tenure arrangements play in the survival strategies of many black rural families.

### Land Commission

Regarding the general question of land availability for rural black communities, land in Development Trust areas is widely addressed in the policy documents. Members of the ANC's National Land Commission argue that the government proposals address only 0,4 per cent of South Africa's land, all of which already lies within the notorious 13 per cent

*State strategy emphasises individual title, a land market and economic land use ahead of land security for black rural communities*

*Groups advocating land rights argue it is unacceptable to expect poor rural black people to buy land at market prices*

*Responding to criticism, the government has since decided to establish a land commission to deal inter alia with restitution issues*

*Little provision is made for community participation in agricultural settlement schemes for disadvantaged rural people*

allowed to black people. There are large numbers of people already living on much of the Trust land. Little attention is paid to substantial amounts of additional land the state would probably need to acquire in order to address the scale of needs of the rural disadvantaged.

Finally, the policy documents do not address two issues which are prominent in the minds of black rural South Africans:

- first, the process of establishment and consequent structures of rural local government are not addressed in the documents. Though the White Paper does refer to pending legislation in this regard, the issue of competent and legitimate local government in areas which fall within (or across) homeland, trust and provincial regions is fundamental to the formulation of an appropriate rural development paradigm for the country, as well as to effective consultation.
- second, state involvement in the restoration of land to individuals and communities forced to give up their land is excluded by the White Paper. This extremely delicate issue will, in all likelihood, be resolved by political negotiation. It is all but certain that decisions either to exclude or promote restitution will encounter political problems both ways, and that these difficulties need to be fully anticipated and openly discussed.

Subsequent to criticisms of this exclusion of restitution measures, the government has decided to establish a Land Commission which will advise on the identification, development, and allocation of land, *inter alia*, to certain persons and communities who request restitution. The Commission will have no powers to expropriate: available state finances will dictate the scope of state land purchases.

### Settlement Schemes

The White Paper's settlement schemes provide the only means of access to land which is open to disadvantaged rural people too poor to buy land on the market. It is therefore vital that these projects be both attractive and accessible to the broad spectrum of the rural poor. Throughout the Third World, the record of settlement schemes is dismal. They are commonly instituted more for bureaucratic reasons than because they are effective in terms of

opening land access or increasing productivity. Thus the scheme often fails due to centralised bureaucratic structure and top-down administration which cannot relate to household survival strategies.

Household survival strategies in rural South Africa now depend on the families maintaining a number of different economic enterprises. In income terms the most effective strategy is one of both urban wages and part-time rural agriculture, which also brings in various informal sector enterprises. Seen in this light, it is counter-productive to limit settlement schemes to agricultural land use only, or to discourage part-time farming. These provisions reduce viability and cut down on potential participation.

At the same time, rural survival strategies in a wage labour economy generally make part-time farming a better bet for the rural majority than full-time farming. This preference obviously would affect the choices open to people seeking eligibility to buy their farming units after the mandatory three-year trial period: the structure of the proposals appears to require full-time farming instead.

Fully surveyed 'economic holdings' with rigid boundaries are unnecessary to ensure survival where wage work remains part of the household's economic package. The point is a very serious one: even at the time of the Tomlinson Commission there was no prospect of supplying all black rural people with plots if minimum economic holdings were instituted. Under present conditions, only a small minority could aspire to obtain land with these plot size restrictions in force; the more so if the main thrust of settlement scheme activity is restricted to state-owned South African Development Trust land, as the proposals indicate.

With regard to these agricultural settlement schemes, centralisation of state decision-taking in the hands of ministers and their senior officials is found throughout the White Paper and its draft Bills. Little provision is made for community participation in offering access to, and in managing, these schemes. A single central state authority responsible for rural development is also mooted.

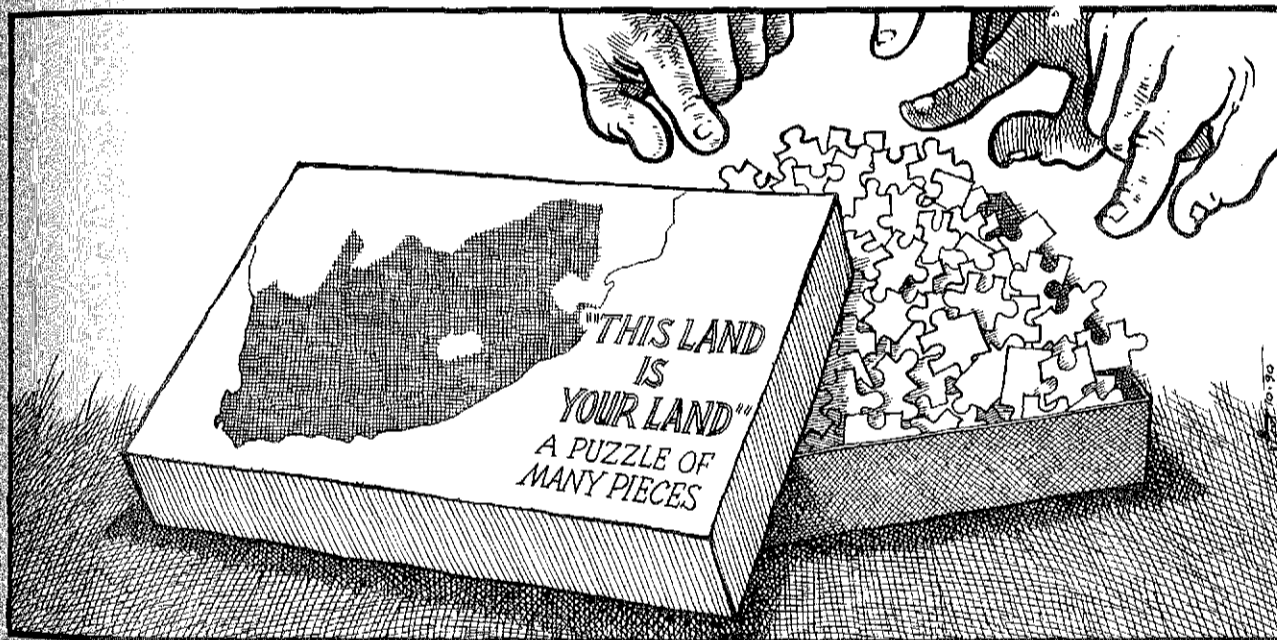
This proposed policy leaves the distinct impression that implementation will be centralised and technical in nature without an adequate local institutional base. It also leaves the impression that rural development is viewed as essentially

agricultural in nature: different forms of 'off-farm' economic enterprise are ignored. In addition, the level of bureaucratic control laid down by the Rural Development Bill is so great that 'ownership' is not a fair description of the kind of title that would actually be supplied.

Attention should accordingly be given to flexibility. This may entail making use of the various land delimitation technologies which do not require formal survey, and ensuring that plots are made available in a range of sizes to suit different matches of agricultural enterprise to household economic strategies. Accordingly, an interim registration procedure, the technical requirements of which are less onerous than those required for fully surveyed freehold, may be considered in certain areas, such as those now being developed through the Urban Foundation.

large enough to supply a living to a fulltime farmer. This principle seems to be used to forbid the expansion of any of the presently prevailing systems of tenure which now operate on black-held land. These tenure systems allow for quite small plots on the assumption that the family also has cash income from work in town, which more accurately reflects the present state of the rural economy. At the same time, they sustain the social networks of support that underpin survival for the rural poor.

These provisions, laying down full survey of all plots into 'economic units' which may not be subdivided, also serve another declared policy objective: they effectively prevent any extension of existing indigenous tenures in the rural areas. These provisions may prove in practice to be so limiting that the stated intention of the proposed reforms may be endangered.



Most particularly, it is deeply important to allow the participating family maximum freedom to decide on the most economic use of their own land, within sustainable resource management practices. If this freedom of choice - a major principle of freehold land ownership - is not permitted to settlers, the provision of land through the schemes will not carry the intended benefits of freehold.

An important provision of the White Paper and the rural development bills is that land in rural areas, whether in state, tribal, or private hands, can only be allocated to individual holders in 'economic units'. Originating with the Tomlinson proposals, 'economic units' are defined as holdings

Unfavourable perceptions at the grassroots may nullify or even reverse the gains in access and equity which the legislation is supposed to achieve.

In view of the fact that rural development requires, among other things, informal marketing, communal activities, and so on, the following alternative strategies should be considered:

- Greater discretion should be permitted regarding the uses to which the land-holder can put his land. Though agricultural development is one of the primary aims of rural development, land-holders should be free to exercise other options.



*The narrow definition of economic units will prevent the expansion of prevailing systems of tenure on black-held land*

- Simultaneously, agricultural state support for individual rural land-holders (by using procedures similar to those of the Farmer Support Programme) should be generally introduced. Supply and pricing policies aimed at providing incentive and reducing risk need to be underwritten by legal procedure, and similar commitment to sustainable resource management should be instituted.

### Some Considerations

Centrally-prescribed government restrictions on access to, and the utilisation of rural land are likely to be seen as demoralising and demeaning to rural people. In order to make the rural development schemes as attractive as possible, it is important that state administration should be decentralised and participative.

Enormous discretion is left with the relevant Minister and with the bureaucracy over both land administration and land purchase: obtaining final title to land in a settlement scheme depends on approval by the Minister or his representative. For the people expected to adopt them, these two alternatives are unlikely to be satisfactory for a number of reasons reviewed above.

This point applies most clearly to arrangements for deciding which families shall be allowed entry to different schemes. The right of the community to decide on who shall belong is regarded as basic throughout rural South Africa; where it is exercised instead by administrators (and particularly administrators at national level) instead, demoralisation has resulted. It will prove very difficult to promote purposeful and self-reliant communities on the land if this right is not provided.

In addition, little attention is paid to the fact that a range of tribal authorities in South Africa, in trust areas in particular, suffer from low legitimacy and little administrative competence, and that consequent problems of demoralisation of tribal bureaucracies and of corruption may well bedevil policy aims in such areas.

For these reasons and others, the use of 'tribes' alone - in practice, Tribal Authorities - as vehicles for land initiatives and land privatisation is a dubious aspect of the proposed policies. In itself, it opens the White Paper package to accusations that tribes are to be misused as surrogate

devices for race classification so as to get around the stated intention of non-racial access to land. If what is enacted is to live up to the declared aims of the White Paper the proposals need to be secured against this kind of criticism.

Finally, the proposal for the establishment of a central state authority responsible for rural development, ostensibly to be staffed from suspect state agencies, runs the risk of being seen as centrist, technicist and illegitimate.

The need for a rural development paradigm for the new South Africa has been demonstrated here. The equivalent urban development paradigm for the country is far ahead. Rural development and urban development should be considered one process.

The White Paper points to the possibility of more rapid rural-urban migration and the collapse of circulatory migration. This scenario is not convincing and policy guidelines based on this view may well lead to urban-biased policies and strategies. It is generally accepted by South African demographers that South African rural populations are expected to increase over the next decade. Accordingly, opportunities offered to urban disadvantaged households should be twinned with equivalent opportunities in rural areas.

Three major challenges in the formation of such a rural paradigm have been identified:

- The first is the requirement that black rural communities, their practices, their needs, and their aspirations, need to be better understood by policy-makers.
- The second is the requirement that rural families be offered feasible choices over their survival strategies.
- The third is the requirement for viable and legitimate local state structures which facilitate community participation in rural development interventions.

Given consultation and a public decision process, the four long-term aims of the government's White Paper may well be worthy of pursuit and of support. If the first - proposing equity to the historically disadvantaged - is relegated to last place whilst freehold and market institutions are put in place, or if state strategies to implement the aims fail, the entire declared intention of the White Paper will have been in vain. **IP/A**

*South Africa needs a holistic rural development paradigm within which land reforms could be implemented*

# The Changing of the Guard

*An Interview with Dr Kenneth Mopeli,  
Chief Minister of QwaQwa,  
Leader of the Dikwankwetla Party*

*Conducted in Phuthaditjhaba  
by Dr Yvonne Muthien & Dr Paulus Zulu,  
Centre for Social and Development Studies,  
University of Natal*

*YM: What are your views on the position of QwaQwa viz-a-viz the change process in South Africa? Would you opt for reintegration into South Africa?*

*Mopeli:* We have always felt that QwaQwa is part and parcel of South Africa. We considered ourselves as a regional administration. That is why we never opted for political independence. We felt that we must make use of this platform to bargain for the interest of our people. Our political motto has always been: one country, one economy, one citizenship, and one passport.

Members of our legislative assembly are not only from QwaQwa, they are from all over South Africa. We have constituencies outside QwaQwa. Zulus make up about 15% of our population. They speak Sotho at home, and align themselves with Sotho people and Sotho customs. Because they consider themselves to be QwaQwa citizens, they even become members of the legislative assembly.

So I wonder whether reintegration is actually the right word. Our position is not similar to that of the so-called independent black states (TBVC), who have deprived themselves of South Africa citizenship. But constitutionally and legally, we in QwaQwa have always considered ourselves to be fully-fledged South Africans.

*PZ: What role do you foresee QwaQwa playing in the new dispensation?*

*Mopeli:* I have not seen our regional government being any different than provincial councils, although more powers have been devolved to the self-governing territories. ... Even though the homelands are apartheid structures, they should be developed into non-racial regional governments, within a greater federal South Africa. The homelands have developed to a stage where they can no longer simply be wished away. A decision may be taken that homelands should be negotiated out of existence, but some form of regional structure will have to be retained to look after the needs and aspirations of people.

*PZ: If most homelands are ethnically based, how do we arrive at a non-racial federal structure?*

*Mopeli:* I could address that matter in two ways. I concede that more than 80% of the people living here are of South-Sotho origin. But we have a sizeable number of whites and Zulus living here, and a smaller number of Indians. The point that I'm trying to make is that the doors should be flung open. Should a white man who is now resident in QwaQwa feel that he wishes to participate in the QwaQwa election, why should he not be allowed to participate or elect me as a candidate for the municipality of Phuthaditjhaba? The whites have a township here that will become part of Phuthaditjhaba in the near future. The political implications are clear ...

To come to my next point, I'm not overly concerned about the extension of QwaQwa borders. For instance, one proposal that is being seriously considered at present is that regional government should be founded upon economic regions. So the Orange Free State and QwaQwa happen to fall within 'region C'. That's how non-racialism could come into the picture. But I feel that as presently constituted, these ethnic structures will always remain unacceptable to the majority of people in South Africa. Perhaps the KwaZulu/Natal Indaba, with all its faults and its strengths, could serve as a good basis for the formation of one Natal.

*YM: How do you see the future form of the South Africa state? Would it be unitary, federal or confederal? What would federalism imply for this region in terms of greater access to finances, executive autonomy, etc?*

*Mopeli:* There are different types of federalism, such as the USA, Germany, etc. I feel that some limited autonomy should be granted to regional governments. You have referred to the handling of finances, education, roads and bridges - the way the provinces were run in South Africa, that model could be revived once again. Although of course, when it comes to questions regarding defence, foreign affairs or national roads, such matters should rest fully in the hands of the national government. Both the

homelands and the old provincial set-up display some elements that could be considered federal.

*PZ: How would this differ from a Union?*

*Mopeli:* The Union of South Africa also had some federal elements. When you look at the provincial composition, there were constituencies, and provincial elections were held on a regular basis. The provincial executive committee was a sort of cabinet. I think that we could learn a great deal from that. South Africa has a unitary form of government but important concessions were made to the provinces. Historically, some of those provinces were fully-fledged governments. For instance, there were the Republic of the Free State, the South African Republic and the Cape Colonial Government, which had its own cabinet, its own legislature and its own judiciary. However, I don't think the regional government should go as far as to control the judiciary.

*YM: What would your role be in the negotiation process? If you participate, what kinds of issues would you put forward there?*

*Mopeli:* On 10 November 1990, when Dr Viljoen (Minister of Constitutional Development) sounded out all the homeland leaders as to how we were going to participate at the negotiating table, he said to us: *You are already recognised as elected leaders, you must represent your people at the negotiating table.* But I said: 'I think that we are headed for trouble here, because we'll be representing QwaQwa as an ethnic entity, whilst you'll be representing the white electorate. You'll be perpetuating apartheid. That won't work.'

We suggested that the Namibian option of a constituent assembly should be followed in South Africa. But Dr Viljoen was not agreeable. He said, *No, represent your respective self-governing territories,* and he went further to say, *South Africa is a sovereign state.* Even Chief Buthelezi said that South Africa is a sovereign state, so the Namibian option should not be followed here.

The central government says that parties with identifiable constituencies and parties with a proven support base should participate in negotiations. But how do you prove this support base? I could come here with about 20 000 people and say, 'Here are my followers, so I'm entitled to take part in this negotiation'. How many parties are there in South Africa? I would not be surprised if there were about 200 parties at the negotiation table. Can we ever reach consensus with so many parties? This concept of a proven support base should be properly defined.

Only the people of South Africa can determine representation and who should draw up the new constitution of South Africa. If all parties could participate in the initial elections for a constituent assembly, as in Namibia, then of course some parties

would be eliminated. The parties which win the proven support of the people would go to the negotiation table. It appears as if this idea is being shot down, however. The government and Inkatha are vehemently opposed to a constituent assembly or a transitional government. The African National Congress, Azapo and the PAC continue to call for a constituent assembly. My Dikwankwetla Party also endorses their call.

*PZ: Is it not in the South African government's interest to have as many parties as possible?*

*Mopeli:* Some people are quite shocked and dismayed by the fact that parties are sprouting in South Africa, especially in the homelands. Some homelands never had very active parties, but since this concept of a proven support base was raised, Gazankulu now has a political party. Lebowa has a political party... Now Lebowa's party, especially since Phatudi died, is saying, *I'm going to take part in the elections at the negotiation table. But I don't want to go there as a homeland leader, I want to go there as a leader of my party.*

So I basically agree that the government might solicit support from some of these parties. But do not think it would be so easy for these parties to support the government. The government would also not be so foolhardy as to become prescriptive, because we'll be taking part as equals. I think that we are under-rating the intelligence of the leaders of homeland parties, if you think that the majority of them will go along automatically with the government.

*YM: Would the Dikwankwetla Party consider forming an alliance with other parties that hold similar views?*

*Mopeli:* Yes, we are considering that option very seriously. We have the present Inkatha manifesto, the DP manifesto and the National Party manifesto. We are still asking for other manifestos, to see which of the parties we could collaborate with, to consider forming an alliance. This is one way to eliminate confusion around the negotiation table.

*PZ: Having looked at all these manifestos, where do you think your sympathies lie?*

*Mopeli:* I think I'll reserve my comment. We will thrash out this question on the formation of alliances thoroughly. The national executive committee of the Dikwankwetla Party will have to guide us. We have studied the constitution and manifesto of Inkatha, and have found points of similarity and points of difference. We have also studied the DP constitution and manifesto.

*YM: What would happen to your administration in a new South Africa?*

*Mopeli:* Whether we remain a regional government, whether the homelands are negotiated out of existence, whether we have one single government,

unitary or federal - the administrative structures of the homelands will have to be scaled down. These posts have been duplicated in the 14 governments created in South Africa. Once we have drawn up an acceptable constitution, a number of homeland departments as presently constituted shall have to go or be scaled down. Many homeland cabinet ministers are going to lose their jobs. It's as simple as all that.

We are already preparing our people. We said to our civil servants, 'You must upgrade your qualifications, there is no guarantee that you are going to be taken into a new South African government'. The point is that appointments might be determined by qualifications, experience and even party affiliation. I have said, 'This was probably our last election in QwaQwa (September 1990); we must start looking for jobs now, we mustn't be caught napping'.

*YM: Does QwaQwa have any formal relations with the other homelands?*

*Mopeli:* We have informal connections with the Inyandza National Movement (KaNgwane). We meet from time to time. Homeland leaders also get together at meetings arranged by the ANC or a meeting arranged by President De Klerk, but not as regularly as we used to. We have informal meetings with Gazankulu and Lebowa, where we discuss matters of common concern and we strategise together, and so on.

*PZ: Have the meetings with homeland leaders arranged by the ANC been fruitful?*

*Mopeli:* Yes, in a sense, but the impression I have formed is that the support of homeland leaders is taken for granted. Our attendance is taken to mean tacit support for the ANC, whereas we are there to exchange views. We want to retain our identity. We have made it very clear to them, and besides, we differ very strongly with the ANC - they are for a unitary form of government, they are not for the retention of regional governments. They would rather develop a local government with wider powers.

The QwaQwa government stands for a non-racial regional government within a greater federal South Africa. They fear that with federal structures there will be some bloc forming; they think that they shall have accommodated divisive forces. These are understandable fears. We already exist as a government, however low in status we may be, and we will still have the South-Sothos to support our regional government. We might pose a threat to the unitary government, because we will agitate for the recognition of certain regional interests and regional aspirations, and so on.

*YM: What is the position of the ANC and PAC in QwaQwa?*

*Mopeli:* There is only one ANC branch and one PAC branch in Phuthaditjhaba. There are another three

political parties that have been operating within the system. The Dikwankwetla Party won all the seats in the legislative assembly in the September elections.

*YM: Is there any contact between your government and the ANC branch here?*

*Mopeli:* Well, we are not opposed to their recruitment of members. We believe in the principle of a multi-party democracy and our people must have a choice. If they want to join the ANC or the PAC, they are free to do so. We believe in the principle of free political activity. They sometimes come and we exchange views on amicable terms, although they feel that we must go and join the ANC. They believe that the QwaQwa government must be done away with and an administrator appointed to run things. Our idea is that we should wait for the negotiation to take place. We say, 'It is the people of South Africa alone who should determine the constitutional future of this country and nobody else'.

*YM: I understand that the ANC formally opposed the September 1990 election in QwaQwa?*

*Mopeli:* That's right, very vigorously.

*YM: Were there any incidents during the election?*

*Mopeli:* Yes, of course. There was a lot of intimidation and many people did not vote, but they did not commit any acts of violence. The people were threatened. *If you vote, you are perpetuating apartheid.* So many people stayed away from the polls. The voting percentage was about two to three per cent. Of the 52 000 people in QwaQwa, about 500 voted.

*YM: There was some reported unrest in this area during 1990. What happened?*

*Mopeli:* It was mainly the civil servants who complained that the principle of salary parity was not being observed. Secondly, they were opposed to seconded white officials, alleging they were being favoured over the blacks. The general assistants in QwaQwa's civil service demanded not less than R600 a month. On the question of parity, we appointed a committee of enquiry. I'm very happy to say that they found our salaries to be basically the same. Where they were saying that white officials had taken their places here, only three posts were identified. We'll keep on reviewing public sector salaries on an ongoing basis, with a view to increasing the minimum wage to R600.

*YM: What will you do in the new South Africa, Dr Mopeli?*

*Mopeli:* I think I'm old enough now. I won't look for a job. I'm alright now. I must leave politics now to the younger generation of leaders. At the age of 60, I feel very strongly that I don't wish to play a part in the new South Africa. **IPWA**

# QWAQWA

## The Caretaker Citadel

By Dr Yvonne Muthien,  
*Centre for Social & Development Studies, University of Natal*

Until recently, the tiny homeland of QwaQwa had been relatively stable and free of the political unrest which has swept the homelands and urban areas of South Africa. Since March 1990, however, the tide of resistance politics has assailed this mountain kingdom. It began from within when QwaQwa court officials 'downed their robes' for one month to demand equal pay to their counterparts in South Africa and in the other homelands, and to protest against the employment of seconded white officials by Pretoria. Since then QwaQwa has been wracked by wave after wave of industrial unrest and public sector strikes.

On 22 March 1990, civil violence erupted in Phuthaditjhaba, the homeland's administrative and industrial centre. Shops were looted, buses petrol-bombed and a stayaway was enforced. In May 1990, 10 000 civil servants went on strike, crippling QwaQwa's essential services. Strikes among industrial workers in the private sector followed. A combined 31 000 workers were estimated to be on strike, including nurses and court officials. Workers demanded a minimum monthly wage of R600 and public officials repeated their demands for parity and black advancement.

During the May strikes, one shoe factory was burned to the ground after the owner refused workers time off to attend a mass meeting. In June 1990, five people were injured by homeland police, following a protest march of 20 000 people on the legislative assembly to restate the demands of civil servants. A week later, the QwaQwa administration fired 260 public sector workers and threatened a further 600 temporary workers with dismissal on the grounds of rationalisation.

By the end of June, the one-month long public sector strike was resolved. A Commission of Inquiry

appointed to investigate the issue of wage parity found that QwaQwa salaries were comparable and that only three posts were occupied by seconded white civil servants. Workers in the public sector had their wages doubled to between R400-500 a month. At the same time, the two-week strike by about 30 000 workers in QwaQwa's private sector was also resolved.

Following national trends, educational issues became another rallying point for the new opposition politics. School boycotts were also called in QwaQwa during the first half of 1990 to protest against the shortage of text books and inadequately trained teachers, and to demand the recognition of student representative councils. A number of pupils were expelled from schools and disturbances again broke out at the end of 1990 when final examinations were disrupted.

In September 1990 the QwaQwa administration held what its leaders probably perceive to be the homeland's last election (see interview below). Three political parties contested an election in which the registration of one party was declared null and void as it failed to win any seats, while the opposition party lost its one and only seat. Chief Minister Mopeli's Dikwankwetla Party won all of the 34 elected seats in the legislative assembly, with 18 candidates returned unopposed. This election saw QwaQwa's lowest voting poll (about 13%), compared to previous polls of around 40%. The ANC, PAC and trade unions called for a voter boycott and a three-day stayaway during the elections.

The QwaQwa government approves of a multi-party system and tolerates the newly established ANC and PAC branches in Phuthaditjhaba. A significant number of the homeland's civil servants are members of the ANC. The National Education, Health & Allied Workers Union (Nehawu) is the dominant union in

Phuthaditjhaba and has led most of the private and public sector strikes. The union is a member of the ANC/SACP/Cosatu alliance.

The Dikwankwetla Party has accused the ANC of violent tactics and of intimidating people not to vote in last year's elections. For its part, the ANC has called for the resignation of the QwaQwa government and the abolition of the homeland system. To complicate matters, the ruling party is against homeland independence. What separates the ANC from Chief Minister Mopeli's party is the issue of a unitary state versus federal approaches. The Dikwankwetla Party espouses federalism, but calls for single non-racial ministerial portfolios within South Africa.

The Dikwankwetla Party is trapped in the ambiguous terrain of transitional politics. Collaborating with the system yet not quite accepting it, they are at the same time unable to move towards an alliance with ANC forces. The political game that the QwaQwa administration sought to play has reached its limit and has isolated them from the national power struggle. No wonder that senior homeland officials, having sufficiently benefitted from operating the system, are simply waiting to hand over their caretaker administration to a new post-apartheid government.

## BACKGROUND

QwaQwa is the smallest of South Africa's ten homelands and one of the six self-governing territories which have not opted for apartheid-style independence. Since receiving its self-governing status in November 1974, it has been administered by Chief Minister Kenneth Mopeli, of the ruling Dikwankwetla Party. The Legislative Assembly consists of 80 members, of whom 46 are designated hereditary chiefs and 34 members are elected. QwaQwa has been designated as the ethnic homeland of the South-Sotho, yet only 7% of the so-called South-Sotho people are living in the area.

There are two active political parties in QwaQwa, the Dikwankwetla Party and the Basotho United Party. The Dikwankwetla Party has been in office since 1975, following the defeat of its opposition, then led by Wessels Mota. The Party has consistently rejected independence for the territory, given its size and lack of economic viability.

In December 1987, Botshabelo (formerly Onverwacht), a large commuter town in the Orange Free State, situated some 330 km away from QwaQwa, was incorporated into QwaQwa. This instantly swelled the territory's population by another 500 000 people. Fears were raised that this was to serve as a trade-off for QwaQwa independence. This sparked off a wave of school boycotts and protest action, scores of people were arrested, and further unrest and violence occurred. In July 1987, the Dikwankwetla Party attempted to organise a secret ballot among older people and claimed that 11 000

people signed in favour of incorporation. However, those who signed said that they were threatened with withdrawal of their pensions.

Residents of Botshabelo were informed of their incorporation through pamphlets dropped from helicopters. Surveys undertaken in the area by the universities of the Orange Free State and Witwatersrand revealed that between 74% and 90% of residents in Botshabelo were opposed to incorporation. Residents appealed against their incorporation and in August 1988 the Bloemfontein Supreme Court declared the incorporation invalid, on the grounds that QwaQwa had no historic claim to Botshabelo and that there were fundamental differences in political developments, lifestyles and culture between these two areas.

## POPULATION

DE FACTO POPULATION			
1970	1980	1985	1990#
25 336	159 328	222 122	293 331
(# estimate)			
Average Annual % Increase			
1970-1980	1980-1985	1985-1990	1980-1990
20,3%	6,9%	5,7%	6,3%

The dramatic population growth between 1970 and 1980 derives from the resettlement of people from 'white South Africa', especially from white farms in the Orange Free State, following mechanisation and the efflux of farm labour. Population numbers were further swelled during this period by the forced removal of people from urban areas in South Africa and other homelands. In 1974, for example, 2 000 people were relocated to QwaQwa from Bophuthatswana.

During the 1980s the population of QwaQwa continued to grow annually at considerably high rates of between 6% to 7%, compared to the average annual growth rate of 3% for the whole of South Africa. The only other homelands to experience such high population increases are KaNgwane and KwaNdebele. An unofficial government estimate places the total *de jure* population of QwaQwa closer to 400 000 for 1990.

POPULATION STRUCTURE 1990			
NON-URBAN	URBAN	MALE	FEMALE
86%	14%	45%	55%
under 15 yrs	15-64 yrs	over 65 yrs	
51%	45%	4%	

The urban sector of QwaQwa's population (14%) is settled in one town, Phuthaditjhaba, and the rest (86%) live in semi-urbanised villages. In 1986 there

were approximately 6 000 houses in Phuthaditjhaba, with an average occupancy rate of about five persons per house. In the surrounding villages, housing the remaining 86% of the population, there were an estimated 34 000 housing units, with an average occupancy rate of about six persons per house. Most dwellings in these semi-urban villages were traditional mud structures, compared to scheme houses in the centre.

The gender composition of the population reveals a 55% female and 45% male breakdown, while the age composition reveals that 51% of the population are under the age of 15, with only 4% in the over 65 year bracket. Over 60% of males in the economically active category were absent from QwaQwa in 1986, living or working as migrants in the core economy.

## LAND

The area of QwaQwa encompasses 72 690 hectares, in one geographic unit, and falls under the jurisdiction of two magisterial districts, Witsieshoek and a small portion in Harrismith. This tiny homeland has an extraordinarily high population density. In 1986 the density was estimated at 354 persons per km<sup>2</sup>. If one considers that one-third of the area is mountainous and uninhabitable, then the population density could have been as high as 530 people per km<sup>2</sup> at the time. This can be compared to the Transkei average of 69 people per km<sup>2</sup> in 1986.

## AGRICULTURE

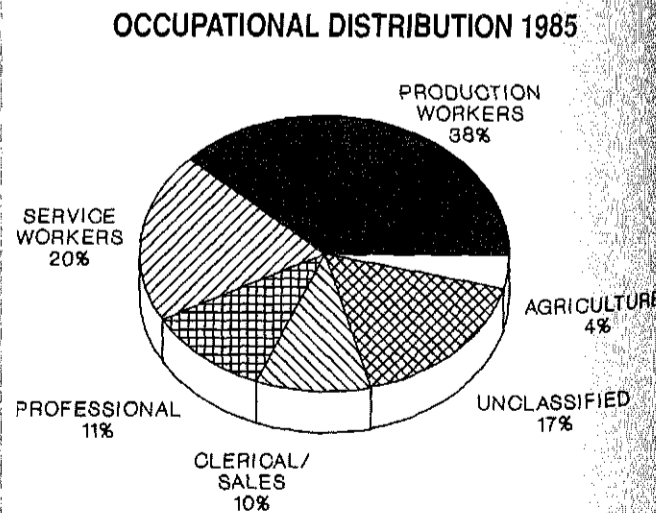
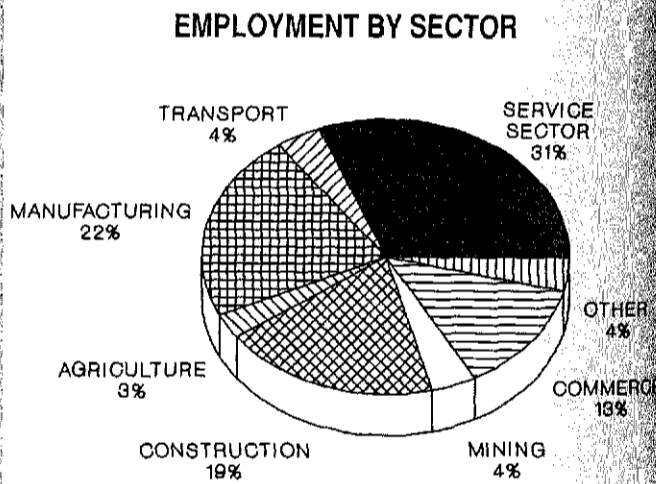
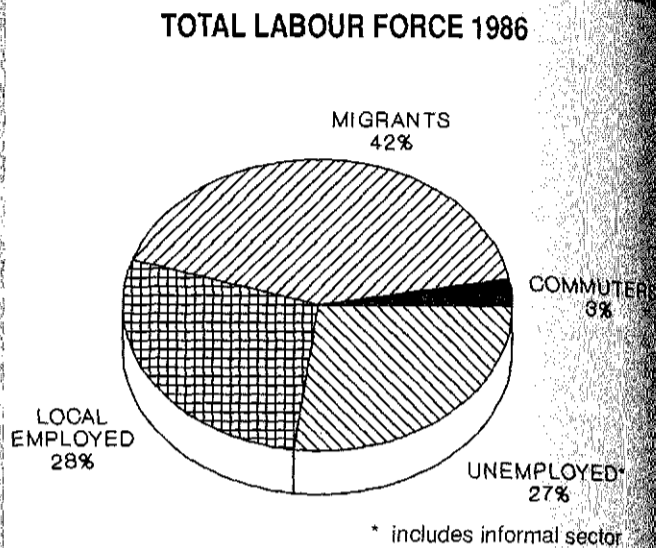
Although 80% of the area is classified as potential grazing land, only 10% is potentially arable land. The steep mountainous terrain makes the area rather unsuitable for agricultural production. The available arable land is further reduced by the high population density. The limited agricultural production yields maize, asparagus, wool and milk. The livestock count in 1986 included 14 154 cattle, 12 380 goats, 5 503 sheep, and 2 373 horses, donkeys and mules. Livestock accounted for 57% of the gross value of agricultural production in QwaQwa in 1986.

The contribution of the agricultural sector to the Gross Domestic Product (GDP) of QwaQwa declined dramatically from 13% in 1970 to a negligible 3% in 1986. Clearly, very little expansion of agricultural potential is possible. There were 22 agricultural projects undertaken in 1986, 21 of which were run by the QwaQwa Agricultural Corporation, AgriQwa.

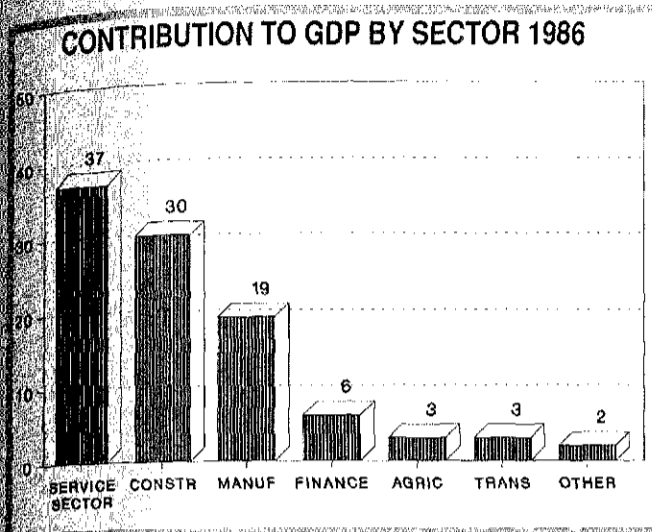
## EMPLOYMENT

In 1986, 34% of the population was employed formally, numbering approximately 79 000 people. Of the total labour force, about 28% was employed locally, 42% were migrant labourers (mainly on the West Rand), 3% were commuters (predominantly to Harrismith), and 27% were either unemployed or engaged in the informal sector. The figure for those engaged in migrant work appears somewhat low. Other estimates place the number of migrant workers

from QwaQwa at 67 156 for 1986, which would constitute 62% of the homeland's total labour force for that year. Economic recession in South Africa has swelled the ranks of the unemployed in QwaQwa and has placed considerable pressure on existing housing stock.



The service sector is the most important contributor to the GDP of QwaQwa, (37% in 1986), followed by construction (30%) and manufacturing (19%).



The Gross National Product (GNP) of QwaQwa amounted to an estimated R445m in 1986, to which migrant and commuter earnings in the core economy contributed a phenomenal 67%. Hence a major share of the area's income was derived from outside sources in 'white' South Africa. The GNP per capita figure of R1 605 at current prices however, was the highest among all the homelands in 1986. This figure is weighted heavily by the overwhelming contribution of income earned outside of QwaQwa.

### INDUSTRY & MANUFACTURING

QwaQwa is developing at a rapid rate of industrialisation. In 1984 there were only 56 factories, employing 4 500 people. Today there are 286 factories, employing 28 596 people. There are two main industrial centres, Phuthaditjhaba and IndustriQwa:

- Phuthaditjhaba has a 148 ha industrial zone, with 365 000 m<sup>2</sup> of factory space. Factories here range from 50 m<sup>2</sup> to 12 000 m<sup>2</sup>.
- IndustriQwa is a 900 ha industrial zone, established in 1987. In 1990, the first 1 158 job opportunities were created in this new zone. The major industries produce clothing and textiles, and metal and wood products.

### INCOME AND EXPENDITURE

QwaQwa received R230,4m in 'budgetary assistance' from the central government in 1989/90. The QwaQwa government estimated that it would receive R220,8m from central government, R53,3m from loans and R130,5m from own sources, bringing the total revenue for that year to R404,7m.

Excluding loans, it appears as if the territory would derive only 32% of its income from 'own sources'. However, this category includes various transfer payments from central government for migrant income tax, customs union payments, rand monetary

area payments, general tax transfers and payments for industrial incentives, etc. Hence the proportion of revenue derived from own sources is considerably lower and could be anywhere between 10-20%. In 1984/85, QwaQwa's tax base made up almost 79% of its total revenue from own sources. However, approximately 90% of its income tax was received as a transfer payment from South Africa.

The territory's budget for 1989/90 totalled R393,8m, an increase of 30% on the previous year. QwaQwa had a budget shortfall of R163,4m for that year. (The six self-governing territories have accumulated a joint debt burden of R400 million between 1984-1988.) The provision of infrastructure and construction of housing and factories consumed a significant 35% of the QwaQwa budget, while social services accounted for 39%.

### ESTIMATED SOURCES OF QWAQWA REVENUE (R'000)

	1988/89	1989/90
CENTRAL GOVERNMENT	R160	R221
INTERNAL REVENUE	R120	R131
LOANS	R 26	R 53
<b>TOTAL</b>	<b>R306</b>	<b>R405</b>

### QWAQWA BUDGET (R'000)

	1988/89	1989/90
Works	R123 167	R138 615
Education & Culture	R 72 067	R119 715
Finance	R 34 567	R 35 175
Interior	R 25 267	R 34 485
Health & Welfare	R 24 667	R 33 965
Chief Minister & Econ Affairs	R 8 643	R 10 410
Agriculture & Forestry	R 6 367	R 10 345
Police	R 5 500	R 8 710
Justice	R 1 517	R 2 355
<b>TOTAL</b>	<b>R301 760</b>	<b>R393 775</b>

### Budget Allocation by Department

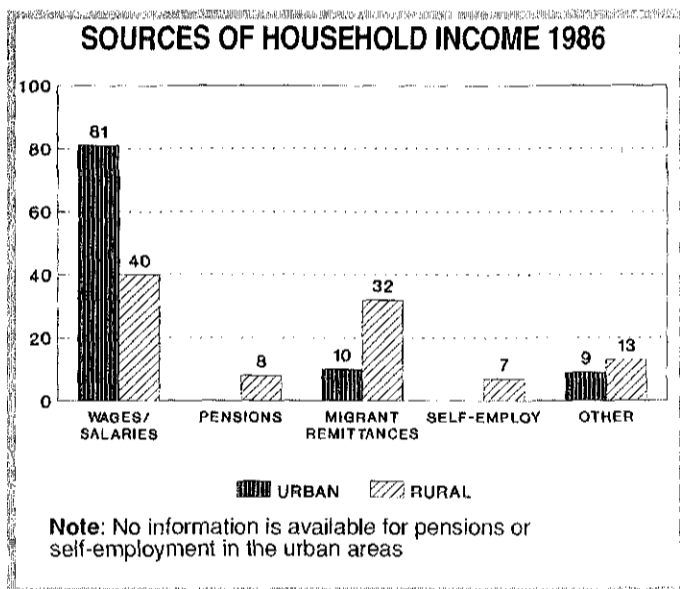
	1988/89	1989/90
Works	41%	35%
Education & Culture	24%	30%
Finance	11%	9%
Interior	8%	9%
Health & Welfare	8%	9%
Chief Minister & Econ Affairs	3%	3%
Agriculture & Forestry	2%	2%
Police	2%	2%
Justice	1%	1%



## HOUSEHOLD INCOME

The average household consisted of five people in Phuthaditjhaba and six people in the surrounding villages in 1986. Given the increased unemployment rates among commuters and migrants recently, the household density would likely be higher now.

- Commuter and migrant income formed 73% of the total household income for the territory (migrant income 69%), with only 27% being generated in QwaQwa.
- Salaries and wages contributed about 81% of household income in Phuthaditjhaba and 40% in the semi-urban villages. In the villages migrant remittances made up 32% of household income.
- Migrants on the West Rand and Orange Free State remitted about 15% of their income on average to their families in QwaQwa.



The average annual income per household in QwaQwa was R5 600 in Phuthaditjhaba and R4 022 in the village areas in 1986.

## EDUCATION

Educational expenditure accounted for 30% of the government budget in 1989/90, amounting to R119,7m, an increase of 66% on the previous year. In 1990, an estimated 30% of the QwaQwa population had no or very little education, 47% had primary schooling, 22% had high school education and 1% tertiary education. Post-matric education is provided by technical and teacher training schools, and the QwaQwa branch of the University of the North located in Phuthaditjhaba.

These educational levels are considerably higher than, for example, that of the Transkei, where 42% of people possess little or no education. The relatively

high per capita income of this area and the fact that most villages are semi-urban, could account for this trend. The schools also seem to be relatively well distributed across the territory.

## EDUCATIONAL LEVELS 1985 & 1990

	1985	1990
none/unspecified	34%	30%
primary	46%	47%
secondary	19%	22%
tertiary	0.9%	1%

The pupil-teacher ratio in QwaQwa schools was 32:1 for primary schools and 31:1 for high schools in 1987, compared to the average of 41:1 for African schools in 'white' South Africa for the same year. However, the pupil-classroom ratio stood at a much higher 42:1 for primary and 55:1 for high schools in 1987.

## HEALTH

An estimated R33,9m was allocated for health and welfare in 1989/90, a mere 9% of the total budget. Of this total 90% went to health and 10% to welfare services.

In 1987 there were 2 hospitals, 19 clinics and 10 mobile clinics in QwaQwa. The population-hospital bed ratio stood at 421:1 and the population-doctor ratio was 16 416:1. This is considerably higher than most other homelands. Infant mortality stood at a phenomenal 120 per 1 000 in 1986, compared to 80 per 1 000 for Africans in 'white' South Africa for that year.

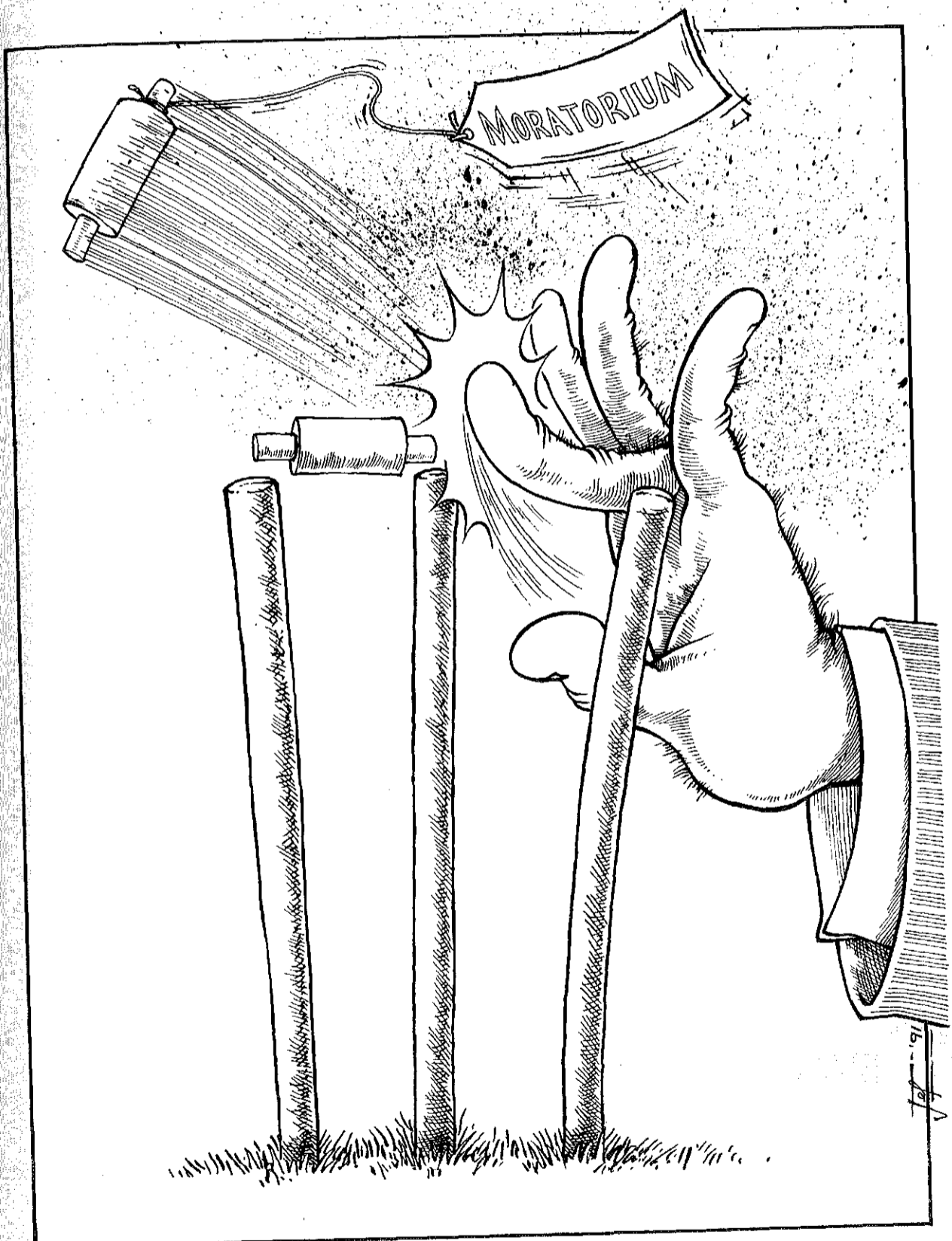
Some R32m was paid out for pensions in QwaQwa in 1989/90, which took 93% of the Department of Interior budget for that year. **IPDA**

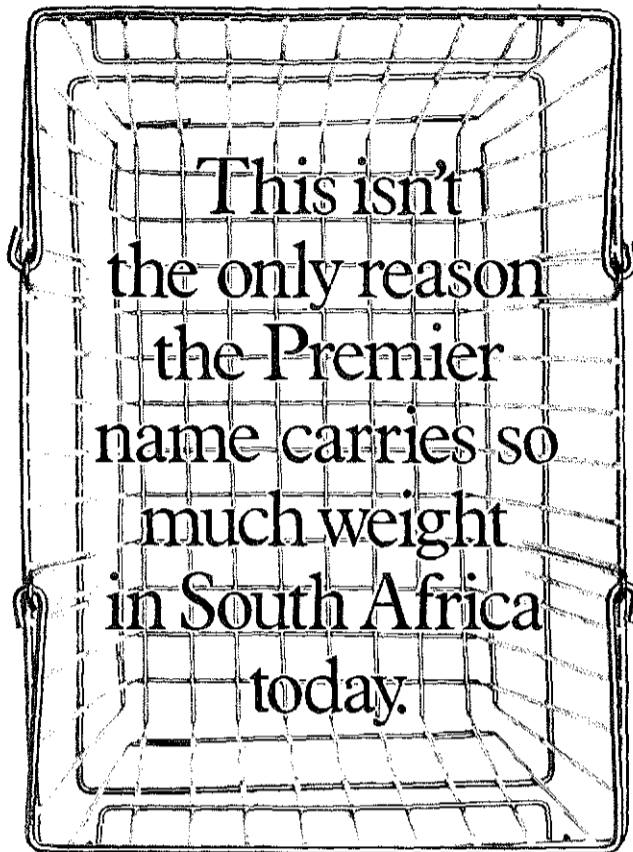
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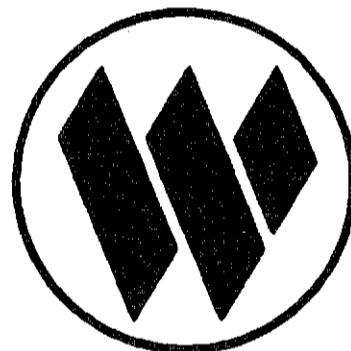
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# Sporting Gestures

## The Unity Talks

By Douglas Booth, Macquarie University, Australia

*The multi-racial and non-racial sports movements of South Africa have begun what are popularly known as 'unity talks' after declaring a moratorium on international sports contacts. The negotiations will lead to a single non-racial controlling federation in each code of sport. Douglas Booth, a former researcher at the University of Natal, analyses the conditions which predisposed negotiations and explains why the talks will be acclaimed a success regardless of their real outcome for meritocratic sporting relations at the grassroots level.*

Two mutually dependent factors precipitated unity talks: the agreement between the African National Congress (ANC) and the National Party (NP) to negotiate a new constitution to resolve apartheid, and the multi-racial sports movement's acceptance of the moratorium on international tours as a prerequisite to negotiation. The outcome of the unity talks is not predetermined. But we can speculate on the likely results by examining the historical conditions which predisposed negotiation.

In sport, the parties negotiate a meritocracy in which, for the duration of the game, relations are equal. The presence of umpires, whose task is to enforce the meritocracy, is confirmation of pre-play negotiations. Until recently, however, white South Africans refused to play sport with blacks. They rejected any form of meritocratic relationship with blacks and justified their stance by evoking an elaborate racial mythology. Whites claimed blacks had neither the ability nor the interest to participate in modern sports.

In the past the NP's policy of racially segregated sport was not enforced by specific legislation but by the gamut of apartheid ideology and legislation. Racial segregation denied blacks opportunities and facilities. In the early 1960s, black sportspersons formed the non-racial sports movement to demand an end to discrimination which denied them equal opportunities in sport. The movement's policy was to isolate South African sport: its strategy was the boycott. The object of the boycott was not to force whites to play with blacks, rather it was to give blacks

their own facilities and access to the increasing material opportunities afforded by sport.

World sports bodies sanctioned the boycott to resolve the contradictions that apartheid engendered within sport. Sport has been idealised: it is seen as separate from, and immune to, the harsh realities, stresses, strains and incongruities of life. According to this paradigm, sport is meritocratic, autonomous, apolitical and non-discriminatory.

Apartheid, however, negated and politicised the idealised essence of sport and the boycott seemed the best way to resolve these contradictions. The logic of the boycott was that it would shame whites into accepting meritocratic relationships with blacks in sport. How can one group, which professes to be Christian and civilised, refuse to participate with another group in such a (seemingly) innocuous activity as sport?

The boycott showed early promise. In the mid-1970s, several multi-racial organisations agreed to negotiate with non-racial sport to form single controlling federations and the government offered minor concessions including special permits to play 'multi-national' sport. But there was no evidence of whites having changed their racist attitudes. The amalgamation of multi-racial codes with non-racial sport was merely a strategy to circumvent the boycott.

In the face of increasing commercialism, the boycott threatened the financial viability of domestic sport by depriving South Africa

*The sports boycott was not intended to force whites to play with blacks but to improve black access to venues and facilities*

*State attempts to promote multi-racial sport in the 1970s came too late to depoliticise the broader issues of the sports boycott*

*Meritocratic relations on the sportsfield pose absolutely no threat to racial inequalities in society*

of revenue-generating international tours. The NP also recognised that international sport contributed to its legitimacy. But the government persisted with trying to reconcile segregated and idealised sport. It declared racial integration at club level unacceptable and unity talks between the two movements ended.

During the mid-1970s, the non-racial sports movement re-analysed sport and concluded that the relations of sport are inextricably tied to the prevailing political and economic relations of power. In other words, sport reflected the racially exploitative nature of South African society. This analysis is captured by the slogan 'no normal sport in an abnormal society'.

Armed with this analysis, the non-racial sports movement viewed the boycott as a strategy against apartheid *per se*. That the sports boycott could transform apartheid was moot, but the logic of 'no normal sport in an abnormal society' seemed impeccable and the non-racial sports movement captured the moral ground. The boycott intensified and the NP, in collusion with multi-racial administrators, tried to depoliticise sport.

Depoliticisation was not inconsistent with the Botha regime's social reforms. After all, racial equality within sport posed absolutely no threat to the existing racial order. Depoliticisation included:

- changes to the administrative structure of sport, for example, the Department of Sport and Recreation was disbanded in 1980 and segregation in school sport relaxed;
- legislative amendments, for example, the Group Areas Act as it affected sport was amended.

But it was too late. While apartheid existed, South African sport could not be depoliticised.

### Rebel Rousing

The rebel tour was adopted as an aggressive counter to the boycott. Rebel sport began in the early 1980s and by the mid-decade rebel tours were annual events in major and minor sports.

Some international sportspersons interpreted rebel sport as an opportunity to challenge what they saw as the unfettered politicisation of sport by hypocritical sports administrators and politicians. These sportspersons were trapped by the

discourse of the dominant paradigm of sport, particularly the belief that sport is a social equaliser. They argued that the contradictions of apartheid could be resolved through play.

That sport is a temporary suspension of normal relations was, of course, overlooked. However, one thing can be stated with certainty: the absence of mass resistance to rebel sport inside South Africa lent credibility to the belief that sport is apolitical.

Rebel sport survived less than a decade. The non-racial sports movement maintained pressure on foreign sportspersons and the numbers touring South Africa plunged. Domestic interest in rebel sport was fickle. Most of the visitors were mediocre, with few top-ranked sportspersons willing to break the boycott.

Rebel sport was also prohibitively expensive. After introducing 90 per cent rebates for the sponsors of rebel sport, the government reduced these to 50 per cent under the pressure of a deteriorating economy. Finally, mass mobilisation and resistance to the English rebel cricket tour in 1990 shattered the myth that sport is apolitical and a vehicle for racial integration.

The so-called 'African initiatives' were a last attempt to circumvent the boycott. The 'initiatives' were the secret plan of a coterie of senior white sports administrators, to hold discussions with select and influential African sports administrators. The coterie sought exemptions from the boycott for sports associations with affirmative action programmes encouraging black participation.

The initiatives failed. Firstly, because select boycotts are difficult to adjudicate. Secondly, notwithstanding some positive moves, racism in South African sports persists although it is becoming more sophisticated and subtle. Thirdly, there was the problem of identifying influential and sympathetic Africans.

Craven spoke to the ANC but this caused bitter divisions within the multi-racial movement, and between the multi-racial movement and the NP. The concern was that the talks politicised sport.

On the one hand, the failure to depoliticise sport and the inability to sustain rebel tours forced the multi-racial sports movement to negotiate. On the other hand, the ANC and

the NP's commitment to peace and negotiation established a climate conducive to negotiation in sport.

The international sports community, particularly the IOC, has also contributed to this climate with a more conciliatory attitude. In November 1990, at a conference in Harare, officials from the multi-racial and non-racial movements and the Association of National Olympic Committees of Africa, established a Committee of Ten to assist the unity process. The Committee of Ten comprises two representatives each from the (multi-racial) South African National Olympic Committee and the Confederation of South African Sport, and the (non-racial) South African Council on Sport (Sacos), the National and Olympic Sports Congress (NOSC) and the South African Non-Racial Olympic Committee (Sanroc).

This positive climate engendered optimism that apartheid will be quickly resolved, that the sports moratorium will be short-lived, and that South Africa will be 'automatically readmitted to the international fold' once the overt symbols of racism are removed. Light appeared at the end of the boycott tunnel and the sports moratorium became palatable.

### Unity Prospects

To date professional soccer has achieved (partial) unity, several codes have drawn up schedules for unity, and most of the remainder are negotiating. In view of this progress, is it opportune to relax the boycott?

The precise objectives of the boycott have always been vague. We are simply told that it is part of the struggle against apartheid and for a non-racial democracy. But as a tactic the sports boycott is limited to either bringing about negotiations or limited concessions: it cannot force the multi-racial movement or the government to surrender or capitulate. At this stage, then, it would seem that the sports boycott has met its logical objectives and should be relaxed.

But a problem remains. Concessions wrought by boycotts, namely, the abolition of apartheid legislation, will not automatically create new opportunities, nor will they prescribe new racial attitudes. In other words, the removal of apartheid legislation does not address the problem of the continuity of racism in a post-apartheid society.

One need only look at the racial legacy in Zimbabwean sport to understand this point. For example, whites comprised 70 per cent of Zimbabwe's national team at the Commonwealth Games in Auckland, yet they make up less than one per cent of the country's population. The boycott is thus essential to influence the direction of negotiation and to overcome the remaining obstacles to 'genuine' non-racial democratic unity in sport. These include:

- *philosophical differences*

A chasm divides the multi-racial and non-racial sports movements over the meaning of unity. The multi-racial movement regards unity as a technical procedure to amalgamate two organisations which ultimately, supposedly have the same objective, namely, South Africa's return to international competition 'in the interests of sport'. The non-racial movement sees unity as one element in the struggle against apartheid.

These differences are not merely an academic debate. They tackle the thorny problem of social change and the transformation of racial attitudes. The popular belief is that attitudes are changed through shared experience, or the sharing of a common goal, and all that is required is an agency to bring people together. The multi-racial sports movement, for example, sees sport as that agency.

The non-racial movement is divided over unity talks and the boycott. Notwithstanding its membership of the Committee of Ten, Sacos still adheres to non-collaboration. It argues that negotiation and apartheid are irreconcilable and that all vestiges of discrimination must be removed before ending the boycott.

In recognising the limitations of non-collaboration, NOSC and Sanroc have worked to foster a climate of negotiation. NOSC says that negotiation and the destruction of apartheid are inseparable and self-reinforcing processes. Its strategy is to capture and develop space within existing sports institutions and social groups with the aim of progressively transforming those institutions and racist and undemocratic attitudes. It is a cumulative process requiring broad political alliances - which Sacos rejects.

Sanroc considers that legislative changes are the primary prerequisite for South Africa's readmittance to international sport rather than unity in every code.

*The failure to depoliticise sport or to sustain rebel tours forced the multi-racial sports movement into negotiations*

*The removal of apartheid does not address the problem of the continuity of racist attitudes in a post-apartheid society*

*Sport is just one arena within the broader struggle for non-racial social practices in South Africa*

*The non-racial sports movement must go beyond the removal of overt racism, professionalism and organisational integration*

Implicit in the positions of the non-racial movement, Sacos and Sanroc, is that attitudes can be turned on and off like taps. The process of social change is unclear, but we do know that individual attitudes towards different racial groups are not transformed by contract, contact or shared experience, and that attitudinal changes are always uneven.

- *symbolic unity*

Most international sports federations subscribe to the multi-racial movement's bankrupt conception of unity. They do not really understand the idea of non-racialism. Their concerns are to expurge the overt symbols of racism and to guide South Africa 'home'. The IOC's recent hasty, albeit conditional, recognition of South Africa within weeks of the formation of an Interim National Olympic Committee of South Africa (Inocsa), is evidence of the priorities of international sport.

The eagerness to see South Africa in international sport stems from several conditions. Firstly, white South Africans remain influential in many sports. South Africa was a founding member of numerous world sports federations and the boycott did not weaken the social links and bonds. A critical aspect of these bonds is the unique and unrivalled hospitality white South Africans afford their visitors. Secondly, sports administrators enhance their country's and their personal status when they bring many nations together in sporting competition. Thirdly, South African sport offers commercial potential. As one sports entrepreneur put it: 'the Springboks will fill grounds everywhere'.

- *The negotiation process*

There are inherent limitations in negotiations. By definition the willingness to negotiate is the willingness to compromise. But the willingness to compromise does not negate the competing agendas, personal rivalries, animosities and jealousies between and within the negotiating parties. For example, there is no doubt that black affiliates of some multi-racial federations, such as rugby, will equate unity with their loss of privilege.

- *non-racialism and opportunism*

There is a risk that the principles of non-racialism will be subordinated to the material interests of sports administrators. There was certainly little mention of

non-racialism in the euphoria accompanying the amalgamation of the non-racial Federation Professional League and the 'independent' National Soccer League to form a 'new' National Soccer League. Rather, amalgamation was discussed in terms of the economic benefits for soccer.

The process of readmittance to world federations, and hence international competition, encourages sports administrators in both movements to rush into amalgamation at the expense of debate and democratic consultation. South Africa can only be readmitted by a majority vote at an annual general meeting. This imposes 'deadlines' on unity if South Africa is to compete in forthcoming events, notably next year's Olympic games.

The displacement of Sacos as the leader of the non-racial sports movement has inadvertently contributed to the abandonment of the principles of non-racialism and opportunism. While Sacos's relegation is partly because of its refusal to enter into a broad alliance with NOSC, its loss of influence also means the removal of anti-apartheid intellectuals and hard-headed negotiators from the unity talks.

- *resources*

Representation on the new sports controlling bodies will depend directly upon on-field sporting performance and indirectly on existing resources, including access to sponsorship. The non-racial movement lacks resources and unless the multi-racial movement shares its stock, the new controlling federations risk being nothing more than a sprinkling of non-racial 'personalities' among a core of multi-racial administrators who have agreed to change their uniforms and banners.

To conclude, South Africa will return soon to international sport. Its return will be widely acclaimed and attributed to the willingness of the multi-racial and non-racial sports movements to negotiate and compromise 'in the interests of sport'. Sighs of relief will welcome the depoliticisation of South African sport. But while depoliticisation is the real prerequisite for readmittance to the international arena, one remains sceptical about the elimination of racism in post-apartheid sport. IDA

## UNDOING THE PAST

### Index of Educational Need

By Professor James Moulder,  
Department of Philosophy & Religious Studies, University of Natal

The education renewal strategy announced by government in early June has again focused attention on one of South Africa's perennial conflict areas. The unequal way in which the education budget is distributed fuels South Africa's education crisis. Before presenting a formula for distributing it more fairly, James Moulder explains why it should be rooted in homegrown ideas instead of wobbling around on foreign theories.

John Rawls, a distinguished professor of philosophy at Harvard University, has produced a theory of distributive justice which is a good example of what we do not need. He argues that, provided two conditions are met, it is not unfair to distribute public funds unequally and sometimes it may be wise to do so. Whatever the money pays for must be open to all. And there should be a reasonable probability that 'the inequalities will work out for everyone's advantage' and, in particular, 'to the greatest benefit of the least advantaged'.

Many Europeans and Americans support Rawls's theory; but it saddles us with four difficult questions:

- Rawls's principles are for 'a modern constitutional democracy'. How, if at all, can they be revised for South Africa, which is neither a modern nor a democratic society?
- Rawls's principles are for societies in which most distributions of public funds are fair: 'they are well-ordered for the most part but some violations of justice nevertheless do occur'. How, if at all, can they be revised for South Africa, which has a spectacular ability to distribute public funds unfairly?
- Rawls does not tell us how to identify 'the least advantaged'. If we did inject his theory into 'the education crisis', how would we decide who should get the most help?
- Rawls does not give us a formula for distributing public funds 'to everyone's advantage' and, in particular, 'to the

greatest benefit of the least advantaged'. If we did adopt his theory, what mechanisms would we use to implement it?

For all these reasons, we should not put Rawls's tender theory into our harsh conditions. What we should do instead is to create principles of justice that are as appropriate for South Africa as his are for America.

#### Four Principles

I therefore want to use some homely ideas to distribute the education budget more fairly.

The first idea states *an axiom of equality*. Because education runs on public funds, equal expenditure on every school at the same level of schooling does not have to be defended. What has to be justified are unequal expenditures on schools at the same level.

The second idea tells us *what must be distributed equally*. Because the unequal amounts that are spent on salaries are due to unequal qualifications and not to an unfair formula for distributing funds, they should be removed from the debate.

The third idea tells us *what must be corrected*. Segments of the education system that were given less than an equal share of the budget in the past should be given more than an equal share until they have been compensated for the mistakes that were made.

The fourth idea states *an axiom of*

*Segments of the education system given less than an equal share of the budget in the past should be given more than an equal share until they are compensated*



*Temporal bad luck means that pupils are treated fairly or unfairly because the schools they attend are funded equally or unequally*

*compensation.* Efforts that are made to correct unfair allocations of public funds do not have to be defended. What has to be justified is a refusal to correct a mistake that was made.

The four principles do two jobs. On the one hand, they require us to give every school at the same level an equal amount of the education budget. On the other hand, and more significantly, they tell us that an equal allocation after a history of unfair funding does not always undo the damage that was done in the past. What is often required for some time after a period of unequal allocation that benefited some schools are unequal allocations that compensate the schools which did not get what they should have got.

These four principles also ride on two ideas that young children understand and defend passionately.

### Temporal Bad Luck

These two analogies do not work as well as they should because they treat schools (which are *institutions*) like children (who are *individuals*). So let us supplement them with the axiom of temporal bad luck. Like the axiom of genetic bad luck, it highlights one of the reasons why we are unable to undo as much of the mischief of the past as we would like to.

The axiom of temporal bad luck reminds us that, because people in a social system are related to each other more like the eggs in an omelette than the chops in a grill, it is not always possible to isolate who has suffered and who has benefited.

Because the debate on how the education budget should be distributed appeals to per capita amounts, it seems as if the money goes to pupils when, in fact, it is spent on

**TABLE 1**  
**Six inequalities in the education system in 1987**

UNEQUAL	DEPARTMENTS									
	KWAZULU	KANGWANE	LEBOWA	QWAQWA	DET	KWANDEBELE	GAZANK	REPRESEN	DELEGATES	ASSEMBLY
• % second level pupils	21	23	29	32	20	25	21	27	39	42
• % failed Std 10	49	54	49	46	53	50	29	30	8	4
• % a1 to a3 teachers	40	71	46	42	53	60	47	23	3	0
• teacher pupil ratio	52	34	34	29	38	27	34	23	20	18
• manager teacher ratio	60	27	34	42	20	14	32	14	10	11
• per capita expenditure ratio	13	5	8	2	3	5	5	2	1	0
• index of need	0,39	0,36	0,33	0,32	0,31	0,30	0,28	0,20	0,14	0,12

SOURCE: DNE, NATED 02-215 (90/02): 19, 36, 63 and 97.

**FOOTNOTES:**

- Salaries are not included in the per capita expenditure ratio.
- The per capita expenditure ratios are proportions of the Assembly's amount.
- Because I have used very rounded figures, the House of Assembly's per capita expenditure has been recorded as zero instead of one to distinguish it from per capita expenditure for the House of Delegates.
- A department's 'index of need' is calculated by first summing its percentages and ratios and then dividing the total by 600. Each department's gini coefficient would be a more sophisticated index of its need.

When parents give two children six sweets, each child expects to get three. Every four year old knows that it is wrong to take more than an equal share. What was given to all should be distributed equally. If this does not happen, the parents intervene and correct the mistake.

If it is too late and the sweets have been eaten, then the next time sweets are handed out, the child who was shortchanged gets more than an equal share to compensate her for what she did not get earlier. Nobody believes that what the parents are doing has to be justified, or described as 'affirmative action' or 'reverse discrimination'. The parents are simply correcting the mistake that occurred.

schools. This means that pupils are treated fairly or unfairly because the schools they attend are funded equally or unequally.

This is how the system works. We know neither how to change it nor how to compensate pupils who were treated unfairly. All that can be done is to compensate the schools that were treated unfairly and therefore to compensate present or future generations who attend these schools for what past generations did not get. In one sense this is unsatisfactory, but it is not unacceptable. It simply tells us that we live in a world in which, for better or for worse, one generation suffers or benefits because of what happened to another generation.

They are supplemented by the axiom of temporal bad luck, these two simple analogies, as well as the four principles which they illustrate and defend, are strong enough to create a formula for distributing the budget for schooling. The trick is to calculate 'an index of need' and use it to weight pupil numbers, so that segments of the system which did not get what they should have got can be compensated for the mistakes that were made.

### Index of Need

Which inequalities should be captured by an 'index of need' can be debated, but tables 1 and 2 illustrate what could have been done in 1987.

Table 1 is 'an index of need' for the ten departments in South Africa's education system. It is based on *three percentages* (second level pupils, pupils who failed Std 10 and teachers who are classified as 'unqualified' because they are at levels a1 to a3) and *three ratios* (teacher:pupil, manager:teacher and per capita allocations as a proportion of the House of Assembly's figure).

Table 2 is 'an index of need' for the seven regions of the (African) Department of Education and Training. It is based on *two percentages* (pupils at the second level and pupils in double session or platoon system schools) and *two ratios* (teacher:pupil and classroom:pupil).

The indicators that were used to construct tables 1 and 2 are not sufficient to calculate an adequate 'index of need' because the lists are too short, as well as being constrained by what is in official reports. A more accurate index would include things like repetition and progression rates, and would calculate teacher:pupil ratios for the various levels of schooling. A more sophisticated approach would use a gini coefficient for departments and regions to weight its pupil numbers.

But none of these limitations undermines the idea of 'an index of need' that can be used to distribute the education budget fairly. And although its application here is confined to schooling, the idea can be extended to other sectors of the education system.

In tables 3 and 4 the 'index of need' which each department or region has is used to calculate its 'weighted per capita allocation'. These tables make three points.

**TABLE 2**  
Four inequalities in the Department of Education and Training (DET) in 1987

REGIONS	UNEQUAL PERCENTAGE PUPILS		UNEQUAL RATIOS		INDEX OF NEED
	second level	multiple shift schools	teacher pupil	classroom pupil	
Orange Vaal	20	11	41	48	0,30
Highveld	23	8	38	44	0,28
Cape	15	11	38	44	0,27
OFS	19	2	39	45	0,26
N Tvl	21	2	37	43	0,25
Jhb	29	0	31	36	0,24
Natal	15	1	37	42	0,24

SOURCE: DET, Annual report 1987 (RP65/1988): 252-254, 256 and 277-278.

FOOTNOTE: A region's 'index of need' is calculated by first summing its percentages and ratios and then dividing by 400. Each region's gini coefficient would be a more sophisticated index of its need.

The actual per capita allocations to departments, ranging from KwaZulu's R45 to the Assembly's R561, were grossly unequal and unfair. An egalitarian per capita allocation of about R210 would have been fair; but it would not have compensated departments who have been treated unfairly in the past. A weighted per capita allocation, ranging from KwaZulu's R228 to the Assembly's R182, or from the Orange Vaal's R186 to Natal's R177, is unequal but fair because it begins to compensate departments or regions who got less than they should have got in the past.

**TABLE 3**  
Actual, egalitarian and weighted per capita allocations of the 1987 budget for schooling.

DEPARTMENT	PER CAPITA ALLOCATIONS IN RAND		
	ACTUAL	EGALITARIAN	WEIGHTED
KwaZulu	45	210	228
KaNgwane	121	210	222
Lebowa	68	210	218
Qwa-Qwa	352	210	217
DET	178	210	215
KwaNdebele	110	210	213
Gazankulu	107	210	210
Representatives	265	210	196
Delegates	442	210	186
Assembly	561	210	182

FOOTNOTE: A department's 'weighted per capita allocation' is calculated in three steps. Its pupils are weighted with its index of need. Its weighted pupil numbers, the total weighted pupil numbers and the expenditure on schooling are used to calculate its weighted allocation. Its weighted allocation and its unweighted pupil numbers are used to calculate its weighted per capita allocation.

**TABLE 4**  
**Egalitarian and weighted per capita allocations of the DET's 1987 budget**

REGIONS	PER CAPITA ALLOCATIONS IN RAND	
	EGALITARIAN	WEIGHTED
Orange Vaal	181	186
Highveld	181	184
Cape	181	182
OFS	181	181
N Transvaal	181	180
Jhb	181	177
Natal	181	177

FOOTNOTE: The note at the end of table 3 explains how to calculate a 'weighted per capita allocation'.

### Advantages

I want to conclude by listing some of the advantages of 'an index of need' that can be used to compensate segments of the education system which have been treated unfairly in the past.

- It is simple and uncomplicated. Anyone who can use a calculator can create and apply 'an index of need'.
- It can be revised and adjusted. Columns can be added or removed until there is consensus on which indicators should be included. This means that the idea can be implemented immediately, because the best way to perfect it would be to see what happens when it is used.
- It can be audited. It is impossible to produce 'an index of need' that cannot be contested; but as soon as a formula of this kind exists, anyone can monitor whether or not it has been applied impartially.
- Although it moves towards equality slowly, the steps that are taken each year are substantial. For example, if the 1987 budget for schooling had been distributed according to the 'index of need' that I have used to show how it works, KwaZulu would have received about R300m instead of slightly less than R58m. The extra R242m is not

very much; but at an estimated cost of R20 000 each, it would have built about 12 000 classrooms. And this would have reduced the pupils in KwaZulu's classrooms from an impossible 59 to a manageable 38.

- When apartheid laws are repealed and there is one, inclusive and nonracial education system, the idea of 'an index of need' can be applied to magisterial districts, or whatever geographically defined units replace the present racially defined departments.
- The same 'index of need', or something like it, can be created for regions and circuits. This means that local decisionmakers can target the areas that have the greatest shortages and backlogs.
- The idea can be used to monitor the extent to which inequalities are being eliminated. Equal education for all, at least in the quantitative and technocratic sense of that slogan, will exist when all the segments of the system have the same 'index of need'.
- The idea of 'an index of need' is in line with the ANC's draft Bill of Rights, which declares that 'resources may be diverted from richer to poorer areas, in order to achieve a common floor of rights for the whole country'.
- The primary aim of 'an index of need' is to distribute the education budget more fairly; but it also can be used to encourage excellence by including a set of indicators which measure the performance of pupils in various tests, olympiads or examinations. For example, the schools and therefore the sectors in which students matriculated can be credited or debited with a point, depending on whether they did or did not graduate from a tertiary institution in the minimum time required to obtain a diploma or degree. If the sum of the points that were gained or lost were included in an 'index of need', it would reward and encourage excellence.

For all these reasons, there is no need to flirt with foreign theories that are impotent in our beds. What we should do instead is to find a formula that measures need and tells us how to compensate the victims of a long history of unequal and unfair allocations of the education budget. **TPA**

# Back to the Future

## AFRICAN MATRIC RESULTS 1989-1990

By Dr Ken Hartshorne

In our educational correspondent's last annual review for *Indicator SA* (Vol 7/No 2: 70-74), he warned that unless fundamental changes took place in government policies and community responses to them, there was little likelihood of any improvement in the situation in African high schools or in the senior certificate/matriculation results at the end of 1990. As the year progressed, teacher stayaways and chalk-downs were added to the other factors that had been causing African secondary schooling to disintegrate over a period of many years. It became increasingly clear that the results at the end of 1990 would be even worse than those of 1989. And so it has proved.

The results for 1990 (Table 4) reflect an overall pass rate for Africans of 36,2% (Senior Certificate passes 28,4% and matric passes 7,8%). Since 1988, overall passes have fallen from 56,7% to 41,8% to 36,2%, and in 1990 were at their lowest level since 1961, while matric passes were at their lowest level since 1960. White and Indian overall pass rates (with the exception of Natal which seems to apply stricter standards) remain at about the 95% level, while in 'coloured' schooling there was an improvement from the 72,6% of 1989 to 79,4% in 1990 (Tables 1 and 2).

Whatever the causes of the disastrous collapse in African Std 10 results in the last two years, one has to ask how long this can go on without there being a completely destructive explosion in secondary schooling, which will bring the whole system to a halt.

What detail there is for comparative purposes (Tables 3 and 4), shows that the country regions of the Department of Education and Training (DET) continue to do better than the metropolitan urban areas. Northern Transvaal, for example, in 1990 had a 44,3% overall pass compared with the 26,0% of Johannesburg. At the same time it should be noted that in the last three years the Northern Transvaal pass rate has dropped from 67,8% to 55,8% to the 44,3% of 1990. The gap between urban and rural results is narrowing as the disintegration of African secondary schooling spreads to the rural areas, reflected in the violence and disruptions in many of the homelands both in 1990 and in 1991 to date. Consequently, it is less and less possible to claim that in the rural areas secondary schooling is proceeding normally.

In spite of the overall growth in the number of full-time candidates, which this year are likely to exceed a quarter of a million, over the three-year period 1988-1990, the numbers of African youngsters passing senior certificate have decreased significantly. The numbers with matriculation exemption have dropped also, from 30 685 in 1988, to 18 044 in 1990, a reduction of 41,2%. The other side of the coin is that the number of failures, and therefore of those seeking to repeat std 10 or going out on the streets with little hope of employment, has increased from 81 000 to 150 000 per annum in the three-year period. The social, economic and political consequences of this growth in the numbers of 'alienated youth' have been discussed in previous articles, and have been sadly illustrated in the ongoing civil violence.

When the 1989 results were provided in my last *Indicator SA* review they were at that stage provisional and incomplete. Tables 1, 3 and 5 have therefore been included in order to provide more accurate and updated statistics, while Tables 2, 4 and 6 provide what is available at this stage on 1990. There is little need for comment as these tables indicate a continuation of the tendencies noted in my previous annual educational reviews:

**TABLE 1**  
**SENIOR CERTIFICATE/MATRICULATION 1989**  
**OVERALL RESULTS FOR ALL EXAM BODIES**

	CANDIDATES	SENIOR CERT.	%	MATRIC- ULATION	%	TOTAL PASSES	%
WHITE (DEC - HOA)	70 666	37 892	53,6	29 933	42,4	67 825	96,0
INDIAN (DEC - HOD)	14 191	7 393	52,1	5 889	41,5	13 282	93,6
COLOURED (DEC - HOR)	22 666	12 431	54,8	4 044	17,8	16 475	72,6
ALL AFRICAN Candidates	209 319	66 153	31,6	21 357	10,2	87 510	41,8
(Incl. DET)	(42 568)	12 977	30,5	4 305	10,1	17 282	40,6

SOURCES: DET results: Hansard 1990, No 2, Ques Col 41-42.  
Overall results: Education and Manpower Development, No 10: 14, RIEP, UOFS, 1990.

**TABLE 2  
COMPARATIVE STATISTICS (PROVISIONAL)  
SENIOR CERTIFICATE/MATRICULATION 1990**

EXAMINATION BODIES:	CANDIDATES NO	SENIOR CERT. %	MATRICULATION %	TOTAL PASSES %
ALL AFRICAN	232 977	28,4%	7,8%	36,2%
HOUSE OF REPRESENTATIVES	22 315	57,6%	21,8%	79,4%
HOUSE OF DELEGATES	14 542	49,5%	45,5%	95,0%
HOUSE OF ASSEMBLY:				
Transvaal	37 921	57,0%	39,5%	96,5%
Natal	8 846	40,1%	48,4%	88,5%
Cape	17 169	51,9%	42,4%	94,3%
OFS	5 032	56,1%	41,3%	97,4%
Joint Matriculation Board	1 206	10,7%	71,9%	82,6%

SOURCE: SA Barometer 1991, Vol5/No2: 24-25.

- a racial hierarchy of results from a white pass rate of about 95% to an African pass rate of 36,2%;
- generally better results in the homelands and rural areas, but with a marked narrowing of the gap between the two;
- a fairly wide range of results among the DET regions, with the metropolitan urban areas faring the worst;
- even where candidates are successful (Tables 5 and 6) they are so at the lower levels of achievement - in 1990, for example, of those who gained matriculation exemption, only 5,9% gained aggregate symbols of 'C' (60%) and higher - only 8 candidates in the whole country gained 'A' symbols; of those who were successful in obtaining a senior certificate, 94,3% were in the lowest (33-44%) pass category.

### Prognosis for 1991

As has been pointed out, about 150 000 African youngsters failed Std 10 at the end of 1990 and many sought to return to school to prepare for the special supplementary examinations that the DET agreed to hold in March 1991. However, the Director-General of the DET stated that, 'He would not allow the clogging of the education system by matric failures because it would result in South Africa sliding into the Third World' (South, 17 January 1991: 27).

While accurate figures are not available for re-admissions to Std 10, general observation suggests that the schools were able to accommodate very few. Various organisations began to set up facilities to assist those who were not able to return to school, but again their capacity was very limited and most were not able to set up programmes that would meet the March 1991 deadline. Many, having had to find the funds and personnel to get programmes running, are only now in a position to offer any tuition.

It is extremely doubtful whether any appreciable impact has been made in providing a 'second chance' for the large numbers that failed at the end of 1990. Only massive state and private sector initiatives will be in a position to prevent the numbers of the 'lost generation' growing, and adding to the general social instability which is characteristic of our times. So far there has been no indication of massive action on this scale.

In respect of the general secondary school situation, various political, educational and community organisations have supported the 'return to school' call, as they did in 1990. The ANC education desk has spoken of the need for the development of a 'learning culture', while the NECC has proposed an 'effective learning campaign'. This has had little impact at the national level, but there are specific areas and communities in which the organisations of 'civil society' are well-organised and effective.

**TABLE 3  
AFRICAN SENIOR CERTIFICATE/MATRICULATION 1989  
DEPARTMENT OF EDUCATION AND TRAINING**

REGIONS:	CANDIDATES	SENIOR CERTIFICATE		MATRICULATION		TOTAL PASSES	
	No	No	%	No	%	No	%
Cape	5 381	1 479	27,5	417	7,7	1 896	35,2
Highveld	10 782	3 017	28,0	857	8,0	3 874	36,0
Jhb	5 382	1 139	21,2	334	6,2	1 473	27,4
Natal	3 291	810	24,6	386	11,7	1 196	36,3
N Transvaal	6 415	2 455	38,3	1 119	17,5	3 574	55,8
OFS	3 980	1 252	31,5	341	8,6	1 593	40,1
Orange-Vaal	4 710	1 854	39,4	576	12,2	2 430	51,6
Diamond Fields	2 627	971	37,0	275	10,5	1 246	47,5

NOTE: Diamond Fields is a new region based on Kimberley, following on a reorganisation of the field structure of the department.

SOURCE: Hansard 1990, No 2, Ques Col 41-42.

**TABLE 4**  
**SENIOR CERTIFICATE/MATRICULATION 1990**  
**FULL-TIME AFRICAN CANDIDATES**

	CANDIDATES	SENIOR CERT	MATRICULATION	TOTAL PASSES
ALL	232 977	66 270 28,4%	18 044 7,8%	84 314 36,2%
HOMELANDS	176 896	51 483 29,1%	13 885 7,9%	65 368 37,0%
DET	56 081	14 787 26,4%	4 159 7,4%	18 846 33,8%
REGIONS:				
Cape	9 288	2 466 26,6%	660 7,1%	3 126 33,7%
Highveld	12 811	3 144 24,5%	799 6,2%	3 943 30,7%
Johannesburg	9 505	2 018 21,2%	460 4,8%	2 478 26,0%
Natal	4 114	1 104 26,8%	526 12,8%	1 630 39,6%
N-Transvaal	8 127	2 706 33,3%	895 11,0%	3 601 44,3%
OFS	3 654	849 23,2%	167 4,6%	1 016 27,8%
Orange-Vaal	5 471	1 625 29,7%	450 8,2%	2 075 37,9%
Diamond Fields	3 111	875 28,1%	202 6,5%	1 077 34,6%

SOURCE: Hansard 1991, No 3, Ques Col 121-122.

In these cases, it is now possible to begin to see the impact of parental, student and teacher cooperation on the schooling situation.

However, there are other areas - parts of Natal, the East Rand, Soweto and Pretoria, for example - where the situation continues to be fragile and vulnerable. It is commonplace for schools to be disrupted because of factors within the schooling system, endemic violence, wider political issues and because the learning environment has deteriorated further (even in the first five months of this year).

In general, it seems that there are some areas in which some improvement in matric results might well take place in 1991, if local support groupings can hold their ground for the remainder of the year. But the overall prognosis must be that until the fundamental nature of the political economy, society and the schooling system changes, the likelihood is a repetition of 1989 and 1990 and a continuing 'falling apart' of the schooling environment.

In the light of this distressing but realistic assessment, it has become crucial to consider the longer-term possibilities in secondary schooling, both in the transition period up to about 1995 and under a new government from then until the end of the century.

### Negotiating the Future

While success in the talks at the political level will create a different climate in which the education crisis can be considered, this in itself will not bring the schooling crisis to an end. Since the beginning of 1990 the moves towards political negotiation have in fact brought even greater uncertainties, fears and instabilities into the field of education. They have not improved the level of agreement or common purpose, but rather increased the tensions and the potential for conflict.

The present is marked by a grave disjuncture between what is happening at the national political level and what is happening in the lively but informal education debate and negotiations that are going on among educational and community leaders all over the country. At the moment, there is little co-ordination or sense of common purpose. What is happening 'on the ground' in the school system is perhaps best illustrated by the collapse of secondary schooling.

Few of the actors in the education debate - ANC, NECC, and government included - are well prepared in the sphere of 'ways and means', how to bring about fundamental change in the schooling system, and what needs to be done in practice. On all sides we have been rich in rhetoric, in broad sweeping statements about the evils of the present, but poorly equipped to plan a future system. This is now beginning to be rectified.

The government is engaged in a massive, but very secretive and official-dominated exercise called Education Renewal Strategies (ERS), which is likely to stay as close as possible to the status quo while making a few nods in the direction of the future. More promising, but risky in terms of achievement and time of completion is the NEPI exercise of the NECC. In the next eighteen months, it plans to prepare the extra-parliamentary groups to participate in the nitty-gritty of education negotiation on matters of schooling systems, management structures, curriculum and the like. The 'discourse of means' is beginning to establish itself in the market-place of education negotiation, and none too soon.

Crucial to any exercise of this nature is the need to make certain assumptions about the political and economic context in which it would be possible to achieve educational objectives and plans. On the one hand, the schooling system has to be acceptable to its 'users' and compatible with the social and political transformations that take place. On the other hand,

however, it has to be feasible, capable of achievement, practical, and within the capacity of the state to provide the necessary resources to develop and maintain it.

Accordingly, I make the following broad assumptions on the likely context of secondary schooling in the future:

- In general, in spite of all the obstacles and pitfalls along the way, enough South Africans are committed to the search for a democratic, non-racial, just and equitable society for this to be achieved in the longer term.
- By about the middle of the decade, South Africa will have a new constitution with a bill of rights, and a democratically elected, representative government will be in place.
- The economy will stagnate for the next two to three years but will begin to pick up from about 1994, and thereafter both the growth and the re-distribution of wealth will be powerful driving forces.
- Equality of per capita funding of education will have to be established so that all schools and children at the same level of schooling will be treated the same; a second 'catch-up' budget will also have to be created to eliminate backlogs.
- There will have to be a redistribution of resources within the education system itself, with compulsory primary schooling being given priority. The major implications will be that additional state spending on secondary schooling will be very limited and that on tertiary education less than at present.

- There will be a single, national, unitary system of education for all South African pupils, with non-racial regional education authorities operating the schools according to policies and procedures laid down centrally. In this system, parents, teachers and pupils will have a much greater say than previously.

### New School System

Within the parameters of a transformed social and political system, and a unitary system of national education, the re-construction of secondary schooling could be attempted.

Following on compulsory primary schooling from Grade 1 to Std 4, a newly created 'middle school' from Stds 5 to 7 could become the second phase of compulsory schooling for all. This middle school would have a broad 'nation-building' character, and in it the new 'common culture' of South Africa would be developed. In this school all South African children would follow a broadly common curriculum, concerned with the basics of language, mathematics and science. It would also introduce pupils to the country and its people, to the realities of the economic and political life of South Africa, and begin to help pupils understand what democracy is and the relationships between education and work.

The introduction of a completely new school structure into the existing system would have strong symbolic value and would signal a fundamental change of direction and purpose. In practical terms it

**TABLE 5**  
**AFRICAN SENIOR CERTIFICATE/MATRICULATION 1989**  
**DEPARTMENT OF EDUCATION AND TRAINING**  
**PASS-LEVEL OF SUCCESSFUL CANDIDATES**  
**AGGREGATE MARK**

	No with Overall Pass	A 80%+	B 70%+	C 60%+	D 50%+	E 45%+	A-E	EE-F 33-44%
<b>REGIONS:</b>								
Cape	1 896	-	1	26	240	315	582	1 314
Highveld	3 874	-	3	34	401	607	1 045	2 829
Jhb	1 473	-	-	24	160	235	419	1 054
Natal	1 196	-	9	63	181	208	461	735
N Tvl	3 574	-	7	97	522	784	1 410	2 164
OFS	1 593	-	6	24	144	306	482	1 111
Orange-Vaal	2 430	-	6	34	295	451	786	1 644
Diamond Fields	1 246	-	2	17	155	238	412	834
<b>TOTALS</b>	<b>17 282</b>	<b>-</b>	<b>34</b>	<b>319</b>	<b>2 098</b>	<b>3 144</b>	<b>5 597</b>	<b>11 685</b>
% of all candidates:			0,08	0,75	4,9	7,4	13,1	27,4
% of successful candidates :			0,2	1,8	12,1	18,2	32,4	67,6

**NOTES :** Of the 5 597 who passed in the A-E categories, 1 292 gained a senior certificate and not matriculation exemption. As there were altogether 12 977 successful senior candidates, the remainder (11 685 or 90% of those gaining senior certificate) passed at a level between 33-44% aggregate.

**SOURCE :** Calculated from the statistics given in Hansard 1990, No 2, Ques Col 42.

**TABLE 6**  
**SENIOR CERTIFICATE/MATRICULATION 1990**  
**AFRICAN FULL-TIME CANDIDATES**

**PASS LEVEL OF SUCCESSFUL CANDIDATES**  
**AGGREGATE MARK**

SUCCESSFUL CANDIDATES		A	B	C	D	E	A TO E	EE-F
		80%+	70%+	60%+	50%+	45%+		
ALL	84 314	8	106	943	7 428	13 313	21 798 25,9%	62 516
HOMELANDS	65 368	5	72	674	5 484	10 314	16 549 25,3	48 819
DET	18 946	3	34	269	1 944	2 999	5 249 27,7	13 697
<b>REGIONS:</b>								
Cape	3 126	-	4	37	310	530	881 28,2%	2 245
Highveld	3 943	-	3	33	347	578	961 24,4%	2 982
Johannesburg	2 478	-	4	27	230	336	597 24,1%	1 881
Natal	1 630	3	11	61	253	297	625 38,3%	1 005
N. Transvaal	3 601	-	6	66	409	638	1 119 31,3%	2 482
OFS	1 016	-	2	8	81	139	230 22,6%	786
Orange-Vaal	2 075	-	4	27	216	326	573 27,6%	1 502
Diamond Fields	1 077	-	-	10	98	155	263 24,4%	814

**NOTES:** Of the total of 21 798 who passed in the A to E categories, 3 754 gained a senior certificate and not matriculation exemption. As there were altogether 66 270 successful senior certificate candidates, the remainder (62 516, or 94,3% of those gaining senior certificate) passed at the level of EE or F, i.e. between 33 - 44%.

**SOURCE:** Hansard 1991, No 3, Ques Col 121-122.

would also force the re-organisation of existing schools to fit in with the new pattern, and in the process would provide an opportunity in many areas to establish non-racialism in both pupil enrolments and staff complements. The inertia of existing systems is always very powerful, and the creation of a new kind of school at the beginning of the secondary stage would help to break through this inertia and make a fresh start.

At the end of Std 7 it would be necessary to introduce an economic, efficient and acceptable public examination. Such an examination should not be of the old pass/fail nature: as far as possible every pupil should receive a certificate stating what they have achieved and at what level of competence. To a large extent, the examination process should be based on continuous assessment, completion of assignments and mastery of basic skills.

The ability of the State to fund formal schooling from Stds 8-10 will be limited because of other priorities.

Within the state system, parents will have to pay school fees at this level. As it will be important that entry to this level should be based on merit and not ability to pay, most of the State funding should be directed to assisting those who are not able to pay the fees.

It is at this level, too, that the business sector, in its own interests, will be required to make a major direct contribution by setting up technical and commercial schools that can be linked to the market-place. The economic situation and the likelihood of considerable unemployment means that the business sector will also have to play its part, together with the State, in the setting up of a National Youth Training Scheme.

In essence what is needed is a number of options that pupils can follow after completing Std 7. If this were done, the non-formal, non-school component would begin to play a much greater role and secondary education would take on a very different complexion from that which it has at present. For many 14-16



year olds, all over the world, the school is neither the best nor the most attractive environment for further learning experiences. In very general terms, it is a combination of work and further education and training that holds out the best promise for many.

At the formal schooling level of Stds 8-10, the present senior certificate/matriculation course and examination try to do two things: to provide a school-leaving qualification and to select for university, at neither of which, particularly in the case of African pupils, have they been very successful.

The domination of the matriculation examination has been to the disadvantage of the majority of secondary pupils, who do not go on to university. It would seem to me that these two functions should be separated, and that all schools and pupils should be assessed only in terms of a common, broadly-based national school-leaving certificate which would have to satisfy the following kinds of criteria:

- An examination structure that would allow for both a balance and strong links between national large-scale assessment, regional and other examining bodies, and school-based, cumulative evaluation in which teachers, both individually and collectively, would play a much greater role than at present.
- An examination process that is not closed, secretive or dominated by 'experts' and the academic world. Examination criteria should be open to public debate by parents, teachers, employers and community groups.
- An overall pass/fail in a six-subject package restricted within various groupings should be replaced by a much more flexible system in which candidates are given credit for whatever they are able to achieve and at what level.

Such a system would be cumulative and incremental, would allow for the use of modules and assignments as a basis for the contribution of the school to the final assessment, and would provide young people from less effective schools with more opportunities of improving their 'credit rating' at a later stage through 'second chance' programmes.

Within this process universities could lay down and publish openly what their requirements are, subject by subject, according to the course to be followed. What is crucial, however, is that universities should not determine the form, nature or curriculum of the national school-leaving certificate, which should be taken by all Std 10 pupils, whatever their ultimate career path.

## New Social Contract

In the nineties, secondary schooling in South Africa will have to survive and develop while facing up to an essential contradiction. On the one hand, it will have to take second place to the introduction of free, compulsory primary schooling, both in terms of political commitments and financial objectives. The State's financial resources will be stretched to the limit, certainly until there is a marked upswing in the economy. Yet, on the other hand, the high schools are likely to remain political flashpoints, given the present state of crisis in secondary schooling, the problems of the 'lost generation', the alienated youth and the low motivation of the teaching force.

Politicians will naturally be tempted to surrender sound, long-term priorities in the area of primary schooling in order to attempt to douse the fires in secondary schooling, particularly in the urban areas which are better able to let their voices be heard in the political arena. The temptations to muddle through, to 'throw more money' at the secondary schools crisis, instead of attempting longer-term change, will be very great.

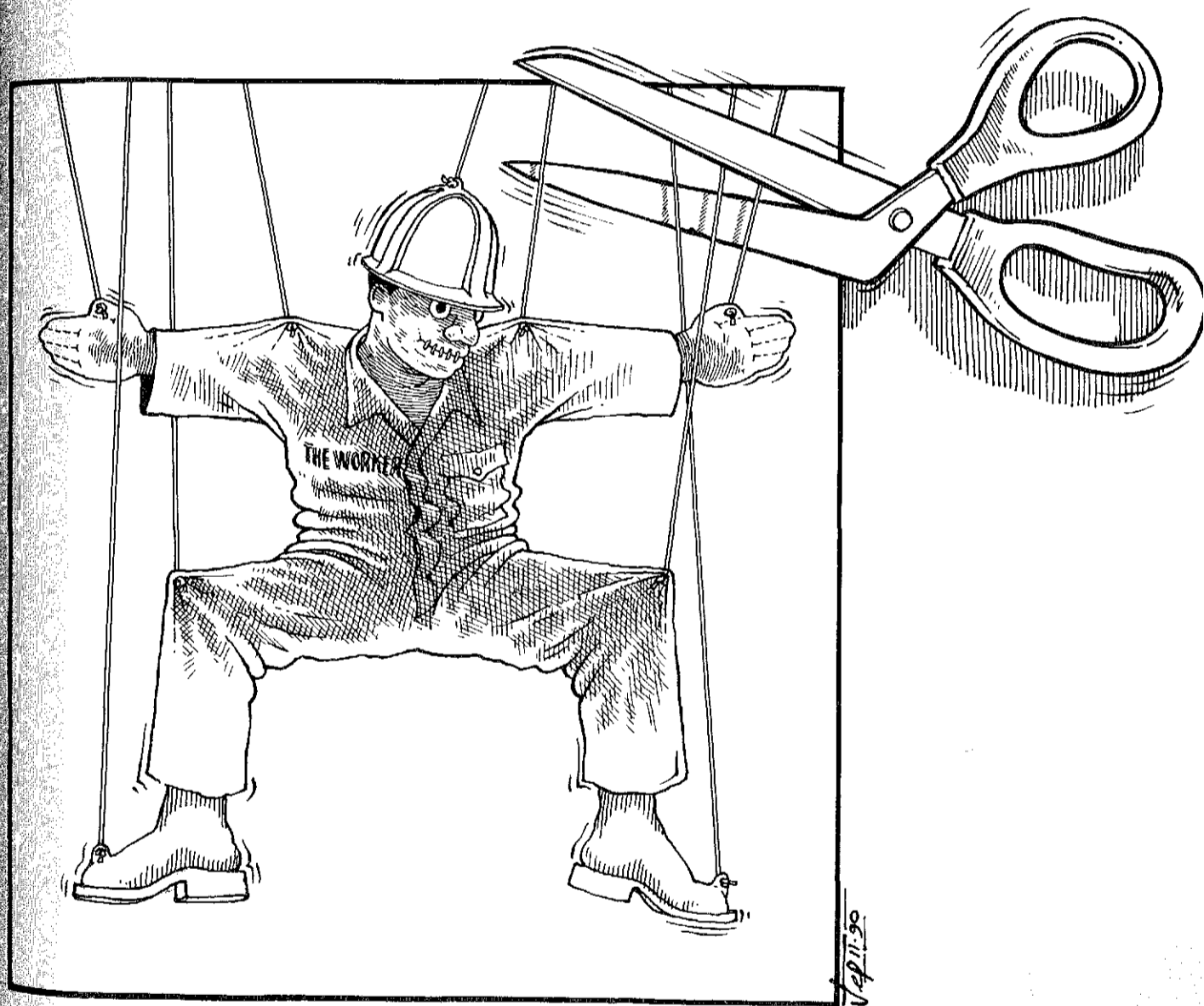
Important as the allocation of financial resources is, money alone is not going to bring about the reconstruction of secondary schooling. In addition to the practical matters, there are the issues of curriculum relevance, the quality of schooling, the confidence and commitment of teachers, the rehabilitation of youth within a 'learning culture'; all issues that people, and not money, will help to resolve. Nor is it just a matter of leaders and experts in the field of education conferring, negotiating and making decisions on these issues - important as this process is - in order to bring about the broad structural changes that will be necessary.


In the end, the people that have interests and concerns in each individual school - parents, teachers, community leaders, local business people, the churches and the pupils themselves - will have to come together and make a common, shared commitment, a new kind of 'social contract', to get their particular school on track towards the future society.

*The State*, in terms of political purpose and the administration of resources, *education departments* in terms of professional leadership and support, and the *business sector* in terms of increasing the resources available, can all help to create the structures and climate for reconstruction. But it is *the stakeholders* in each individual school that will have to do the job. There are no 'quick fixes' or 'magic wands': each individual secondary school will have to play its part in a new 'liberation struggle' to transform secondary schooling, so that increasingly it can make an effective contribution to the building of the new nation. **IPMA**

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# Harvest of Change

## Legislating for Agriculture

By Dr Frans Barker, Acting Chairperson, National Manpower Commission

*Recent political initiatives in South Africa will have a strong bearing on future scenarios for labour relations. It is argued here that if employers or workers follow a head-in-the-sand approach and do not take account of national political trends, they might lose the opportunity to influence labour legislation. In considering the extension of appropriate labour laws to agriculture, the author offers comment on the complex factors and special working conditions that affect the farming sector.*

Should the farming community leave changes to labour legislation to be determined in a new political dispensation or should they be pro-active? As political rights are to be extended to all of South Africa's inhabitants, it would not only be short-sighted but also morally unacceptable for employers in agriculture to try to prevent legislation which promotes fair treatment of workers or which gives workers some influence over their conditions of employment. Such an approach might result in the farming community losing the influence it has (and might have in future) on shaping labour legislation.

A wave of increased awareness of human rights is sweeping the world, including South Africa. This movement, of course, also includes an awareness of worker rights. Even countries in Eastern Europe which tried to suppress this development by all available means did not succeed. South Africa's farming community will not be able to escape its consequences either, regardless of whether the agricultural sector is formally included under labour legislation or not.

On the basis of current political trends it is also likely that South Africa will shortly rejoin the international community. This will have important implications for the lifting of sanctions and other economic measures instituted against South Africa. If we do not get our agricultural 'house' into reasonable order (which includes fair treatment of workers), this vital sector of the economy will stick out like a sore thumb and may invite all kinds of retributive actions from abroad.

In any case, the continued exclusion of the agricultural sector from labour legislation will certainly not guarantee labour peace. The public sector is excluded from the Labour Relations Act and we all know to what extent this sector has been affected by trade union and strike activity in recent years.

What is perhaps not sufficiently realised is the extent to which the agricultural sector is already affected by the activities of organised labour. The National Manpower Commission (NMC) estimates that at least 220 000 mandays were lost through strike activity in the agricultural sector in 1990. At least 50 000 farmworkers are already organised into trade unions. At present, these activities take place in a legal vacuum as it pertains to labour law, which certainly is not conducive to the orderly management of labour relations or dispute resolution.

The fundamental lesson is that trade union and strike activity do not disappear if suppressed or ignored. In fact, it tends to worsen. Often people ask what advantages labour legislation would hold for the farmer. Apart from the obvious moral dimension, perhaps we should rather consider what the position of farmers (or organised agriculture) will be if they refuse to adopt any type of labour legislation; this may be where the 'advantage' lies.

In discussing legislative reform in the agricultural sector there are four existing Acts which are at issue, namely, the Unemployment Insurance Act, the Basic Conditions of Employment Act, the Wage Act and the Labour Relations Act.

*The continued exclusion of the agricultural sector from labour legislation will certainly not guarantee labour peace*

## Comment

### The Natal Agricultural Union on Labour Reforms

Much interest has been shown by farmer associations in the government's request for comment on the Labour Relations Act, Wage Act, Basic Conditions of Employment Act, and the Unemployment Insurance Act. An invitation to submit representations on the expediency of making the Labour Relations Act of 1956 and the Wage Act 1957 applicable to the agricultural sector was extended in the Government Gazette of 21 December 1990. A summary of the preliminary comments of the Natal Agricultural Union (NAU) follows.

#### ADOPT LRA OR NEW DISPENSATION?

The NAU is of opinion that there should be some form of legislation that would deal with labour relations and disputes in agriculture. Instead of extending the LRA to cover farmworkers, however, it believes that a completely new labour dispensation for farmworkers should be introduced:

- The working conditions in agriculture differ to such an extent from those in industry that the legislation applying to industry could not be extended to agriculture.
- Farming could be regarded as an essential service. The mechanisms dealing with disputes in essential services are too time-consuming.
- All previous attempts by various commissions could not succeed in extending the LRA to agriculture.
- The farmer is, as far as the balance of power is concerned, at a disadvantage under the present LRA. His 'lock out' power is rendered useless by the fact that in most cases the farmworkers live (with their families) on the farm where they work. Further, locked out farmworkers could cause damage to the farmer's property.
- The farmer works with the most unskilled section of the labour force, which derives its work ethics from a third world subsistence culture. The disparity between their expectations and productivity would lead to the abuse of the present LRA.
- Farming differs from industry in that it does not set the prices for its products.
- Farming also has no control over the most important production factor - the weather. Over-production as well as under-production implies great financial losses in the inelastic market of agricultural products. These phenomena should be born in mind in introducing collective bargaining to agriculture.

A completely new labour dispensation for the agricultural sector should include the following dispute settling mechanisms:

- a worker committee that could be adapted into a reconciliation board in which the parties involved could be assisted to settle their disputes.
- If the dispute is not settled, a mediator, agreed to by both parties, should take over. He should also have arbitrary power which should be used to make a decision where mediation has not been successful.
- Appeal against the decision of the arbitrator should be possible.

Thus a quick, inexpensive mechanism for settling disputes could be set in place. The right to strike should only be instituted as a last resort. It is expected that further comment will be requested in future and it is highly unlikely that the LRA, in whatever form, will be made applicable to agriculture during 1991.

#### WAGE ACT

The NAU regards the extension of the Wage Act to agriculture as redundant in the light of the extension to agriculture of the Basic Conditions of Employment Act and some form of legislation to deal with labour relations in agriculture.

#### UNEMPLOYMENT INSURANCE ACT

Organised agriculture is not so much against this Act as concerned about the administrative difficulties and the financial implications of this Act for the agricultural sector. The NAU further supports the SAAU on its standpoint on the Unemployment Insurance Act.

The NAU is of the opinion that:

- only permanent workers working for one year or longer should be allowed to participate;
- there should be no slack time fund as it may lead to the abuse of the fund with financial implications; and,
- the Act should be extended to those farmers who wish to become subject to it.

#### BASIC CONDITIONS OF EMPLOYMENT ACT

The NAU has always seen the request for comment as an opportunity to point out distinctive circumstances and working conditions pertaining to agriculture. The proposed changes to this Act to a great extent include proposals by organised agriculture. It should be kept in mind that the NMC sub-committee which deals with these issues includes trade union representatives who represent farmworkers.

The NAU agrees with the SAAU that the unique circumstances of agriculture should be acknowledged, and that it should be made easy for farmers to understand and implement this Act. The NAU tabled its proposals at the Manpower Committee Meeting of the SAAU on 18 February 1991. All the provincial unions are represented on this committee. Not all the proposals tabled by the NAU were accepted.

- work on Sundays (section Ten)

The NAU has proposed that because workers who go into an employment contract requiring work on Sundays, do so knowing that they will have to work on Sundays, that no special arrangements should be made in this regard. The SAAU Committee has rejected the NAU proposal, however. It proposes instead that a farmworker who is responsible for work to be performed regularly on Sundays shall be entitled to one day's leave within seven days of that Sunday or to additional wage remuneration.

- termination of contract of employment (section 14)

The NAU is of opinion that the fact that the termination of the contract of employment 'in no way detracts from the right to a fair period of notice in terms of the common law when accommodation and land use rights are at stake' may lead to the abuse of section 14. It regards as unfair to the farmer any obligation to accommodate a former employee as this may prevent him from employing a replacement worker. The NAU proposes that a specific time should be allowed as being fair.

#### Acknowledgement

Summarised from NAU circular to all farmers associations, November 1991.

### **Unemployment Insurance Act**

The purpose of this Act is to protect workers who contribute to the Unemployment Insurance Fund to a certain extent and for a limited time period against the risk of unemployment, illness and certain other eventualities. Employers and employees each contribute 0,9% of the workers' earnings, i.e. 90 cents for every R100 earnings. Seasonal and casual workers are excluded. The Minister of Manpower announced that an amendment act to include the agricultural sector will be tabled in Parliament in 1991, but the exact date of implementation is at this stage unclear.

The NMC recommendations on this issue were published on 21 December 1990 and the Department's response on 1 March 1991. The NMC's recommendations endeavoured to provide for agriculture by making provision for quarterly instead of only monthly contributions, while the issues of seasonal workers and of additional unemployment offices throughout the country were also addressed.

If farmers are correct in their submissions that they enjoy a close personal relationship with their workers, they should welcome the opportunity of now including farmworkers under this Act. Once enacted, the amendment will give some protection to these workers when they become unemployed, e.g. in times of drought or other eventualities, while simultaneously reducing the farmer's burden to care for these workers.

### **Basic Conditions of Employment Act**

This Act does not prescribe wages but only basic conditions of employment such as hours of work, paid annual and sick-leave, paid public holidays and a notice period with the termination of employment. Provision is also made that an employer may ask for exemption from certain provisions. In 1988 and 1989, no fewer than 508 and 330 exemptions respectively were in fact granted by the Department of Manpower. Draft legislation to include the agricultural sector under this Act will also be tabled in Parliament in the 1991 session.

The NMC in its recommendations regarding the inclusion of agriculture proposed amendments regarding working hours, Sunday work, child labour, sick-leave, and the notice period. These

recommendations were published on 21 December 1990 for comment and the proposals of the Department were released on 15 March 1991. It is now up to the Minister to decide on the legislation to be submitted to parliament (see NAU comments in box).

### **The Wage Act**

In terms of this Act the Wage Board can investigate and make recommendations to the Minister of Manpower on minimum wages in specific sectors of the economy. It should be noted that minimum wages are usually differentiated by sector and by geographic area. Small businesses are usually excluded (typically, employers with less than 5 or 10 permanent employees).

The directive to the NMC is simply to investigate the expediency or otherwise of making this Act applicable to farmworkers. If the NMC were to make a positive recommendation and if the government were to accept that recommendation, it would mean that the Wage Board could be utilised to investigate the position of farmworkers. It will, among others, look at the unemployment situation, the diversity of various agricultural sectors, the financial position of farmers, etc.

The issue of minimum wages is perhaps the most difficult to resolve. The agricultural sector is experiencing extremely difficult financial problems, and an unrealistic minimum wage could cause even higher levels of unemployment. It would also hurt farmers badly. On the other hand, however, the question is what should be done in respect of farmers who pay 'poverty' wages while being able to pay decent wages.

An argument against the possible unemployment effect of minimum wages is that rural unemployment is not the farmers' responsibility, i.e. they should simply ensure they have productive farming units and should not employ surplus or unproductive workers. If a minimum wage would cause unemployment, this should be (so it is said) the government's concern and not that of the farmer. There are again counter-arguments to these arguments, and so the debate goes on. It would appear that there is no easy solution to the issue of minimum wages in agriculture.

The NMC is wrestling with these issues at present, and it is therefore not possible to say in what direction our recommendation will go. The NMC has to report to the Minister before the end of April 1991.

*Labour organisation in agriculture currently takes place in a legal vacuum, which is not conducive to orderly labour relations*

*The NMC estimates that in 1990, 220 000 mandays were lost through strikes in the agricultural sector and 50 000 farmworkers were unionised*

*If proper channels exist for addressing labour disputes and grievances, the potential for destructive conflict is much reduced*

*A farmer who refuses to speak to a union which has as members a substantial number of his farmworkers will do so at his peril*

### **Labour Relations Act (LRA)**

This Act makes provision for the registration of trade unions, for certain basic employer and employee rights (unfair labour practice), collective bargaining, for the Industrial Court and for various other mechanisms of dispute resolution.

It is sometimes alleged that South African industry would be experiencing much greater labour peace if Professor Wiehahn's recommendations had not been accepted in the early 1980s. Some even say that Wiehahn invented black trade unions! Nothing could be further from the truth. The position now would undoubtedly be much worse if channels for addressing labour disputes and grievances had not been created in the early 1980s.

The potential for conflict in the South African workplace is very high, e.g. between black and white workers, between white management and black workers, between management who believe in total managerial prerogative and workers who believe in worker control of the economy, and more recently, between black worker and black worker. There is immense potential for shopfloor violence, industrial sabotage, and other actions with far worse consequences than strikes.

If proper channels exist for addressing labour disputes and grievances, the potential for destructive conflict is much reduced, but only if workers accept the legitimacy of these channels. It should be taken into account that a period of adjustment is seldom very stable, especially in the context of South Africa's political problems. Unrealistic expectations will for some time play an important role in industrial unrest but we should not create even more fertile ground for destabilising forces by refusing certain basic worker rights.

All indications are that unions are slowly becoming more mature, that strikes (especially the bigger strikes) take place more and more in accordance with the procedures laid down in the LRA, and that unions are becoming slightly more realistic in respect of economic realities (e.g. in the mining industry where unions have agreed to a special dispensation for the marginal mines).

This is not to say that much more realism is not required nor that unions are mature enough. Many employers are also not yet mature enough in their handling of labour

relations. The political ideology of the past will for some time to come still influence labour relations and trade unionism in South Africa.

We cannot wish away trade unions or forbid strikes. Not only is it totally unrealistic, but also contrary to democratic and civilised norms. Trade union and strike activity are already taking place in agriculture in spite of this sector not being included under the LRA at present.

There are, however, a number of issues which concern people who think realistically about creating a new labour relations dispensation for agriculture:

- *duty to bargain*

Some farmers are under the impression that, in terms of the LRA, they must recognise a registered trade union, bargain and agree on wages with union representatives. This is not so. The duty to bargain (which does not necessarily imply agreement) only becomes necessary once that union is sufficiently representative. Even now, however, a farmer who refuses to speak to a union which has as members a substantial number of his farmworkers will do so at his peril in terms of having a discontented workforce.

- *industrial councils*

Many observers have indicated that they believe an industrial council would be impractical or unacceptable in agriculture. There is, however, no obligation in the LRA to form an industrial council or to engage in centralised bargaining. This is a voluntary system which can only be formed if unions and employer organisations wishing to form an industrial council are sufficiently representative.

- *essential services*

Many farmers regard strikes as unacceptable and call for compulsory arbitration as is applicable in essential services in terms of the LRA. Compulsory arbitration during planting or harvesting time certainly has benefits, but it could also have profound disadvantages during slack times when a farmer could probably better cope with a strike than with an arbitrator who could give an unsympathetic arbitration award. By definition, no appeal is possible against an arbitration award.

One should thus be careful of calling for compulsory arbitration under all

circumstances. To outlaw strikes will also reduce the chances of the farmer and his workers learning to negotiate deals (including non-strike agreements) and to get along with each other. This is not to say, however, that there is no justification for making provision for compulsory arbitration instead of strikes under certain circumstances. This is an issue which requires careful attention.

• *unsatisfactory bargaining mechanisms*

It is worrying to many employers that Conciliation Boards and the Industrial Court are costly, time consuming and only sit in the major centres. This is certainly an issue that will have to receive special attention with regard to the agricultural sector, e.g. by forming small claims labour courts, by making provision for circuit courts, by establishing local conciliation centres and by providing for mediation if both parties agree.

• *special dispensation*

Some people call for the introduction of a totally new labour dispensation for South African agriculture. This might have advantages, but it would certainly have disadvantages too. One such disadvantage is that a totally new infrastructure would have to be created. This would cost time and money.

An even bigger disadvantage, however, is that there would be absolutely no certainty regarding labour relations or labour law. There will be no court judgements to give guidance, no lawyers with knowledge about what can and cannot be done, and, in short, we could experience chaos for a number of years. It also makes it very easy for unscrupulous consultants to make a lot of money. The whole separate dispensation will be regarded with much suspicion, which, in turn, will generate constant pressure for inclusion under the LRA (and then, without any amendments to make special provision for the agricultural sector).

Some proponents of a special dispensation for agriculture maintain that the Minister of Agriculture should form grievance and disciplinary committees, which should deal with all disputes, instead of a court. The problem is, however, that the Minister might not always be sympathetic towards the farmer, and we could be stuck with very biased disciplinary committees. In this instance, it would be much better if farmers and workers (or even trade unions) were to

sort out their own problems and if they were able to approach an independent judiciary, instead of a biased 'committee'.

The NMC is at present looking into the advantages and disadvantages of the various options. We have to report to the Minister of Manpower before the end of April 1991.

### Facing the Future

The basic rights of farmworkers are acknowledged and incorporated in legislation in the great majority of developed and developing countries. It is sometimes said that most countries treat agriculture differently in respect of labour legislation, e.g. by excluding farmworkers, and that we should do the same. This is certainly not true. I am not aware of any country that excludes agriculture totally from all forms of labour legislation. Practically all countries provide for labour relations in the agricultural sector by way of legislation.

The wave of awareness of worker rights is just too pronounced for anyone to hope that we can retain the status quo, i.e. by continuing to exclude workers in the agricultural sector from all labour legislation. We must face the new political realities.

The quicker that we can develop labour legislation which is not only acceptable to the average worker and trade union, the greater the chance that we will have legislation which will withstand the changes of time and which will be balanced in respect of safeguarding the interests of both employer and employee. **IPA**

### Acknowledgements

*Extracts from an address delivered by Dr Barker to a labour relations seminar organised by the Natal Agricultural Union, 13 March 1991, Mooiriver.*

### Editor's Note

*The recommendations of the NMC on the LRA and the Wage Act were submitted to the Minister of Manpower on 30 April and were published for comment in the Government Gazette of 30 May 1991.*

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# Background

## WHAT IS THE MARXIST WORKERS' TENDENCY OF THE ANC?

By David Hemson

*In the 1970s a current arose in the South African labour movement which crystallised in the Marxist Workers' Tendency of the ANC. Its original adherents came from the 1973 strike movement - from traditions of independent trade unionism and the struggle for workers' power. Joining them were elements who evolved out of the black consciousness movement of the 1970s - revolutionary youth drawn to the strength of organised workers, who found that Marxism rather than nationalism could show a way ahead.*

Marxism is a tradition of the international workers' movement. The Tendency's origins can be traced specifically to the ideas of Lenin and Trotsky which brought the workers to power in the Russian Revolution. It has always opposed the ideas and methods of Stalinism - the bureaucratic dictatorship which has brought the Soviet Union to ruin and played an enormously reactionary role in discrediting 'socialism'.

Socialism, in our view, is inseparable from democratic workers' control and management of production and the state. It is impossible under the rule of a national bureaucratic caste, which suppresses dissent and stifles initiative while consolidating its own privileges, mismanagement and waste. Socialism, moreover, can ultimately triumph only on the basis of the highest productivity of labour, requiring the most advanced science and technique together with international co-operation.

The Marxist Workers' Tendency is an independent working-class current of opinion *within the ANC*. Its roots in the Congress Movement are firm and deep. Its influence has begun to grow precisely as the organised workers have moved to the Congress banner and asserted their weight within the Congress organisations.

We do not see the SA Communist Party as an authentic vanguard of the workers' movement, but as a left-over of decayed Stalinism. Demoralised by the collapse of so-called 'socialism' yet still tied to the Soviet bureaucracy, compromising with capitalism on every decisive issue, the SACP is unable to give direction to the working-class militants inside and outside its ranks.

### DISPUTED STRATEGIES

The Marxist Workers' Tendency of the ANC first emerged publicly in 1979 in a dispute within the exile South African Congress of Trade Unions (Sactu) over policies towards the growing workers' movement inside South Africa.

- It opposed the view, particularly of SACP leaders, that the trade unions should be used as recruiting agencies for guerilla struggle - arguing instead for mass trade unions engaging fully in a revolutionary struggle for workers' power.
- It opposed the strategy of bombings and other guerilla actions - arguing instead that the workers' organisations should be mobilised and armed for self-defence, thereby laying the basis for a new state.
- It opposed the ANC and SACP leaders' dealings with Buthelezi and Inkatha, describing him as 'an agent of capitalist interests and a figure upon whom the regime will increasingly lean in its attempts to hold back the tide of revolution.'

To suppress this criticism, the ANC leadership removed the editor of Sactu's *Workers' Unity*, closed down a Sactu activists' forum, and afterwards suspended Rob Petersen (the ex-editor), Martin Legassick, Paula Ensor and David Hemson from membership of the ANC when they circulated material setting out their views.

This suspension, as well as the subsequent expulsion of the same four in 1985 for persisting in their standpoint, was done without even the hearing required by the ANC Constitution. It was accompanied by the spreading of slanders designed to isolate these individuals, and later all adherents of the Tendency, from the ranks of the trade unions, the Youth Congresses and the ANC.

However, as the South African government has discovered - and as the Stalinist regimes and the SACP themselves have had to learn - opposition cannot be prevented by *diktat* and censorship cannot stop ideas. The oppressed workers in particular recognise the importance of the freedom to debate alternatives and to uphold democratic practices within our movement.

Anyone who examines our publications will find there the voice of township, workplace and school ringing out from every corner of the country:

- Since 1980 the Tendency has produced a theoretical journal, *Inqaba ya Basebenzi*, which has established a reputation here and abroad for vigorous analysis of South Africa politics.
- More recently, the Tendency has launched a newspaper, *Congress Militant*, which is sold widely in factories and townships. Attempts to proscribe it have failed, as its standpoint attracts strong support from the workers.

Our newspaper aims to be a mouthpiece for workers, for youth and for women, writing about their own experiences and demands. While critical of policies followed by the Congress leadership, the paper concentrates on the positive tasks of the movement and how to achieve them: for instance, the need for a National Minimum Wage of at least R250 for a 40-hour week; the struggle to defeat Inkatha; the organisation of armed self-defence; the demand for a Constituent Assembly elected by one person, one vote; and why the ANC should negotiate only for majority rule.

The theoretical contribution which the Tendency has made to the movement can be found in publications such as: *South Africa's Impending Socialist Revolution* (1982), *Lessons of the 1950s* (March/May 1984), *Workers' Revolution or Racial Civil War* (May 1985), *SA's Socialist Revolution Has Begun* (November 1986), and *The Legacy of Leon Trotsky* (July 1990).

Supporters of the Tendency are not idle critics but active fighters for democracy and socialism within the unions, the ANC branches and the ANC Youth League. Many have suffered imprisonment and torture, along with their comrades in the Congress ranks. So far, in separate incidents in the Natal Midlands and the Transvaal, four supporters of the Tendency have been assassinated after courageously standing up against Inkatha.

Whether or not the ANC NEC decides to re-admit the expelled individuals, the Tendency will continue to grow within the ANC ranks and within the Cosatu unions.

## Towards a Workers' Party

By David Hemson,  
Supporter of the Marxist Workers' Tendency of the ANC,  
Former banned trade unionist

After watching the video of the Cosatu launch in 1985 a British Marxist observed: 'These workers are not only building a trade union - they are trying to build a revolutionary party'. In a few words he grasped the striving of the black workers in South Africa to organise themselves through their trade unions into a political force to defeat capitalism and transform society.

The South African working class, like the proletariat everywhere, has no alternative but to organise itself as a class to fight for its political and social objectives.

In South Africa the black working class has a social weight probably without parallel in the former colonial world. Calculating on the basis of workers and their families, easily two-thirds of the population is working-class: industrial workers, migrants, office workers, agricultural workers, unemployed, and township youth. Among the workers, the industrial working class is the key: some 46% of industrial workers are now members of trade unions; a groundswell movement of self-organisation.

Compare the working class with the crushed African peasantry which only survives as tiny fragments in the 'bantustans'. Similarly, the African middle class (estimated about 600 000) is also a feather weight. Its upper echelons are attached to the state, compromised in the bantustans, trying to attach itself to the monopolies, but with an enfeebled position in production and distribution.

The black middle class seeks the sweets of democracy ('white' salaries and benefits, 'white' private schools), captivated by the enormous appeal of established privilege now the door is slightly ajar. But there are also deep polarities within the different strata. The African nurses, teachers, civil servants, even police, are an expanding group that are tending to define themselves

(as these strata have internationally) as part of the working class through trade union organisation and industrial action.

The trade unions which have learnt the lessons of survival in almost two decades of struggle stand head and shoulders over middle class organisations. The ten thousand shop stewards and seasoned trade unionists have gained enormous experience and training through confrontation with employers and the state.

In this way leading workers have begun to gain the political and organisational skills which previously were the monopoly of the lawyers, clerics, and doctors. Without them the 'movement' would be a very shallow front lacking the spirit of struggle and the basic organisational achievements of the trade unions:

*The whole point of the democratic struggle is to clear away the obstacles for the assertion of proletarian class interests - their material demands. The workers want not 'principles' of democracy, but its substance, its fruits - jobs, homes, decent education, transport, a living wage, for all.*  
(Inqaba ya Basebenzi, May 1985)

The working class is immensely patient, tolerating - though with growing distrust - the negotiations conducted by the middle-class leadership over its head. But in the end it will not be reconciled to less than a real transfer of power. It requires majority rule not in order to oppress or discriminate against any racial minority, but in order to reconstitute the state and totally transform the class system.

The urgency of this goal is what brings the African working class time and again to the task of building the ANC to unite black people and setting it on a socialist course. It does not attempt to improvise an independent 'workers' party' at the last minute because that appears a far more difficult road. Building the ANC, and trying

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*The workers want not principles of democracy, but its substance, its fruits - jobs, homes, decent education, transport, a living wage*

*In the rest of Africa, the middle class has headed a short-term mass mobilisation for independence, then rapidly consolidated its position against a small working class*

*In South Africa, a large and organised working class could organise an independent workers' party autonomous from the middle class*

to mould it as a vehicle for workers' power, is the road which the black working class has taken in amalgamating the unions and in participating in the revolutionary upsurge in 1984-86.

### Democracy First ... ?

The whole problem for an evolutionary, stage-by-stage approach is that throughout South Africa's history, the capitalist class has been violently opposed to the idea of democracy. Only in the last year has the idea of one person one vote even been seriously entertained.

This hostility to democracy seems to have undergone a sea of change since 2 February 1990. Indeed there have been dramatic changes, but a study of the fine print of 'democratic' proposals reveals new blocking mechanisms and the old tricks of 'divide and rule'. Overriding all is the fear of majority rule exercising the right of bringing the concentrated power of the monopolies into the hands of the working class.

What we are currently seeing, behind the smokescreen of reform and 'democracy', is a capitalist strategy designed to secure their ownership of the means of production by drawing in the African middle class into the state in a coalition government - against the working people.

Leading sections of the middle class are fatally attracted to this strategy. This is why Marxists argue that the ending of national oppression and the full inclusion of the African majority into civil society is the task of the only force capable of carrying it out: the working class. The first tasks are *national and democratic* but the South African revolution, based as it has to be on the working class, is *proletarian and socialist*.

There is a profound difference with the 'decolonisation' of the rest of Africa. In South Africa, the working class is the majority and industrially organised. Elsewhere the middle class has generally headed a short-term mass mobilisation for independence, received the reins of power and very rapidly consolidated its position against a small working class, while leaning on the peasantry.

There are no *organic* links between the trade unions and the ANC, but the working class sees the ANC as standing for one grand idea which is the key to black

politics. African workers see the Congress movement nationally as the vehicle for its political unity and for the conquest of power.

In April 1982 in a speech to a Fosatu conference, Joe Foster stated his belief in a society in which workers 'could control their own destiny'. He declared the workers' movement should not be 'hijacked by elements who will have no option but to turn against their worker supporters'. This speech was bitterly attacked by the SACP.

Shop steward councils gained new muscle and wanted to use it to fight for wider rights at this time. It would have been entirely possible to have organised a workers' party based on the trade unions, with a revolutionary programme for national liberation and socialism, with its own militant youth wing, and offering a united front to the Congress middle class.

But the Fosatu trade union leaders who after this declaration floated the idea of a workers' party, really had in mind a reformist workers' party rather than a party that would lead a struggle for state power.

Their conception of the 'independence' of the workers' organisations thereafter shrivelled into a policy of passive 'defence' of the workers' interests under a future capitalist ANC government. But as Engels taught long ago: a workers' movement which does not struggle to conquer the political field inevitably drives its own members into the embrace of bourgeois and petty-bourgeois politicians.

With the re-emergence of 'Congress' on the launch of the UDF in August 1983, the union leaders grouped in Fosatu were challenged by a new rise of middle-class leadership over the African working class.

With the emergence of the UDF, the Marxist Workers' Tendency of the ANC urged Fosatu and other unions to reject the narrow economism of the leaders and to take the organised energy of the workers into the UDF. The Tendency alone argued that the trade unions should join and build a Congress movement in the tradition of worker leadership and control around a programme of worker democracy and socialism.

This course was rejected by the Fosatu leaders who openly criticised the middle-class leaders of the UDF but often lagged behind their radical initiatives. In the end

the debate degenerated into slanging matches between *workerists* (to give them their correct name according to Lenin: *economists*) and the *populists* (*nationalists* and *Stalinists*) which illuminated little of the real issues at stake and led to an atmosphere of splits and division. In a sense both sides were right, and both wrong!

### Alliance Politics

The alliance between Cosatu and the UDF which followed accomplished all the economists had tried to avoid, but without bringing the middle-class leadership of the UDF under the democratic control of the workers. In fact, as the youth became captivated by the idea of rebuilding a revolutionary Congress in the townships independently from the unions, tensions between the youth and organised workers, between township and industrial struggles, flared quite unnecessarily. A lack of firm working-class leadership was the primary cause.

The insurrectionary movement of 1984/86 opened with a united front of workers and youth but ended with divisions:

*The underlying reason is the absence of a mass revolutionary workers' party capable of giving a clear direction, perspectives and programme to workers and youth alike, and a coherent strategy and tactics which alone can provide the basis for revolutionary self-discipline. (Inqaba ya Basebenzi, 18/19, February 1986)*

The launch of Cosatu was a colossal breakthrough. Bringing together the heavy battalions of organised workers it was the most powerful instrument ever created by the working class. The Marxist Workers Tendency of the ANC urged that the question of the workers' party be taken up by workers and youth building a mass ANC on a socialist programme. That the most conscious and trusted comrades should group together in the workplaces, townships, and schools.

This strategy was discussed between the Tendency and the National Union of Mineworkers (NUM) leadership. But most unfortunately, it was dropped by them. The miners were not led into battle during the uprising of 1984/86, and the strike of 1987 was led to defeat.

The holding back of the industrial working class was a major factor in the movement failing to break through the stalemate of

opposing forces. The state could not crush the movement of the workers and youth, but neither could the movement become strong and conscious enough to prepare to take power.

Instead of carrying forward the colossal revolutionary energies of the workers and youth, in particular through leading the anti-pass campaign announced at the launch, the Cosatu leadership retreated. Standing back from the abyss, and feeling the tremendous surge of workers towards Congress, they handed over the political direction of the organised workers in Lusaka in 1986 to the ANC and SACP.

This was a tremendous political disappointment, showing a loss of nerve by the union leadership.

It was a terrible irony that the future of the workers' movement came to be placed in the hands of the SACP. In the 1950s the SACP had urged the workers to support the nationalist leadership, while in the 1960s it had entirely abandoned the working class for the guerilla struggle. These strategic errors were based on its two-stage theory: first, the collaboration of all classes for democracy, and only a distant second, the idea of a socialist future.

The SACP leadership responded with scepticism or even outright hostility to the fledgling unions of the 1970s. Leading elements stated that if the unions were not prepared to be auxiliaries of the guerilla struggle, they had no importance. The leadership was quite out of touch with the emerging unions and not interested to learn.

Nonetheless, during the 1980s the SACP had, as was demonstrably visible in the Eastern Cape, the support of the youth and workers. But it did not develop into an underground workers' party. Nor is it likely to develop into an open mass workers' party in the future despite worker leaders announcing their support. The party leadership itself stands in the way of this development.

It cannot be the aim of the SACP to form a mass workers' party in SA, because the organised workers would use this as a lever against the ANC leadership's compromise. The SACP leadership are architects of these compromises and support them fully.

There has been great misunderstanding of the role of the SACP in gathering the workers behind the middle-class leadership and supporting compromise. Even seasoned

*Unions in the Congress Alliance failed to bring the middle-class leadership and programme of the UDF under democratic worker control*

*The SACP did not develop into an underground workers' party nor is it likely to develop into an open mass workers' party*

## ON POLITICAL ALLIANCES ...

'Each of these three formations (ANC, SACP, Cosatu) will retain their independence in the tripartite alliance, that's important. They will also have their own constituencies and be answerable to them ... we will take decisions by consensus.'

*Chris Dlamini, ANC/SACP/Cosatu, Aug 1990*

'It is necessary to create the broadest unity across class interests, while remaining conscious that within those alliances, we have to look to the interests of the working class constituency, to see that it remains organised.'

*Joe Slovo, SACP, Dec 1990*

'The multi-class nature of these organisations (ANC, PAC, Azapo) inevitably means that working class interests must be compromised in order to reach an accommodation with other classes.'

*Workers Organisation for Socialist Action (Wosa), 1990*

'Union leadership cannot serve two masters, whether those masters are in alliance or not.'

*John Copelyn, SA Clothing & Textile Workers Union (Sactwu), Mar 1991*

'Worker-employer struggle is permanent, whereas the political struggle is parliamentary - workers go once every five years to vote for either ANC, SACP, NP or for other parties. To date neither "socialist" nor bourgeois governments have fully represented the interests of the working class.'

*Snuki Zikalala, SA Congress of Trade Unions/ANC, Mar 1991*

## ON A WORKERS' PARTY...

'It is indispensable for the working class to have an independent political instrument which safeguards its role in the democratic revolution and which leads it towards a classless society.'

*SACP, Aug/Sept 1989*

'The SACP is unable to give leadership to the working class, because it is dominated by the ANC.'

*Wosa, 1990*

'Our new programme asserts that a Communist Party does not earn the title of vanguard merely by proclaiming it. Nor does its claim to be the upholder of Marxism-Leninism give it a monopoly of political wisdom or a natural right to exclusive control of the struggle. It would be idle to claim that we ourselves were not infected with this distortion.'

*SACP, Aug/Sept 1989*

'If the SACP is prepared to transform itself in its re-emergence in line with these principles (democracy, accountability, openness, mandates, and responsibility) it should be able to consolidate broad support and unify the Left. This would involve ... abandoning the classical Leninist vanguard party in favour of an open, broad-based political institution ... complete respect for the independence of mass based organisations.'

*National Union of Metalworkers of SA, Sept 1990*

'What is needed is a Marxist-Leninist party to lead the struggle for workers' power. It remains to be seen if the SACP can fit that bill.'

*Dave Kitson, MWT (ANC), Mar/Apr 1991*

## ON LIFE AFTER STALINISM ...

'Our programme recognises that the commandist and bureaucratic approaches which took root during Stalin's time affected communist parties around the world, including our own.'

*SACP, Aug/Sept 1989*

'The issue today is how to rescue socialism and its revolutionary democratic content from the muck and mire through which Stalinism has dragged it.'

*Pallo Jordan, ANC, Apr 1991*

'The term "Stalinism" is used to denote the bureaucratic-authoritarian style of leadership which denuded the Party and the practice of socialism of most of its democratic content, and concentrated power in the hands of a tiny, self-perpetuating elite.'

*Joe Slovo, SACP, Feb 1990*

'One cannot accept at face value Slovo's protestations about the SACP's non-Stalinist credentials ... there is too much evidence to the contrary.'

*Pallo Jordan, ANC, Aug 1990*

'Nationalisation in the sense of a simple change of ownership without taking steps to ensure democratic participation by the producers at all levels of economic life does not necessarily advance the socialist cause.'

*Joe Slovo, SACP, May 1990*

'Many members see Azapo, and not the SACP as the vanguard of socialism because of Azapo's stated commitment to direct socialist transformation of "occupied Azania".'

*Mike Tissing, Azapo, Mar/Apr 1991*

'Historically, socialists have fixated on the idea that the state is the crucial institution for transforming the quality of life for workers and the oppressed. This fixation resulted in the Eastern European model of socialism.'

*John Copelyn, Sactwu, Mar 1991*

## ON TRADE UNIONS ...

'No political party, state organ or enterprise, whether public, private, or mixed, shall directly or indirectly interfere with such (trade union) independence.'

*Joe Slovo, SACP, Feb 1990*

'It is possible, if we go on blindly with the present rhetoric, that the union movement will simply degenerate into being the labour wing of the government ... If the unions choose the former option, relying on legislation to affect the workplace, it will be the death knell for democracy in a post-apartheid society.'

*John Copelyn, Sactwu, Mar 1991*

'We certainly do not want the unions to be a simple labour wing of an ANC (or SACP) government ... It could be disastrous in the present situation if, in the name of trade union independence, Cosatu were to forbid working class leadership from occupying its rightful place in our political formations.'

*Jeremy Cronin, SACP, Apr 1991*

'They (socialist countries) were putting party politics before trade unionism. That is why socialism has not yet come into being.'

*Snuki Zikalala, Sactwu/ANC, Mar 1991*

IPSA

observers of the SACP argue they are pushing the nationalist leaders to the left, but they are wrong.

A study of the leadership reveals the SACP is the brakes not the accelerator of the movement. In 1987 while the flames of revolution had hardly died and the greatest industrial upsurge was taking place, Slovo entirely rejected his book *No Middle Road* (written in 1976 to argue the need for the seizure of power), and declared himself for a negotiated settlement (See *Observer*, 1 March 1987).

To understand this contradiction you have to grasp the dismal perspectives for Stalinism (not for socialism!) internationally. The 'Communist' Parties are disintegrating or following the lead of Gorbachev to make an alliance with capitalism in separate deals in each country (e.g. the historic compromise in Italy). The SACP shares with other Communist Parties the historical deformations and ideological crisis of Stalinism.

De Klerk has made cunning use of the political authority of the SACP in decline. He has been quite explicit that the collapse of Stalinism - the resulting disappointment of the workers in 'socialism' - has given him the window of opportunity to make a fundamental turn without jeopardising capitalist class rule in South Africa. Unlike Botha who stalled on the issue, de Klerk has consciously drawn the SACP into this deal to turn off the tap of revolution.

Now in an 'anniversary' February 1991 statement he states he will never allow the SACP in government. This statement has produced a crisis in the SACP. Apparently it has decided not to stand in elections so as to allow its leaders to be eligible for the highest office, and there is even talk of the party dissolving into the ANC (*Weekly Mail*, 22-28 February 1991).

There are strong illusions within the unions about the SACP. But having played no significant role in the re-creation of these unions, having obstructed their development, the SACP finds itself without real organic links and direct influence at the base. Riven by the crisis of Stalinism, and incapable of providing a coherent leftwing alternative to the ANC leadership, the SACP is very unlikely to develop as a mass workers' party.

Since 2 February 1990, the ANC and SACP leadership has prepared a historic compromise with the existing state. The

armed struggle has been called off, the revolution postponed. The ruling class is given the 'space' to carry out partial reforms from above as a means of warding off the workers' revolution. The period which has followed has been one of 'change' not through negotiation but by proclamation over the heads of the ANC leaders. At the same time it has been a period of terror against the people as 'the season of violence' becomes more organised.

It has proved impossible for the leaders to negotiate and mobilise at the same time. Where is the mass action campaign to bring real reforms to the lives of working people: better wages, more jobs, security and a campaign against crime? How many African people have seen their lives improve since 2 February 1990?

The present political turmoil raises ever more acutely the need for a workers' party. Who is to co-ordinate worker self-defence and overcome the divisions between migrant and urban worker, Xhosa and Zulu? Who is to advance the social demands of a national minimum wage, jobs, housing, decent education? Who is to put forward a clear programme to unite the African middle class in struggle with the majority working class?

### Workers' Charter

The concern of the Workers' Charter seems to be to defend the unions against a future government, not to advance the idea of worker power, a worker government resting on a worker state.

The workers' movement has to conduct battle at the ideological level to link constitutional proposals to the social demands of the working people. How is the fundamental right to work to be fought for? How is the Workers' Charter to avoid being just a narrow trade union 'bill of rights'?

Unfortunately, the Workers' Charter fails on these questions. Compared to the radical policies adopted at the inaugural conference of Cosatu and the political tasks of the workers movement, the Workers Charter is very thin soup, without meat and potatoes.

There is formal agreement on the need for a Constituent Assembly and demands are put forward for the recognition of the right to strike and organise, and 'to enable people to fight for a democratically-planned economy' (*Mayibuye*, April 1991).

*The ANC and SACP leadership has prepared a historic compromise with the state, promoting change through proclamation*

*The concern of the Workers' Charter seems to be to defend the unions against a future government, not to advance the idea of worker power*

*Union leaders who promote a social pact between labour and capital are promoting the tired old ideas of reformism*

Every constitutional proposal from the NP or DP demands a reply from the workers' movement. Now that the bourgeoisie see the possibility of the ANC winning an election it rushes to advance ideas to limit the power of government: a bill of rights, decentralisation of power, constitutional checks and balances, consensus on contentious matters, proportional representation and a strong independent judiciary.

While there are elements here which we support, such as a bill protecting individual, language and cultural rights against discrimination, the package is unmistakably designed to entrench the ruling class's 'right' to private ownership of the country's productive wealth. 'Decentralisation', for instance, aims to secure racial and class privilege at local level.

Instead, why not put forward the vision of a democratic workers' government with Lenin's 'checks and balances'?

- All power to councils of delegates from workplaces and districts, with all delegates subject to re-election;
- No standing army, but an armed people;
- The rotation of administrative jobs to prevent an entrenched caste of bureaucrats;
- No official to receive a salary above that of the average skilled worker; and
- The right to form opposition parties must be guaranteed.

In place of the elementary principles of a workers' democracy, however, the Cosatu leaders are putting their faith in the institutions of the bourgeoisie.

### Reject Social Pact

The recent speech by Sactwu's John Copelyn to employers (*SA Labour Bulletin*, Vol 15/No 6, March 1991) puts together many of the ideas of union leadership towards the participation of the ANC in government. The only conclusion I can draw is that Copelyn requires the links between the unions and the ANC to be broken.

A picture is drawn of the ANC leadership making use of the unions to raise itself to power to introduce 'bad planning', 'poor laws', and 'social evils'. Copelyn raises the spectre of the unions degenerating into the 'labour wing of the government' and being blamed for the government's misrule (ibid: p29).

As an alternative to this dismal prospect Copelyn offers the idea of elevating collective bargaining in the industrial councils to restructure industry, control higher education, and channel investment; in short an alliance between the unions and the capitalists. He seeks to limit the powers of government; the state having no role in improving the life of workers and the oppressed (ibid: p33).

Although many union leaders would disagree with the precise formulation, there is general agreement among them for a social pact. He is clearly speaking for a growing crust within the labour movement, sceptical and cynical about socialism, and detached and hyper-critical of the ANC.

Whatever else is claimed for it, every 'social pact' in history is presented as the workers sacrificing for the 'general good'. These are not new ideas but the tired old ideas of reformism: US concessionary deals, 'wage cuts to save jobs', social contracts under the Labour Party in Britain, etc; all have had reactionary conclusions.

Inevitably, organised workers develop acute distrust of leaders preaching austerity. This demoralisation is exploited by the capitalist state, and moods of counter-reaction can develop. The employers have declared an offensive against the workers: there are catastrophic redundancies on the mines and 1 800 metal workers lose their jobs each month. Surely, the question of the moment is a vigorous fight-back against the current capitalist offensive marked by staggering redundancies in mining, metal, and other industries?

The crisis of bureaucratic central planning (Stalinism) is being used by the union bureaucracy to pour cold water on the need for a democratic plan of production in a workers' state. Rather than follow the road of 'pacts' with the capitalists and or capitalists' arguments about limiting the power of government, the Marxist Workers' Tendency of the ANC argues for the workers taking up the task of building and transforming the ANC into a mass force for workers' power.

This is the way to bring into existence the mass revolutionary workers' party which South Africa so desperately needs - a party firmly based upon the power of democratic unions, and maintaining the unity of the African masses under the Congress banner.

*The workers and unions must transform the ANC into a mass force for workers' power, maintaining the unity of the African masses under the Congress banner*

# TRANSFORMING THE 'HOSTELS'

By Geoff Schreiner, National Union of Metalworkers of South Africa

At the outset, it should be clearly stated that a transformation of the hostel system carries with it no magic cure for the violence which is currently wracking our country. While it is hoped that projects of this kind will contribute to an eventual resolution of the bloodshed they can only be but part of a much wider process.

A hostel transformation project will have little impact on ending the violence if the State continues to allow its security network to act in a brazenly partial manner and to fan the flames of violence and if huge funding is not effectively deployed towards the socio-economic development of squatters, rural poor, the unemployed, etc.

It is true that much of the current violence has centred around hostels. It is equally true that most hostel dwellers live in the most appalling conditions - dehumanising environments which impact on their world view. But violence is not located exclusively, or even principally, around hostels. Witness the killing fields of Natal where most deaths have been in rural areas, squatter camps and formal townships, without the widespread involvement of hostel inmates as an organised force.

### Cosatu's Proposals

The question has been put to Cosatu leadership - *Why single out hostel dwellers for special attention? What of other equally disadvantaged groups?* But Cosatu is not focusing its attention exclusively on hostels. Its proposals on the hostels will be part of a broader development strategy which addresses a wide range of priority areas. In the housing arena alone, Cosatu and its affiliates are involved in financing low-cost housing projects, developing formal housing and supporting infrastructural developments in certain areas.

However, the brutal and dehumanising edifices of the migrant labour system have also to be addressed. This is why Cosatu has made specific proposals to the Independent Development Trust (IDT) and to Saccola for the transformation of the hostel system.

*Some have looked upon the process of transforming the hostels as one of bulldozing existing structures and replacing them with (low-cost) housing units. Mistake number one!*

The reality is that many hostel dwellers, for a variety of reasons, do not want to bring their families to live with them in the urban areas. One study carried out for Cosatu found that there was a very high correlation between agricultural viability 'back-home' and the view that wives and children should not be corrupted by city life. Where agricultural opportunities for peasant farming had all but collapsed, however, as in the Ciskei, hostel dwellers were far more willing to consider settling in town with their families. There were also many respondents whose decision not to move their families to the cities related to the disintegration of the (nuclear) family and to traditional, conservative attitudes on gender relations.

Another study has shown that the views expressed by hostel dwellers will vary significantly in response to changing political circumstances which have a direct impact on their material situation. In the case of Vosloorus on the East Rand, for instance, hostel dwellers were initially keen to retain and upgrade the existing hostel facilities. After a number of clashes with surrounding residents, however, most expressed a strong desire that the complex should be destroyed and that they should be supplied with accommodation spread throughout the township.

In short, there are a complex, changing range of views amongst hostel dwellers on the question of hostel transformation. These offer an equally diverse set of development options which could be explored, ranging from complete abolition through to refurbishment and renovation. No single option or approach will suffice for the whole country. Local conditions must dictate the initiatives followed. Simplistic calls for the abolition of hostels (or even abolition of the hostel system which is quite different) will be taken by hostel dwellers to be a direct attack on themselves.

*So, provide a range of options for hostel dwellers to choose from and the problems outlined above will be circumvented? Mistake number two!*

Any initiatives which fail to put hostel dwellers themselves centre stage are doomed. Hostel dwellers will have to be consulted about proposals and developments from the start through to the end of the transformation process.

Consultation, however, does not only mean a quick visit to the ANC, Cosatu or local civic. In a great number of hostels, residents have established their own committees and networks which are responsible for a host of widely divergent functions - room allocation, security, rural area links, dispute regulation, social functions, defence, etc. These committees may command the respect of significant numbers of hostel inmates despite their being autocratic and politically conservative, as is often the case. These committees cannot be ignored in any consultation process anymore than the hostel dwellers themselves.



Cosatu will insist that any initiative with which it is associated must have a comprehensive consultation process built into it. It must not only seek to elicit views but to strengthen and build organisation both within hostels and between hostel committees and the communities in which they are located.

*Getting the formula right for options and consultation will still not necessarily ensure a positive response from hostel dwellers.*

Hostel dwellers are victims of a cruel system which sought their exploitation, prohibited their ownership of land in white areas and enforced their regular removal from such areas under the pass, anti-squatting and trespass laws. Hostel dwellers, quite justifiably, generally do not trust promises of a greener future. They will cling to what they have simply because they have got it and can afford it. Hostel dwellers therefore are not simply going to 'take time out' while building renovations or alterations are done. They have to be guaranteed security and continuity of tenure.

And herein lies the sting. It is pointless to develop options which hostel dwellers cannot afford. The hostel system was rooted in developing a stable system of cheap labour both for the mines and later, for the manufacturing sector. We live with that legacy today. The average hostel dweller cannot afford formal housing, a flat in town or refurbished family quarters in a redeveloped hostel complex.

Subsidisation by the state will be necessary. If the recently announced R7 000 capital subsidy is opened to hostel dwellers *viz-à-viz* the purchase of units within redeveloped complexes, then this will be of assistance to some. But what of the hostel dwellers who do not wish to purchase in urban areas - who want rather to rent and to develop their homes in the rural areas? Short of wages rising dramatically, rents will have to be subsidised.

By employers perhaps? Yes, but not as at present, whereby only those employers who acknowledge that some of their employees live in hostels contribute (usually via renting hostel blocks from the black local authority and subsidising the rentals of their employees). All employers should be requested to pay a percentage of profits into a national housing fund in which the organs of civil society - trade unions, civics, etc - would have a significant say. Such a fund could be utilised for a range of housing initiatives, including, together with the state, the subsidisation of rentals, hostel upgrading and hostel transformation.

### Participative Planning

Cosatu does not pretend to have at its immediate disposal a development wing composed of planners, developers, accountants, etc, who would be able to launch a major hostel upgrading project.

However, Cosatu does have:

- organisational experience of a special and significant type;
- large numbers of hostel dwellers as members of affiliates;
- access to, and credibility amongst hostel dwellers which extends beyond political affiliation; and
- access to large amounts of workers' money invested in their pension and provident schemes.

At this stage, a wide range of actors will need to be involved in any hostel transformation programme - principally the state, capital, the civics, hostel dwellers organisations, Cosatu and the trade unions. Each will have to bring their own particular skills, capacities and experiences.

But from Cosatu's point of view there would be at least two central principles underlying such a process:

- Firstly, that the state accepts responsibility for the provision of adequate shelter and accommodation for all its citizens.
- Secondly, that it is accepted that whatever forum is established would be for negotiations with each party independent and able to mobilise support for their demands.

In its proposal to the IDT, Cosatu indicated that it was willing to encourage its affiliates who had joint control over pension and provident fund monies, to make large amounts available for a hostel transformation project.

Cosatu affiliates will probably respond positively but they will ask for guarantees on their investments. It can hardly be expected of black workers who earn appallingly low wages that they should effectively subsidise a development initiative by making huge high risk/low return investments which would impact negatively on their pension/provident fund entitlements. The state would have to underwrite these investments and guarantee a reasonable return.

To conclude, hostel dwellers have widely divergent views on the future of their families as urban dwellers. They consequently have very different needs and aspirations with regard to urban accommodation which will have to be taken into account.

Furthermore, there are a variety of ways in which hostels can be transformed, ranging from abolition through to refurbishing. There are also different ownership forms, e.g. private vs collective, ownership vs rental. All of these options will have to be considered and if necessary provided for to some degree.

Hostel dwellers and their organisations must be fully consulted and fully involved in any transformation initiatives. Lastly, affordability and security of tenure will be critical issues. The state will have to take ultimate responsibility for housing provision and for ensuring the attainment of these objectives. IDPA

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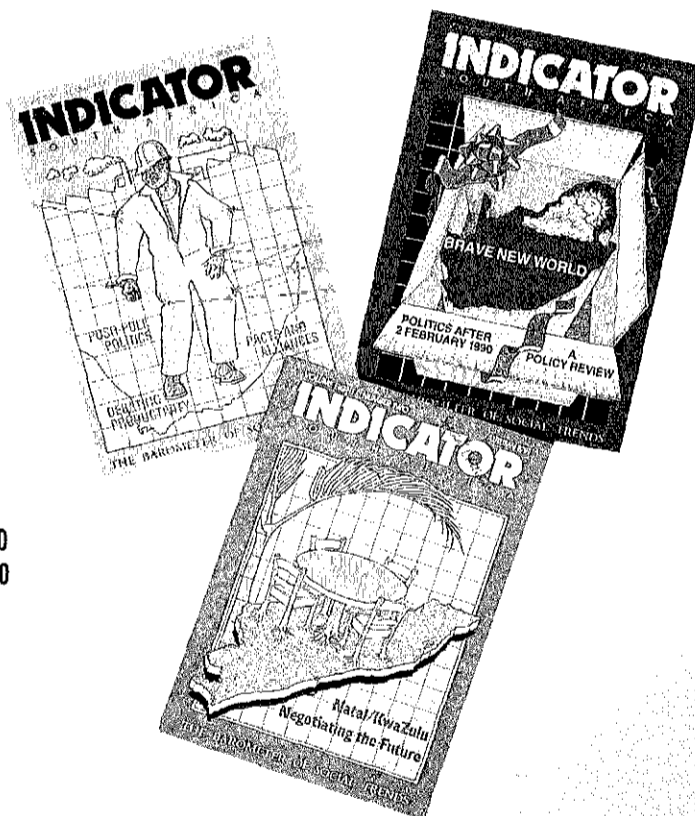
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