

VOLUME ONE

NUMBER TWO



INDICATOR

South Africa

POLITICAL MONITOR

Co-ordinators: Marisa Fick and Lawrence Schlemmer

2

Aims of the Political Monitor

Diagnosis

3

Black Urban Unrest: How Serious is the Problem? *L Schlemmer*

7

Township Disturbances : Lamontville 1983 *M Fick*

9

Administration Boards Still Rule *M Fick*

Trends

11

White Voter Preferences : Predictable Trends *L Schlemmer*

Perspectives

13

Right-wing Ferment Among Afrikaners — The Implications
H Pakendorf

14

The Afrikaner Broederbond and the Draft Constitution
L Pretorius

16

The Militarisation of Government Policy in South Africa
H Giliomee

17

South Africa in Southern Africa —
Does it know where it is going? *S Jenkins*

19

New Black Opposition : The Prospects *Special Correspondent*

Aims of the Political Monitor

South Africa is a complex society and making sense of political developments and policy is often difficult. While virtually all responsible observers agree that change is necessary, there is virtually no agreement between different schools of thought on what the minimum changes should be. Nor is there any agreement on the significance of political and constitutional reforms, or of political shifts and realignments. There is more agreement about what South Africa is than about where it is going. The Political Monitor is addressed to these very basic questions. It is an attempt at a critical but constructive and balanced evaluation of what is happening in South Africa and what is likely to happen in the short to medium term future. The Political Monitor is divided into three parts:

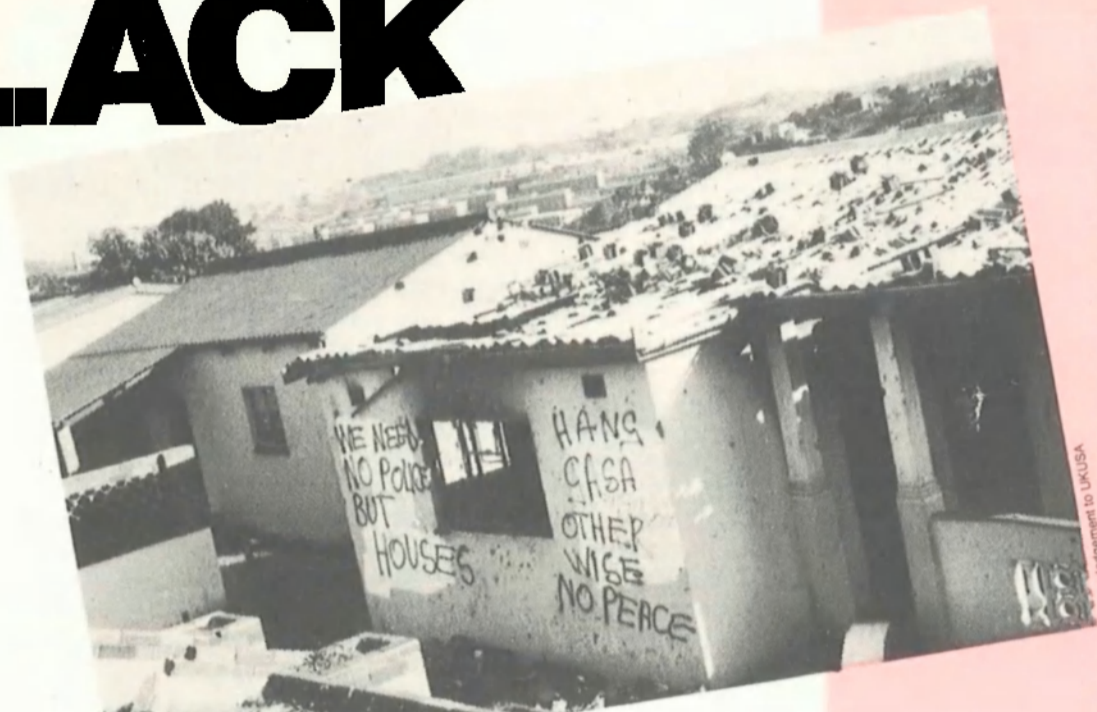
DIAGNOSIS – Analyses describing and evaluating major policy trends and social and political tendencies. Once yearly, accumulated developments will be analysed in greater depth against a background of the basic characteristics of the South African social and political system.

TRENDS – will present and briefly evaluate quantitative trends and social survey data which point to directions of change or to the absence of meaningful developments in important areas of the social or political system.

PERSPECTIVES – are contrasting viewpoints on change or on major problems which reflect sincerely-held and reasoned contributions to the ongoing debate on change or reform in South Africa.

The goal of all three sections is to provide a basis for identifying the most critical issues and priorities in South African politics, for the guidance of key decision makers. If South Africa is to avoid the dismal consequences of its underlying conflicts that are so often predicted, greater clarity of action and policy are needed. The Diagnosis in the Political Monitor is aimed at clarifying issues so as to encourage more reasoned and effective action for constructive change.

BLACK



Acknowledgement to UKUSA

URBAN UNREST

How serious is the problem?

It seems quite clear that the major problems which produced the disturbances of 1976 in Soweto and elsewhere have not been resolved and continue to fester. PROFESSOR LAWRENCE SCHLEMMER, Director of the Centre for Applied Social Sciences at the University of Natal, analyses the recent pattern of urban unrest and warns that unless the authorities respond in an effective way it could lead to increasing political instability.

South Africa's most critical issue is political stability. Neither the Government, the official opposition, the business community or any serious analyst of South African society would deny this. Yet there is a continuing threat to stability in our urban areas which is cause for deep concern. The response of the authorities thus far has been less than adequate and in some ways distinctly counter-productive.

At its most obvious, the problem is centred around black urban townships and black educational institutions. It seems quite clear that the major problems which produced the disturbances of 1976 in Soweto and elsewhere have not been resolved and continue to fester.

The 1983 Pattern

SCHOOLS:

Since the beginning of 1983 up to early August, for example, there have been boycotts, disturbances or assaults on school authorities at *more than 25 black schools* spread all over the country. A scan of the reported incidents would suggest that *well over 10 000*

Political stability is South Africa's most critical issue; what causes deep concern is the threat to stability in our urban areas

The major problems producing disturbances around black urban townships and black educational institutions continue to fester

DIAGNOSIS

A disturbing fact is that in a majority of reported incidents at black schools the police are called upon to act

In the black communities at large bus tariff and rent increases have been a cause for serious community disturbances

The June 16 disturbances this year showed that the problems obviously go beyond symbolic mobilisation of black youth

Seen in the light of the deep economic recession, the disturbances are not necessarily signs of a progressive increase in instability



pupils have been involved. Even more disturbing is the fact that in a majority of the cases the police are called upon to act and the use of tear smoke, dogs and even shamboks is frequently reported.¹

HIGHER EDUCATION:

In the same period student disturbances, some serious and ongoing, have been reported at almost all black universities and technikons: Fort Hare, Mabopane East Technikon, Mangosutho Technikon, Medunsa, SoShangane Technikon, Turfloop, and the University of Zululand.

There were also disturbances at the Springfield Training College for Indians and at the mainly Indian University of Durban-Westville. Students from the "coloured" University of the Western Cape were also reportedly active in very energetic "disruption" of Labour Party meetings in the Western Cape.

BUS BOYCOTTS:

Turning to the black communities at large there have been bus boycotts in the following township areas in Natal and the Eastern Cape: Clermont, Inanda, Klaarwater, KwaMakhuta, Lamontville, Mbumbulu, KwaZakhele, Mdantsane, Ntuzuma and Veeplaas. Bus boycotts were also reported in Soweto and the East Rand. (See also reports on black bus transportation in *Indicator SA Urban Monitor*, Vol 1 No 1.) The bus boycott at Mdantsane has escalated into a very serious issue with some 15 or more people reportedly killed in clashes with the Ciskeian police.² (An in-depth analysis of Mdantsane will appear in the next issue.)

RENT AND COMMUNITY DISTURBANCES:

The most disturbing are the reported instances of serious community disturbances in black township areas. Late last year violence over accommodation costs erupted in Sobantu, Pietermaritzburg. Clashes with police and the authorities in the squatter camps of KTC, Crossroads and Diza River in the Western Cape have persisted from long before and throughout 1983. A disturbance among shack-dwellers occurred in Orlando East. There have been incidents of stone-throwing in Gugulethu and Nyanga in the Cape. In Daveyton on the East Rand two community leaders were shot in what seems to be serious community strife. Incidents of public violence have been reported in Mondhlo and Vryheid.

Perhaps the most serious, however, have been severe youth disturbances in the wake of rent increases in Chesterville, Lamontville, Klaarwater and other non-KwaZulu townships in Natal. (See report on the Chesterville-Lamontville disturbances in this issue.) Lives have been lost and at times a semi-military operation has to be mounted in some of these suburbs.

These events are simply what has been prominently reported in the press. There may be more disturbances that have not been identified. The picture as it emerges above is serious enough, however, and speaks for itself.

A Brief Assessment

Some of the black school disturbances are in the nature of a fairly ritual political event—the celebration of the June 16 disturbances of 1976. According to the divisional Commissioner of police in Soweto, the level of public violence surrounding the "Heroes Day" anniversary of June 16 has been lower this year than in 1982.³ Newspaper reports on the number of buses and vehicles damaged as compared with 1982, however, might suggest a slightly higher concentration of violence in Soweto this year, but these reports may be unreliable.

What is most notable this year, however, is that the June 16 disturbances have been overshadowed by the other disturbances reported. The problems obviously go beyond a symbolic mobilisation of black youth.

A high level of urban disturbances might be expected this year. The economy is in deep recession, with higher than average unemployment, particularly among the group most active in the community disturbances, the black youth, severe constraints on industrial wage adjustments for inflation coupled with busfare, railfare and rent increases, all in a situation of continuing high inflation.

Seen in this light, the disturbances are not necessarily signs of a progressive and creeping increase in instability.

A Need for Serious Concern

Three aspects are cause for deep concern, however. The first is the fact that the incidents reported above show clearly that tens of thousands of black youths have been involved in various kinds of clashes with the police and the authorities in general. The

effects of such clashes are to politicise the youth to a point where some, perhaps many, among them will be tempted to leave the country for insurgency training. The chants and slogans used in virtually all the disturbances suggest that a heightened political fervour develops very quickly.

A second aspect of these events is that each one provides an opportunity for groups or organisations which have a defined strategy of destabilisation to gain converts and to promote a spirit of confrontation. An erosion of the prospects for peaceful change must occur each time.

Responses to the Problem

The third aspect which is perhaps most disturbing is the uncertainty of prospects for constructive reactions to these events.

URBAN LOCAL AFFAIRS:

The Administration Boards which are responsible for the services, amenities and rent policies in the townships have major funding problems. The severe financial problems in the Durban area are reported on elsewhere in this issue. The Soweto Community Council has budgetted for a loss of R13,2 million in an operating budget of under R70 million. This pattern seems to be reported all over the country.

As yet no clear indications have been given as to the funding arrangements which will be instituted with the new black local authorities, but most observers are pessimistic.⁴

Related to this is the fact that each disturbance erodes further the credibility of the kind of leadership available for black local authorities and community development, and its perceived ability to act effectively to protect the interests of the residents. The new black local authorities thus will commence their existence amid well-justified predictions of failure. Already alternative bodies like the Joint Rent Action Committee in Durban (JORAC) seem to have far higher credibility among residents.

EDUCATION:

On the educational scene the prospects are equally disheartening. The rate of increase in pupils at black secondary schools is dramatic, in itself a sign of positive change. The capacity of the already overstressed black educational institutions to cope with the increased student loads is the real problem, however. In Soweto, for example, there were reportedly 15 108 secondary school pupils in 1978 and 53 405 in 1982, a gain of over 350 percent.⁵

One response of the authorities has been to employ white teachers to assist in coping with teaching loads, but this issue appears to have been exploited by people with other grievances, to encourage pupil disturbances. The problems in black education would appear to require very dramatic action.

It seems quite clear that an important component of the problem in black education, and one that can be easily exploited as suggested above, is the low morale among pupils and staff. This stems mainly from the persisting and understandable notion that black education is second class or worse.

The de Lange Report on the HSRC investigation into education recommended that this problem be addressed by bringing all education under a single authority. This recommendation has not, or not yet, been accepted by the Government. Yet this very basic issue has to be addressed before other solutions to problems can have their full effect.

TRANSPORT:

Urban transport is another cause for concern. The Welgemoed Commission⁶ has recommended a phasing out of subsidisation, as well as a rationalisation of bus transport to achieve greater efficiency. It suggests a decentralisation of controls which seems positive, but its proposals for encouraging efficiency through private sector competition do not appear to go anywhere near far enough to compensate for the phasing out of subsidies. It does not, for example, favour flexible and highly

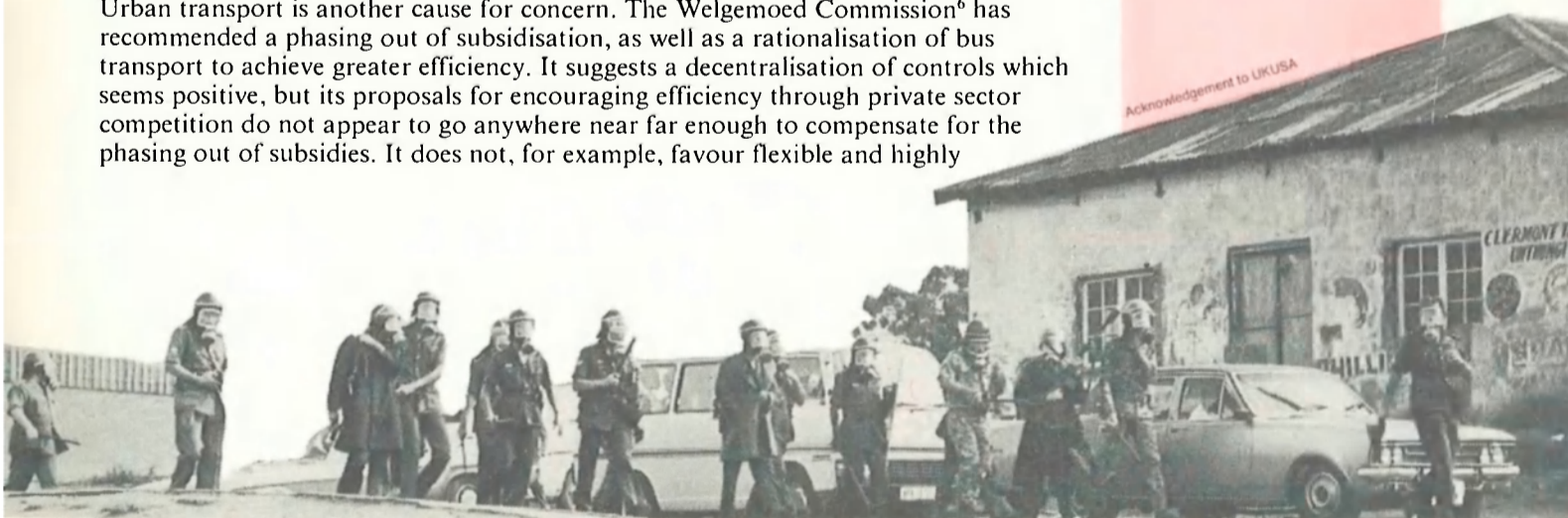
What causes deep concern is that the clashes suggest that a heightened political fervour develops very quickly

These clashes also provide an opportunity for groups with a defined destabilisation strategy to gain converts

The most disturbing aspect is the uncertainty of prospects for constructive reactions to these events

Each disturbance further erodes the credibility of the kind of leadership available and its perceived ability to act effectively

DIAGNOSIS



The persisting and understandable notion that black education is second class or worse has resulted in low morale among pupils and staff

Proposals to solve the urban transport and housing crisis do not appear to go anywhere near far enough towards resolving these issues

It is imperative that a more concentrated and co-ordinated attack on these problems be mounted, however, success will not be easily achieved

The Rive-Hankinson Enquiry into problems in the non-KwaZulu black areas of Durban will hopefully involve the black communities in the Enquiry

The SA Cabinet must mobilise and orientate both the bureaucracy and the financing arrangements so as to respond effectively to the recommendations

competitive private minibuses.

HOUSING:

The housing crisis is another issue of mounting concern. In 1981 the National Manpower Commission estimated the shortage of housing units in black urban areas at 560 000.⁷ The Government has recently commenced a massive sale of public housing stock to raise some R385 million⁸ to plough into the development of serviced housing sites. Even if this figure is realised, and some building society spokesmen are sceptical about this possibility,⁹ our very broad estimates are that the financial yield from sales, even if it achieves ideal results, and if one ignores administration costs, will produce at most 70 000 to 120 000 serviced sites.

The housing shortage in one major city alone — Durban, as estimated by the KwaZulu Government¹⁰ is virtually 100 000 units. Jan Steyn of the Urban Foundation has estimated that R1 500 million per annum will have to be spent to eliminate the African housing backlog all over South Africa.¹¹ In 1981/82 the total amount available for African housing was R180 million. If one adds the new income from the sale of public housing to the normal annual expenditure, hypothetically for one year, then even for that year there will be less than two-thirds of the increasing annual amount required to meet the backlog and new demand.

The cheaper alternative of providing only serviced sites and relying on the free-market system may alleviate the problem, but not for the mass of poorer blacks who cannot afford to finance their own houses, and whose employers are unlikely to assist on a mass scale. One reaches the conclusion that the housing crisis for typical township blacks is likely to deepen over the coming years.

The Need for a Concentrated Approach with Black Participation


The Botha administration is undoubtedly more aware of these problems than the previous National Party administrations have been, and at least attempts are being made to address the issues. It seems imperative, however, that a more concentrated and co-ordinated attack on these problems be mounted, including the issue of black school-leaver employment.

One good sign in this connection is the appointment of two top administrators, Messrs Rive and Hankinson, to assess and make recommendations in regard to the problems in the non-KwaZulu black areas of Durban. This investigation will be monitored with great interest.

The problems are so forbidding, however, that success will not be easily achieved. The economic recovery will not be sufficiently advanced to avoid disturbances and strife next year. Further political alienation of the black urban and youth populations can only be avoided if legitimate black leaders are seen to be sharing in the planning of urban and educational reform. The possible future role of the new black local authorities in this regard is very uncertain, as argued above, and more immediate action is required.

The Rive-Hankinson Enquiry could perhaps provide a model of an approach if it were to include one or two highly regarded and experienced black members, given free rein to convene meetings and address township audiences in order to involve the black communities in the process of the enquiry. This kind of approach is perhaps the only effective way of addressing the black urban problems at this stage.

Needless to say, however, even this kind of approach will in the end be counter-productive unless the South African Cabinet is able to mobilise and orientate both the bureaucracy and the financing arrangements so as to be able to respond effectively to the recommendations which might be expected.

In a recent Issue Focus of *Indicator SA* we have argued on the basis of research results that South Africa is not yet in any form of pre-revolutionary crisis.¹² The pattern of events and problems outlined in this report, however, could alter such a conclusion if they continue long enough. Very special action from the authorities is essential. 

FOOTNOTES

1 These and subsequent observations are based on a scan of press reports appearing in *The Argus*, *Beeld*, *The Cape Herald*, *The Cape Times*, *The Citizen*, *The Daily Despatch*, *The Daily News*, *Ilanga*, *The Natal Mercury*, *Rapport*, *The Rand Daily Mail*, *The Sowetan*, *The Star*, *The Sunday Times* and *Sunday Tribune*

2 See *Sunday Tribune* 7 August 1983 *Beeld* 5 August 1983 *Sowetan* 5 August 1983

3 *The Citizen* 18 June 1983

4 *The Star* 2 August 1983 "The New Municipality Laws — the Pro's and Cons are lining up"

5 *Rand Daily Mail* 26 July 1983

6 Final Report of the Commission of Enquiry into Bus Passengers' Transportation in the Republic of South Africa: RP 50/1983

7 The estimate of the National Manpower Commission appears to be based on a 1977 estimate for the 'white area' townships. It could be much higher.

8 The estimated total to be raised from the sale of all public housing is R2 000 million, but this includes the more expensive non-African housing. The figure of R385 million seems realistic as far as sale of houses in African areas is concerned.

9 See interviews with Building Society spokesmen in *Daily News* (financial news) 17 August 1983

10 The housing shortage in the KwaZulu-Durban area for blacks was estimated to be 93 000 units some 2 years ago, by the KwaZulu Government.

11 Steyn J "Vryemark Stelsel is Nodig vir Swart Behuising" *Beeld* 4 June 1982

12 Schlemmer L "South Africa, Build up to Revolution or Impasse?" Issue Focus *Indicator SA* Durban: Centre for Applied Social Sciences, University of Natal, March 1983



Acknowledgement to UKUSA

ISSUE IN FOCUS

TOWNSHIP DISTURBANCES

Lamontville 1983

Particularly since 1976 many black urban communities in South Africa have reacted against rent and busfare increases and educational problems. Often violence occurs when police intervene. Each one of these events tends to leave a legacy of bitterness, since they are seldom adequately resolved. They often pass without the authorities realising that basic peace and stability may be impossible to restore. Each township disturbance needs to be studied seriously by decision-makers at all levels. Here MARISA FICK looks at the recent disturbances in Lamontville.

Events in the Durban township of Lamontville point to growing undercurrents of resentment and increasing conflict between the residents on the one hand, and the Port Natal Administration Board (PNAB), the Community Council and the police on the other.

Lamontville is one of the early township developments following the Natives (Urban Areas) Act No 21 of 1923. The township was built by the City Council and remained under its control until 1972 when it was taken over by the PNAB.

The Community Council has long been controversial and attempts to boycott elections go back to 1965.

In 1982 Community Councillor Mr Harrison Dube emerged as a community leader in the protest against municipal bus fare increases. The subsequent boycott led to a strong community awareness.

The bus fare issue was still smouldering when rental and tariff increases of 63 percent were announced in March this year, affecting all townships falling under the PNAB.

Charges for a basic three-roomed house went up from R25 to R38 per month and for a five-roomed house from R29 to R42. Massive opposition was expressed and in the same month representatives from several of the affected communities came together to form the Joint Rent Action Committee (JORAC). JORAC was a direct result of the growing opposition to the

community councils. The residents felt that they had not been consulted and that the councillors had failed to effectively represent them on the issue.¹

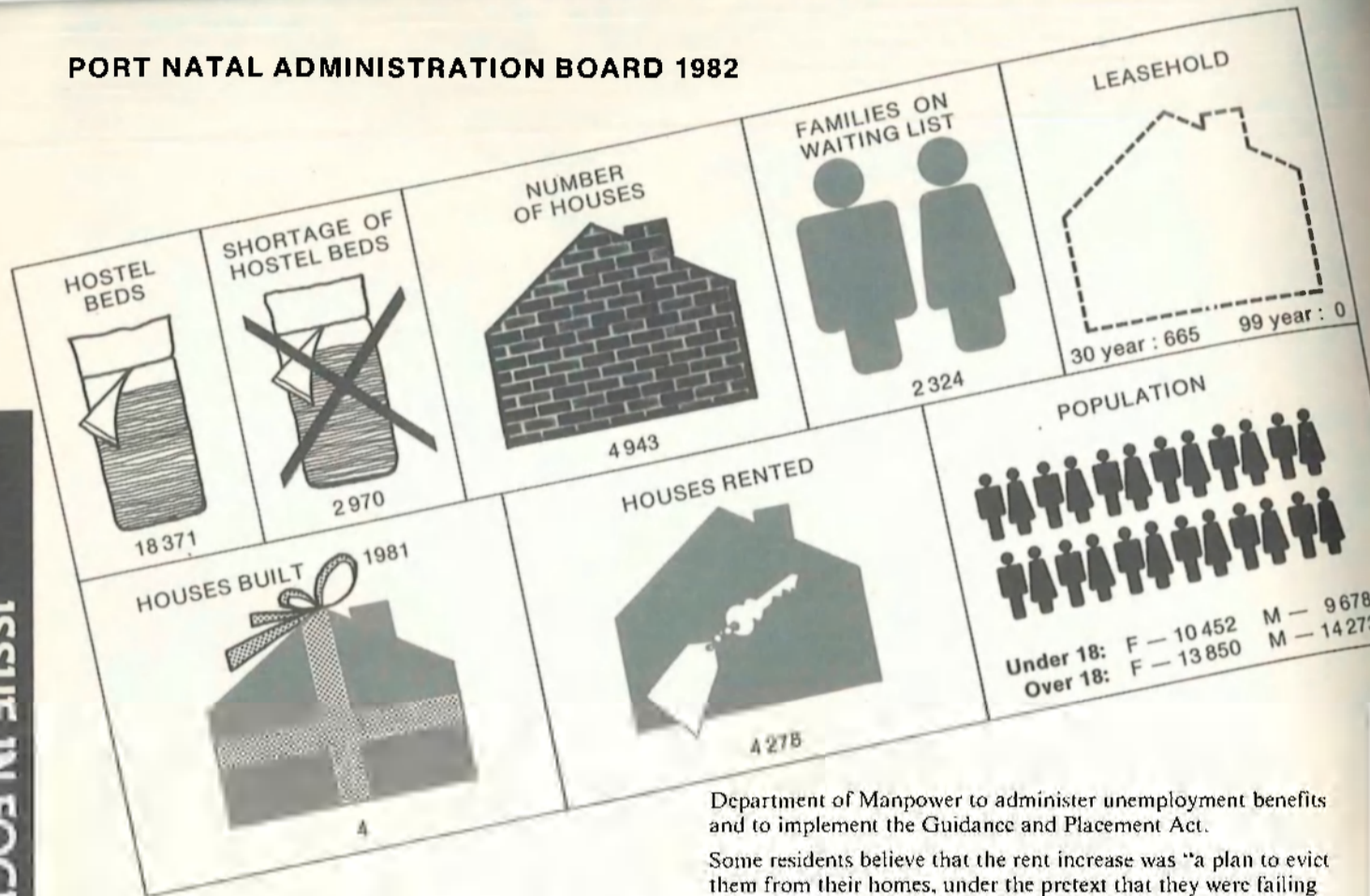
Colonel Dreyer, the chairman of the PNAB, said that "the increases were not arbitrarily imposed: they had been the outcome of months of deliberation with community councillors who, although they could not support the increases, acknowledged that the board had to contend with accounts rendered by suppliers".²

As part of its campaign JORAC drew up a petition and in Lamontville alone, over 2 000 signatures were obtained from township and hostel residents who opposed the increases. A memorandum was sent to the PNAB and Dr Koornhof, stating the difficulties the residents faced:

- many large employers of black labour had not been able to grant wage increases this year
- high unemployment because of the recession
- considerable financial hardship resulting from bus fare increases and the increase in the price of basic commodities (eg bread, milk and maize)
- dissatisfaction with the lack of maintenance of houses, streets and sidewalks, and the serious shortage of community facilities.

There were no replies to these pleas. It was only after violence broke out following the assassination of Mr Dube, then a

PORT NATAL ADMINISTRATION BOARD 1982



prominent member of JORAC, that the authorities gave the community representatives a hearing, and then only after an urgent plea was made by Sybil Hotz, the Mayor of Durban.

Dr Koornhof agreed to postpone the increases until August, but JORAC made it clear that the people would be in no better position to afford the increases — their financial position could be worse.

According to the PNAB the new tariffs are reasonable: "Available statistics up to 31 March 1982 disclosed that the average income of families in the Durban area during 1982 amounted to R275 per month. . . the average monthly tariff after three years will be R50,90. This means that the average family will spend about 18.51 percent of their 1982 income on housing which is still well below the internationally accepted standard of 25 percent."³

Recent research⁴ has indicated that the Household Subsistence Level (HSL) for a household of six members in the African urban areas of Durban in September 1982 was R245,88. The HSL has been strongly criticised as a measure of an adequate standard of living⁵ and the Household Effective Level (HEL) has been argued for as the minimal standard of living. The HEL in September 1982 was R368,82.

Thus, the average family income quoted by the PNAB is 25 percent below this minimum standard. Just as important is the fact that the PNAB's rent will be R38,16 more than that allowed for in the HEL determination. The HEL incorporating the increased rent would be R406,98 (R368,82 + R38,16). The average family income (R275) is therefore 32 percent lower than the HEL. The PNAB has argued that the rent increases are necessary because it has incurred a R7 million deficit on the Community Council's account.

However, the Board as a whole admits to a net surplus of R22 million, of which R17 million is earmarked for statutory reserve funds.⁶ With regard to capital that may be utilized by any Board during any financial year, restrictions are laid down by the Treasury.⁷ It seems, however, that often larger amounts are invested than are required for reserve purposes, with the result that optimum utilisation of funds is not achieved.

The only contribution the Board gets from the State is for services rendered to the Central Government, ie payment by the

Department of Manpower to administer unemployment benefits and to implement the Guidance and Placement Act.

Some residents believe that the rent increase was "a plan to evict them from their homes, under the pretext that they were failing to pay the increase" and others see it as a strategy to move them away from the urban areas and forcing them to relinquish their urban rights (Section 10).⁸

The residents rejected any suggestion of being incorporated into KwaZulu and urged that control of the township be handed back to the Durban City Council. The residents favour the Durban Corporation because "it has ample resources and is directly subsidised by the Central Government".⁹

It has been community action rather than the now defunct community council that won a temporary suspension of rent increases. At the time of writing, there was no clear indication whether the PNAB would push ahead. It is significant, however, that the Board is recognising JORAC, a non-statutory body, as the true community representatives.

The most disturbing factor arising from the events in Lamontville has been the allegations of police brutality in suppressing unrest. About 50 affidavits have been collected on these allegations, and have been sent to the police for investigation.

The issues have by now become politicised. A youth organisation, Malayo, has become very active and has mobilised resistance to rent increases with the slogan "Asinamali" (we have no money). Many adult residents respect or fear the determination of the youth. The youth have support from community organisations in other townships in Natal and Transvaal. Slogans warning of the consequences of rent increases festoon bus shelters and the house of the Mayor.

JORAC, the youth, the community, Inkatha, trade unions and some local MP's have all called for a moratorium on rent increases until the economy recovers. The consequences of not consulting with the community in depth will be far more costly than the money involved.

FOOTNOTES

- 1 UKUSA Vol 2 No 40 June/July 1983 (Translation)
- 2 Mercury 8 April 1983
- 3 PNAB document sent to all township and hostel residents October 1982 Ref 3/15/1/p
- 4 Potgieter, J F The Household Subsistence Level in the Major Urban Centres of the Republic of South Africa September 1982, Fact Paper No 46 Institute for Planning Research, University of Port Elizabeth
- 5 See McGrath M "Is There an Appropriate South African Consumer Price Index?" Indicator SA, Sample Issue January 1983 p 28
- 6 Daily News 29 April 1983
- 7 Report of the Select Committee on Public Accounts 1981 p 93 para 252
- 8 UKUSA op cit
- 9 Citizen 12 July 1983

Administration Boards still rule

Since the urban unrest of 1976 major focus has fallen on the position and aspirations of urban Africans. The Government has, with the introduction of the Black Local Authorities Act and in various policy statements, affirmed that it plans to restructure the powers of African local government. In this article, however, MARISA FICK reviews research which shows that urban Africans have made their rejection of this political objective increasingly clear.

There were some 230 community councils in South Africa (SA) at the beginning of 1982. Recent research¹ into black local government in SA has shown that the councils lack legitimacy because they have no effective power. At the time of its promulgation, the Community Council Act was heralded by the State as a significant step forward in resolving the crisis in urban African policy — that of meaningful representation.

While "representation" signifies democratically elected councils, it also means responsibility for township administration costs with specific emphasis on housing and essential services.

Community councils have been rejected as a set of "puppet bodies" lacking any clout (political, financial or otherwise),

servicing only to aggravate already tense situations in urban areas and to focus anger at a local level, ie away from the central powers (see below). The low election polls are indicative of this rejection. Clearly the system is not working as intended, and in 1982 it all but collapsed.

At the end of July 1982, the Department of Co-operation and Development (CAD) announced that community council elections, scheduled for September, had been postponed until November 1983, at the request of 1158 councillors.²

Why has the community council system foundered?

POWERS OF THE MINISTER

The Minister of CAD has absolute control over every aspect of their functioning:

- he may dissolve them at any time
- he delegates these powers to low level administration board officials
- he may overrule any decision of a community council, for example:

□ in Soweto the council was overruled in September 1982, on the issue of a survey of plots³

□ in Igagong and Orkney, community council chairmen were fired for refusing to sanction rent increases of 105 percent.⁴

Many councillors concluded that "they (the administration board) want to use us as a rubber stamp, which we cannot agree with".⁵

COMMUNITY COUNCILS & THE ADMINISTRATION BOARDS

Despite the hopeful words of Steve Kgane, President of the Urban Councils Association of SA, that "the administration board officials must take a back seat while you (the councillors) drive the car",⁶ it has become evident that "the real power in the town hall lies with the officers. It always has and it always will".⁷

Administration boards⁸ are statutory bodies created in the early 1970's, in an attempt to streamline and centralise township management and influx control. They have, however, failed to achieve the desired goal: "By the mid-seventies there was effectively an urban crisis in the townships. . . The harvest



of BAAB total control — and total neglect — was reaped in the destruction of its facilities and its ability to rule effectively in the subsequent period".⁹ It was in the wake of this crisis that the community councils were introduced.

Although community councils constitute merely one cog of a weighty machine,¹⁰ they are important in terms of the board's overall functioning: as an official pointed out, "I must warn you that local government being the level of government in closest contact with the people, is in the most exposed position . . . you are right in the middle of the field of play and you must expect some rough handling and constant criticism. . ."¹¹

The councils, replacing the board in the forward line, found themselves the focus of community anger. If it was thought

by raising rents, a move which proved to be extremely unpopular (see case-study on Lamontville). The period saw countrywide mobilisation against rent hikes. In a few instances, such as those of Igagong and Orkney already mentioned, the councils opposed the increases, the only form of credibility left being to react in opposition to pressure from the boards. In others the councils were quiet on the issue, not knowing how to wriggle out of their cleft stick. The prime example being Soweto, where by September '82 the council was facing a five million rand deficit, increasing monthly by a million rands.¹⁶ Some councils even attempted to implement the increases, precipitating open revolt.

Financial impotence and inability to act in the interests of the community are two major causes of the councils' extremely low



that they would *divert* attention from the much maligned boards, it soon became evident that they were serving to *focus* it.

FINANCIAL CONSTRAINTS

Administration boards' sources of revenue are basically twofold. For *capital expenditure* (such as housing projects) they rely on allocations from CAD's annual budget. Although the CAD budget in 1982, for example, was ten percent higher than the previous year, inflation was running at 13.5 percent.¹² This effectively meant a cutback in capital expenditure.

In regard to *running and maintenance* costs they are expected to be self-sufficient. Revenue is derived from employer levies, rents, beer and liquor sales, taxes and fines. For years, however, boards have run at huge deficits and allegations of mismanagement and misallocation of funds have abounded.¹³

The cost of staffing the boards represents the biggest proportion of expenditure,¹⁴ a situation causing friction. "They employ inexperienced white chaps and the salaries they give is [sic] fantastic. . . I want to leave my job and go and work there, and earn more money."¹⁵ Due to a minimal rate base, ie no commerce, industry and private property ownership, the boards have inherently been unable to make ends meet.

The urgency of providing shelter and services to assuage urban militancy with a totally inadequate form of revenue, is the essence of the contradiction in the State's policy towards urban Africans. This critical financial position means there is little enough revenue to provide essentials, let alone non-essentials such as township beautification.

The invidious position of community councils has been forcefully driven home in the past two years. If they were to win any credibility, they had to promote some form of "community development", and the only way to finance it was

Residents of Sobantu Village protest against the increase of rents, a move which proved to be extremely unpopular countrywide

level of legitimacy. The councils have been seen as fundamentally undemocratic and have widely been rejected as such. Thoroughly dissatisfied with their ineptitude, numerous "anti-community council" civic bodies have initiated moves to form a national organisation, in order to present a "united front to authorities on issues like rent and other township grievances".¹⁷

It is clear that the councils are facing intensified resistance. As their credibility diminishes, they are finding that the authorities are their only source of support. The new Black Local Authorities Act holds out some hope for more credible and effective local government. Much depends on the methods and adequacy of financial support for these new bodies. If past errors are not corrected, black anger at the local level will continue, and the new authorities will soon lose credibility as well. **IPRA**

FOOTNOTES

- 1 Summary of Research paper Grest J and Hughes H *Putting more growth into the system: The local State in South Africa 1982*
- 2 *Daily News* 31 July 1982
- 3 *Rand Daily Mail* 1 August 1980
- 4 *Star* 14 September 1982
- 5 Cape Town Community Councillor, quoted in Cornell V *Community Councils - Puppets, Magicians or Flooding Local Authorities?* p 25
- 6 Quoted in Bluch R *All Little Sisters Got to Try on Big Sisters Clothes: The Community Council System in South Africa* Paper presented at African Studies Seminar, University of Witwatersrand 9 April 1982
- 7 Cited in Cochburn C *The Local State* London 1977 p 37
- 8 Then called Bantu Affairs Administration Boards (BAABs)
- 9 *Bluch R Op cit* p 2
- 10 They have nothing to do with the labour bureaux, influx control or business undertakings.
- 11 Administration Board document, quoted in Cornell V *op cit* p 6
- 12 *Rand Daily Mail* 26 March 1982
- 13 *Dispatch* 5 February 1983 and *Daily News* 3 February 1983
- 14 Administration Board document, quoted in Cornell V *op cit*
- 15 Cape Town Community Councillor, quoted in Cornell V *op cit* p 26
- 16 *Sowetan* 13 September 1982
- 17 *Sowetan* 10 November 1982

WHITE VOTER PREFERENCES

Predictable Trends



Lawrence Schlemmer

DATA TRENDLINES

There is a certain pattern and consistency about trends in white voter support for the various parties over the past decade which poses interesting questions. Some equally interesting answers suggest themselves.

The firm Market and Opinion Surveys (Pty) Ltd has conducted strictly comparable polls among white voters since 1969 for *Rapport* and for the Centre for Applied Social Sciences. These polls of voter preference, once adjusted to apply to likely voters in contested constituencies, have always given results close to the outcome of elections.

In this Data Trendline the patterns of support are examined from November 1969 to July 1983 in order to explain some of the underlying dynamics of white politics in South Africa.

The National Party: The English-speaking Role

Figure I shows trends in Afrikaans-speaking, English-speaking and overall support for the National Party (NP), as associated with certain major events in South African politics. A few aspects are quite clear.

The support for the party from English-speakers has tended to fluctuate more than the dominant Afrikaans-speaking support up to the 1982 split and the formation of the Conservative Party (CP). English voter support for the NP would seem to drop away sharply when Nationalist politicians question the loyalty or goodwill towards Afrikaans interests of English voters, as in 1972. However, the fluctuations are not erratic and more generally follow the same pattern as Afrikaans-speaking support. The English-speaking voters are not, as is often thought by some members of the NP, fickle "floating" voters.

English-speaking voters have twice "strengthened" the NP support base during times of flagging Afrikaans support — after the dip in support associated with the "Information Scandal" in 1979, and during the serious crisis of disunity in 1982; the problems associated with Dr Andries Treurnicht.

The Party as Security Blanket

Looking at the broad trends shows that the NP fortunes are more affected by political issues than by economic cycles. The NP gathers its strongest support in times of political insecurity: note, for example, the recovery in popularity during the 1973-75 period of high black strike activity. This factor was certainly not the only one operating, but cannot be discounted.

Of note also is the high point of support for the party during the massive "Soweto" and other township disturbances. Even the massive security clampdown on 18 black organisations in late 1977 did little to draw away English support, which reached its highest point ever in that year. Separate questions on the issue at the time of the polls suggested that somewhat less than ten percent of English-speaking voters drew away (or further away) from the NP during these events.

There may also be an indication in the results that Zimbabwean Independence boosted the fortunes of the NP among insecure white voters, and this is borne out by other research as well.¹

The National Party in Difficulty

The "Information Scandal" and the events leading to the resignation of John Vorster, both from the Premiership and the State Presidency, certainly lowered the overall level of support. As said above, however, the English-speaking supporters rallied soon and stabilised the overall trend, with Zimbabwe probably figuring prominently in their motivations.

The early stages of the planning for the new constitutional proposals did not cause any sagging of the NP's fortunes, but disunity in the party certainly did. The party's profile dropped badly during 1982. If it had not been for increased support among English-speakers, presumably in sympathy with Prime Minister Botha in his struggle with the right-wing, the overall support for the NP would have dropped below 40 percent of the electorate.

The drastic effects of the split in the party ranks appear to have been remarkably short-lived, however, and the party at this stage seems headed back towards its average level of support over the decade.²

Patterns in the Opposition

The pattern in opposition support (Figure II), shows clearly the replacement of the United Party — New Republic Party formation as the major opposition by the Progressive-Reform and Progressive-Federal formations. The PRP/PFP fortunes changed with the entry into the party of "non-traditional" liberals in 1975, with new constitutional proposals in 1977 which took account of ethnic interests, and with the election of Dr F van Zyl Slabbert as leader in 1980.

Its position as major opposition party now seems fairly secure, with the failure of the right-wing parties (which are not united).

but simply combined in the graph) to sustain their 1980-1982 pattern of growth.

The Herstigte Nasionale Party, the National Conservative Party, and more recently the Conservative Party, as the right-wing or ultra-conservative formations, do not actually reflect a growth in ultra-conservatism (See *Indicator SA* Sample Issue and Vol 1 No 1). It is a brand of voter inclination which has always been there, but has been "uncovered" by the growth in more pragmatic consciousness, both in the NP itself and in the opposition on the other side.

See for example how the apparent growth of ultra-conservatism follows the growth of PFP support. As the electorate as a whole and the NP have moved to the "left", so the right-wing has become more visible.

The position of the CP, currently with some 12-13 percent of voter support on its own, is stronger than that support would suggest because of constituency delimitations in rural areas and a concentration of support in the Transvaal.

However, as previous analyses in *Indicator SA* have suggested, it has limited additional growth potential if one considers the pattern of voters attitudes, and it already appears to be in slow decline towards a figure of some 10 to 15 percent of the overall electorate.

The Implications

Patterns in South African electoral support are not particularly fluid. Generally the trends are slow and steady. The factors which cause shifts are generally complex, and the comments above have simply identified some salient factors among others.

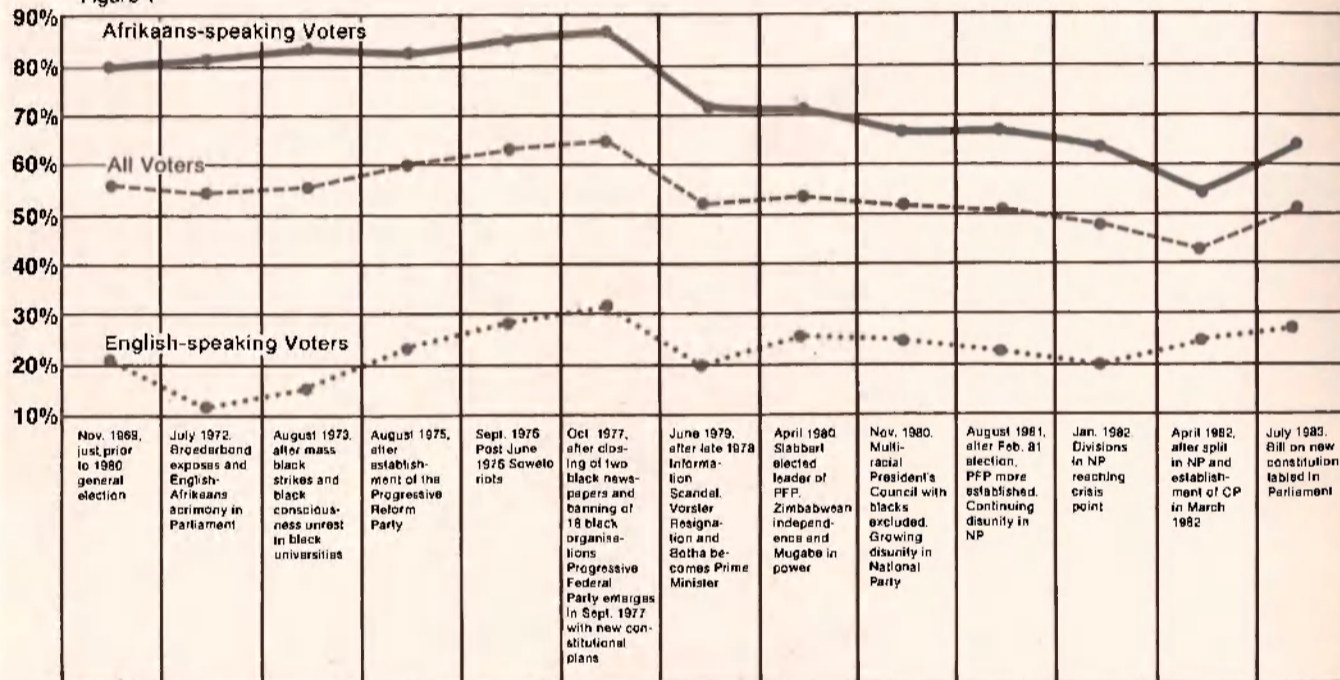
The patterns would at least suggest a hypothesis, however. It would seem that unrest and disruptive pressures, within limits, tend to cause a consolidation of white voter support around the party which is strongest in terms of numbers and image, the NP. Such consolidation is not ideological, but a reaction to political insecurity.

Opposition strength is fostered by internal problems in the dominant party, but not, it would appear, by external political pressures in the environment. If such pressures cause serious material costs for white voters the pattern may change. At this stage, however, the basic patterns established in the past decade-and-a-half seem to be holding. **IPA**

FOOTNOTES

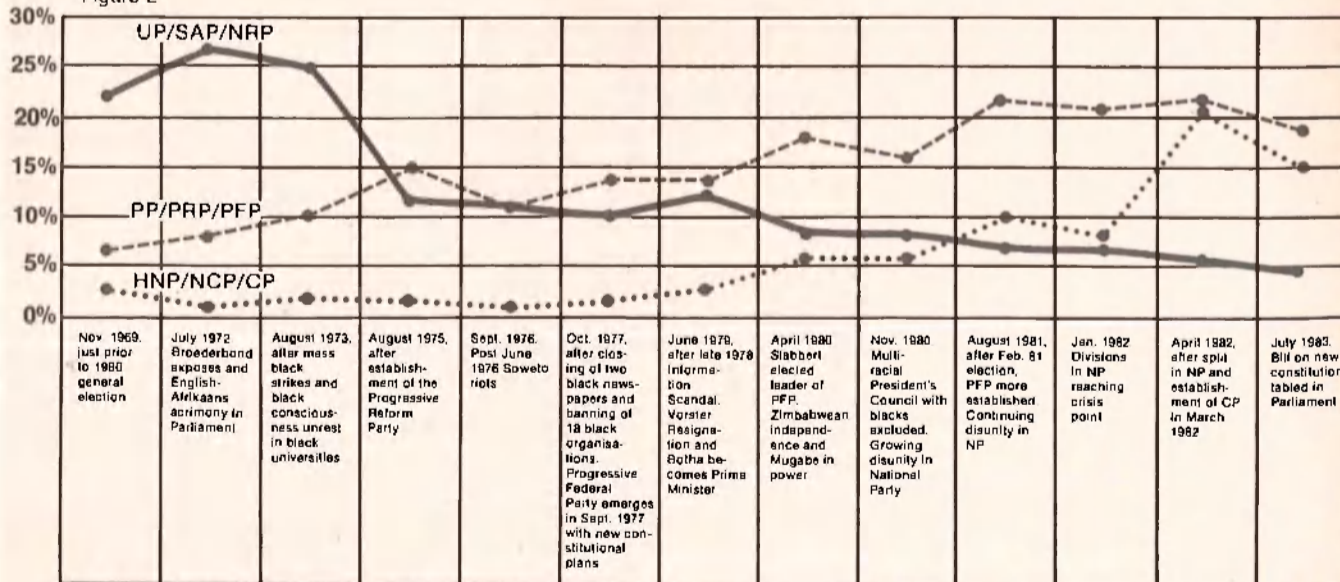
- 1 All that time 71 percent of the people polled saw South Africa's future as one of war, unrest and disruption.
- 2 These trends are supported by two additional polls before July 1983 not reflected in the diagram for reasons of space.

Figure 1



Source: Comparative Polls by Market and Opinion Surveys (Pty) Ltd for Rapport and CASS

Figure 2



Source: Comparative Polls by Market and Opinion Surveys (Pty) Ltd for Rapport and CASS

Right-Wing Ferment among Afrikaners: The Implications

Recent developments in a number of prominent Afrikaner organisations have highlighted the ferment in Afrikanerdom. HARALD PAKENDORF, Editor-in-Chief of *Die Vaderland*, looks at these developments and challenges the assumption that their influence is all-pervasive. He writes that there has never been Afrikaner unity in the way constantly assumed.

Afrikaner unity has been shattered. There has been a shift to the right. This is the general perception of the dispute around the South African Bureau for Racial Affairs' (SABRA) stand on the new constitution and of the subsequent Broederbond reaction, the July congresses of the Federation of Afrikaans Cultural Organisations (FAK) and the Afrikaans Students Union (ASB).

This view is based on the assumption that he who controls the Broederbond and other Afrikaner organisations like the FAK, ASB and SABRA, controls, with the National Party (NP) at the helm, the destiny of the Afrikaner.

But is this assumption still valid? Can these various organisations still be controlled and is their influence still so all-pervasive? For a variety of reasons the answer is no. There has never been Afrikaner unity in the way constantly assumed; it was probably true only at the time of the establishment of the Republic in 1961.

However, because the leadership of the NP, ASB, Broederbond and FAK stood together, it was possible to push through consistent policies. The assumption is that this can still happen and that, as there appears to have been a decisive shift to the right, this may mean a translation into political reality of right-wing views to the right of the current NP policy.

This assumption does not hold. Firstly, the organisations referred to have diminished in influence as the Afrikaner became more urbanised. They have been to the right of the NP for some time. In a sense the establishment of the Conservative Party (CP) is merely a manifestation of this trend in the political field, since those within these cultural bodies already support the CP views. Nor does this mean that the right has been strengthened, because the people concerned were in position before the CP was formed.

What is most significant is that these organisations are not exactly vibrantly alive. Take for example SABRA, whose influence has been waning for some time. In fact SABRA's chairman Carel Boshoff was forced to resign his chairmanship of the Broederbond because of SABRA's stand on the new constitution. Pieter de Lange, who took over as Broederbond chairman, is a well-known verligte, father of the De Lange report on education and a man who, as early as 1978 slammed SABRA for being too conservative.

An organisation geared to influence politics should at least have a sound financial base. For 1981/82 its capital budget ran to R227 000, of which some 25 percent came from the Department of National Education, less than ten percent from its own 3 000 members, and the rest from subsidies and grants from individuals, companies, administration boards and municipalities. These sources, however, have been drying up over the last few years. SABRA launched the H F Verwoerd Fund in 1981 with a target of R1 million, of which they have only been able to raise some three percent thus far.

SABRA as an organisation is thus shaky, and the Broederbond still has sufficient muscle to force its chairman's resignation because he shifted too far to the right.

The FAK, during its July congress, voted in two more conservatives to key positions, but the ASB took an opposite stand. While the FAK congress was fairly neutral in its broadly cultural discussions, that of the ASB, on the other hand, produced some enlightened resolutions.

The ASB, for example, endorsed open universities, each with its own admissions policy. They also asked for an investigation into influx control implementation, and stressed the need for banned persons to have the right to appeal to a court; certainly not the stuff of which CP policy is made. A new body of potential influence as a right-wing front is the Transvaal-based Afrikaner Ouervereniging vir Christelike Opvoeding en Onderwys (Parents Association for Christian Education). It will be closely connected to the Transvaal Onderwysvereniging — an essentially conservative organisation although it is outside the mainstream of politics.

These rumblings in Afrikaner circles are significant, but every rumble is not a thunderclap heralding a storm.

Above all it should be noted that Afrikaner leaders are not prepared to maintain Afrikaner unity at all costs. Not only has this been the theme in several Afrikaans newspaper columns, viz *Vaderland* and *Rapport*, but it is the view too of Dr Gerrit Viljoen, Cabinet Minister and former Broederbond chief. In a newspaper interview, Dr Viljoen said that unity has never really existed in its full sense, and that it dare not be achieved at the cost of principle and survival through co-operation with other people.



Dr. Gerrit Viljoen,
Minister of Education
and former
Broederbond chief

Because the leadership of a number of Afrikaans organisations stood together, it was possible to push through consistent policies

Above all it should be noted that Afrikaner leaders are not prepared to maintain Afrikaner unity at all costs

THE AFRIKANER BROEDERBOND & THE DRAFT CONSTITUTION

If the membership is divided the Broederbond cannot have a significant influence on public policy

The locus of decisive policy influence has shifted to the state apparatus and major private sector organisations

Through overlapping membership between itself, Government and state bureaucracies the Broederbond could exert direct influence on public policy making



Professor C.W.H. Boshoff, who was forced to resign as Chairman of the Broederbond

PERSPECTIVES

It appears too early to predict the precise dimensions of the recent division within the Broederbond and its effect on the new constitution. The general belief that the Broederbond has a substantial influence on Government decision-making is, however, exaggerated.

Here LOUWRENS PRETORIUS, of the Department of Political Sciences at UNISA, looks at the developments in the Broederbond and other Afrikaner organisations. He concludes that their influence on the fate of the constitution will be negligible. The divisions in Afrikanerdom will, in the short term at least, limit rather than expand the possibility of the new constitution becoming an intentional vehicle for the democratisation of South Africa.

Professor C W H Boshoff's resignation from the chairmanship of the Afrikaner Broederbond and his replacement by Prof J P de Lange is one of the most important additions to the growing number of indicators that Afrikanerdom's carefully nurtured unity is in a state of rapid decline. Specifically, the events of the first two weeks of July 1983 signify the possibility of severe disruption in the infrastructure of Afrikanerdom — the complex of interlocking organisations of which the Broederbond is the core and the National Party is the political spearhead.

How will disunity within the Broederbond affect the fate of the Government's draft constitution? This question reflects the general belief that the Broederbond has a substantial, if not decisive, influence on Government decision- and policy making. Any attempt to answer the question must be risky because the internal affairs of the Broederbond and its relationship to policy processes are, by the very nature of the organisation, obscured by a veil of secrecy and conjecture. Recent revelations have thrown some light on the Broederbond and its activities, but reliable information on current trends is virtually impossible to obtain. In fact, since the resignation of Prof Boshoff there has been minimal speculation about the Broederbond in the press — particularly the pro-Government press. This suggests that the organisation has managed to contain leaks while it attempts to find a solution to its internal feuds. Under these circumstances we will have to answer the question with the aid of reasoned argument, based on knowledge of the general dynamics of Afrikaner politics and on whatever other information may be available.

Any attempt to assess the possibility of significant Broederbond influence on the shape of the draft constitution must proceed against the background of the following considerations:

- The Broederbond cannot be considered in isolation. It is the core of the complex of interlocking Afrikaner organisations, and trends within this complex will be reflected within the Broederbond.
- The Broederbond's influence on public policy making — including the current process of

constitution making — is dependent on the internal unity of the organisation. If the membership is divided, the Broederbond — as an organisation — cannot have a significant influence on public policy.

- The Broederbond is not 'the government behind the Government'. At least since the early seventies its role in policy processes has become limited to that of an 'elite consensus builder' and a communication channel between the various sectors and organisations of Afrikanerdom and the Government. The locus of decisive policy influence has shifted from Afrikaner political and para-political organisations to the state apparatus and major private sector organisations. This does not mean that the Broederbond or, for that matter, the National Party, other Afrikaner organisations or (ultimately) the electorate has no significant influence. It does mean that the importance of the Broederbond, as an organisation, is often vastly overrated.

Afrikanerdom has more often been divided than united. A large measure of unity was only achieved after the National Party's election victory of 1948. A primary mechanism in the consolidation of Afrikanerdom was the Broederbond. With the National Party in power it could dispense patronage through the Broeders in key state positions. Through overlapping membership between itself, Government and state bureaucracies it could exert direct influence on public policy making. Its role in this respect was powerfully enhanced by the interlocking system of Afrikaner organisations which it helped to construct and which gave it access to, and often control of, most sectors of Afrikaner life. Because of the interlocks the Broederbond could engineer unity of goals, strategy and tactics over a vast array of public issues and so multiply its influence on public policy.

The source of the Broederbond's power is also its weakness. The positions it takes on public issues and policies are authoritative and persuasive because it reflects the consensus, built through extremely complicated processes, of members in all sectors of Afrikaner society. The members are, moreover, in a position to gauge the attitudes of the mass of Afrikaners. But precisely because it is

so closely tied into the organisations of *die volk*, divisions within Afrikanerdom become divisions within the Broederbond. When such divisions approach the level of fundamental ideological conflict — as perceived by opinion leaders within the organisations — consensus breaks down and the Broederbond can no longer 'guide' its members. Nor can it then use the ultimate persuasive device: that the Government should take heed of Broederbond opinion because it represents the consensus of the Afrikaner elite and hence of the volk. By the same measure it cannot then employ the system of interlocking organisations to supplement and reinforce its more direct modes of acting upon Government.

It is difficult to say what constitutes, objectively significant division within Afrikanerdom and the Broederbond. Dissensus has been brewing at least since the mid-sixties, but it has until recently been effectively contained. One reason for this is that Mr B J Vorster and his Government astutely remained within the boundaries of Afrikaner Nationalist ideology. Another reason is that he and his supporters took early and decisive action to drive unrepentant rightwing dissidents (notably supporters of the Herstigte Nasionale Party) out of the key Afrikaner organisations. Since the mid-seventies the turmoil within Afrikanerdom has nevertheless increased considerably. Internal disagreements gained the kind of focus which could precipitate fundamental ideological conflict — *inter alia* 'reforms' in the area of labour policy and the 1977 constitutional proposals (not to mention promises that apartheid is about to be buried).

Of course such developments and the attendant unbinding of Afrikanerdom cannot be divorced from more general forces acting in and upon Afrikaner and South African society. But these cannot be discussed here and the essential point is, for present purposes, that the process and perceived content of (amongst other things) constitutional change under Mr P W Botha's regime are such that they are widely regarded (not only by right wing Afrikaners) as a reversal of 'traditional' apartheid.

The consequence of this has been a rather rapid increase in the scope and intensity of right wing reaction — manifested in the proliferation of right wing organisations in the period preceding the general election of 1981 and in the Herstigte Nasionale Party increasing its vote from some 34 000 in 1977 to 192 304 in 1981. That the National Party and with it Afrikanerdom could split wide open became a real possibility when the leader of the party in the Transvaal, Dr A P Treurnicht, his Cabinet colleague, Dr F Hartzberg, and 16 Nationalist Members of Parliament rebelled against Mr Botha and eventually founded, in alliance with other right wing groups, the Conservative Party. Since then the extent of opposition to the Government's 'reforms' has been emphasised by the virtual collapse of the party machinery in the Transvaal and the massive loss of electoral support in recent by-elections.

In the meantime divisions between 'reformists' and 'reactionaries' have become more and more visible right across the spectrum of Afrikaner organisations. That the whole complex of Afrikaner organisations may be about to fall apart is indicated by the hiving off of the Conservative Party; feuds within the Dutch Reformed Church; the uneasy and enforced 'resolution' of the Afrikaans press battle; continuous strife within the ranks of 'cultural' organisations, etc. The open

and total opposition of the Suid-Afrikaanse Buro vir Rasseaangeleenthede (SABRA) against the draft constitution and the consequent forced resignation of its chairman, Prof Boshoff, from the chairmanship of the Broederbond, is simply one of the more dramatic manifestations of dissensus in Afrikanerdom.

Under such circumstances it is understandable that the pro-draft constitution press regards the accession of the 'reformist' Prof De Lange as a major victory for the cause of 'reform'. Whether it is a clear cut victory for any faction is debatable. Prof De Lange's position has still to pass the test of elections in the supreme body of the Broederbond, the Bondsraad. Unless a special meeting is called, this body will not meet until sometime during 1984. In the meantime any judgement on the percentage of Broederbond members who are in favour of the draft constitution will amount to little more than speculation.

It has been suggested that some 60 percent of the membership is pro-Government. However, the annual conference of the Federasie van Afrikaanse Kultuurverenigings (FAK) chose to vote two 'reactionaries' rather than two 'reformists' into its executive. The significance of this event, which place took soon after Prof Boshoff resigned from his Broederbond post, is that Boshoff himself was one of the successful candidates and that the FAK is the public front of the Broederbond. Since there is considerable overlap between Broederbond and FAK membership, one could conclude that the opponents of the draft constitution may also be in the ascendance in the Broederbond. Another pointer to considerable opposition to 'reform' is the unenthusiastic reception which the De Lange report on education received from Afrikaner teachers and university based educationalists. The importance of this is that some 20 percent of Broederbonders are teachers, lecturers and the like.

One could also consider the implications of the fact that Prof Boshoff is still a member of the Broederbond executive, that the 1982 meeting of the Bondsraad apparently did not take a position on what was then still the Government's constitutional guidelines, and that there is much talk of the Broederbond being likely to opt for a free debate (rather than a specific decision) on the draft constitution.

There can, at this stage, be no certainty about the precise dimensions of the division within the Broederbond. What is fairly certain is that the organisation is divided to the point of immobility. Add to this the consideration that the Broederbond's importance is in any case exaggerated by many commentators, and the conclusion must be that its influence on the fate of the draft constitution will be negligible. Of course trends within the Broederbond are important in the sense that an accurate headcount would serve the Government in the way that an opinion poll would. And of course individual Broeders or groups of Broeders can do their bit of lobbying and electioneering. But such things do not constitute Broederbond influence. The outcome of the current process of constitution making will be determined by the total configuration of political forces in South Africa rather than by the 'victory' of some faction in a secret organisation. What is important is that Afrikanerdom is divided and that this will, in the short term at least, limit rather than expand the possibility of the draft constitution becoming an *intentional* vehicle for the democratisation of South Africa. **IPA**

Divisions within Afrikanerdom become divisions within the Broederbond — consensus breaks down and it can no longer 'guide' its members

Divisions between 'reformists' and 'reactionaries' have become more and more visible right across the spectrum of Afrikaner organisations

The outcome of the current process of constitution making will be determined by the total configuration of political forces in SA

The Broederbond's influence on the fate of the draft constitution will be negligible: it is divided to the point of immobility



'Reformist' Professor J.P. de Lange, present Chairman of the Broederbond

There is general concern over the increasing militarisation of South African policy-making. South Africa has moved from caution and non-interference to aggression. Indicator SA commissioned Simon Jenkins to give a cost-benefit analysis of this policy. Here HERMANN GILIOME, of the University of Stellenbosch and a regular contributor to Indicator SA, gives an introduction to this analysis.

A small group of powerful men on the State Security Council shape South Africa's relationship with the black states in the region

Military influence permeates political decision-making through this body; it is by far the most important Cabinet committee

It should be a matter of concern that the Financial and Economic Ministries are not represented on the State Security Council

THE MILITARISATION OF GOVERNMENT POLICY IN SOUTH AFRICA

It has become clear that a profound shift in South African (SA) regional policy and the very nature of policy-making has occurred since 1973. From caution and non-interference (apart from the 1975/6 Angolan invasion) SA has moved to aggression. The accent on "hearts and minds" response to the onslaught on SA has been replaced by an emphasis on a forward policy which aims at projecting SA military might far beyond its borders. The consensus style of policy-making by the SA Cabinet has been replaced by one in which a small group of powerful men on the State Security Council (SSC) shape SA's relationship with the black states in the region.

The SSC appears to believe that the successful pursuit of this policy will produce a regional order that gives due recognition to SA's predominant position and makes it impossible for the African National Congress (ANC) to build up its forces.

The Reagan administration has given an unexpected spur to the pursuit of these objectives. In January 1981, Secretary of State Alexander Haig announced that the US would henceforth place priority on the fight against terrorism, rather than on the struggle for human rights. In the same breath he denounced African liberation movements. During the same month the SA army launched a cross-border raid into Mozambique to strike at ANC offices there. In 1982 SA commandos raided the homes of alleged ANC members in Maseru.

The SSC is the body through which the military influence permeates political decision-making. The SSC is comprised of the Prime Minister, the Ministers of Defence, Foreign Affairs, Justice and Police, and the following top officials: the Head of the National Intelligence Service, the Chief of the SA Defence Force, the Secretary for Foreign Affairs, the Secretary for Justice and the Commissioner of Police. On occasion other ministers or officials may be co-opted, but only the above-mentioned Ministers are statutory members.

In an incisive analysis Deon Geldenhuys and Hennie Kotze point out that the SSC is by far the most important Cabinet committee. It is the only Cabinet committee created by law and chaired by the Prime Minister. It concerns itself with a far wider range of issues than any of the other Cabinet committees. Its scope has vastly increased since the Vorster days. Relations with the black states in Southern Africa and negotiations over the Namibian issue are now high up on the SSC agenda. The SSC, unlike other Cabinet committees, is served by an elaborate bureaucratic apparatus. It has a permanent Secretariat headed by General A J van Deventer.

Within the executive branch of the SA Government, the Department of Foreign Affairs and Information and the Financial and Economic Ministries have often played an oppositional role in shaping policy towards the neighbouring black

states. It has sought SA's interest by relying on its economic sway over the region and control over the communication system. It has favoured a Namibian settlement in order to forestall further attempts to isolate SA and curtail trade, investments and loans.

It will be wrong to present the SA military as holding complete opposite views. However, it is the general impression in Western capitals that the SA military now favours direct military action against ANC presences in neighbouring states hostile to SA, while at the same time prolonging the Namibian negotiations through playing the Savimbi card.

It is almost impossible to judge whether any larger strategic objectives lie behind these "get-tough" tactics. Some observers have suggested that the purpose is to reduce not only Botswana, Lesotho and Swaziland but also other neighbouring states to the degree of political impotence of a Transkei or a Venda as a necessary precondition for



The State Security Council is comprised of (from l/r) Minister of Foreign Affairs P Botha, Minister of Defence General M Mofokeng, Minister of Justice and Police H J Coetsee and Prime Minister P W Botha

establishing a Southern African confederation on the subcontinent. There are also persistent reports that SA wants to install Savimbi in power in Angola and replace Machel in Mozambique with someone more tractable.

For the moment this still looks farfetched and the question: "Do they know what they are doing?" must remain unanswered. Here one can only draw attention to the considerable risks attached to undue military influence in policy-making and to an aggressive regional policy. It should be a matter of concern that the Financial and Economic Ministries are not represented in the SSC. Decision-making without giving full weight to financial and diplomatic factors is risky and may, over the long run, become extremely costly.

In an in-depth study of SA military conducted just before he became Assistant Secretary of State, Chester Crocker concluded:² "It is inconceivable that the SA Defence Force could become incrementally overcommitted in neighbouring countries, despite SA's considerable advantages in logistics, communication, mobility, and striking power. Gradual counter-escalation by external communist forces and advisors could place Pretoria in a defensive stance, seeking to limit attrition and unable to come up with political or military allies. This situation, however, is most likely to be caused by SA itself if it succumbs to the temptation to manipulate neighbouring forces in, say, Angola or Zimbabwe. Alternatively, provocative actions by SA might trigger an unexpectedly sharp reaction by the Soviets and their allies or by the West that would needlessly jeopardize SA interest. Senior decision-makers have shown an ample capacity to misread events and intentions in the past, and the greatest lack in SA preparedness may be the capacity for sophisticated threat assessment and political analysis."

In a thorough analysis Andre du Toit has recently referred to the fact that whereas SA is currently engaged in a full-scale debate over the constitution, SA regional policy is shaped by a very narrow circle. Public debate is positively discouraged and the information flow about SA's regional involvement is severely curtailed.³ It is striking that the SSC is exempt from the rule that decisions of all Cabinet committees be circulated as appendices to Cabinet minutes and are subject to confirmation by the full Cabinet.⁴

The stakes in SA's current regional policy are awesomely high. In this respect a pertinent assessment has come from Professor Deon Geldenhuys, referring to attempts to pressurize neighbouring states into particular stances. He concludes: "The target state's government might become even more hostile or intransigent under SA pressure, it might in other words, react irrationally . . . a by no means unknown phenomenon in international politics."⁵

In an article in the Economist of 16 July 1983, Simon Jenkins gave a detailed analysis of what has commonly become known as SA's destabilisation of the subcontinent. Indicator commissioned Simon Jenkins to give a cost-benefit analysis of this policy and the militarisation of SA decision-making. **IPA**

FOOTNOTES

- 1 Geldenhuys D and Kotze H "Aspects of Political Decision-making in South Africa" *Politikon* Vol. 10 no. 1, June 1983 pp 33-45
- 2 Crocker, C "South Africa's defence posture: Coping with Vulnerability" *The Washington Papers* Vol IX, 84 (1981) p 85
- 3 See Andre du Toit's column "Political Perspectives" first published in *Cape Times* 30 July 1983
- 4 Geldenhuys and Kotze *op cit* pp 41-42
- 5 Cited by Laurence P "How South Africa can get tough" *Irish Daily Mail* 9 June 1983

South Africa in SOUTHERN AFRICA does it know where it is going?

Futurology is a dangerous game. In South African (SA) politics it is almost always disastrous. The field is littered with the wreckage of predictions of imminent collapse made twenty years ago or ten years ago or even five. Apocalyptic scenarios make good journalistic copy but they are rarely fulfilled.

Most such forecasts assume that where "things are grim" something must happen soon to change them: the grimmer they are, the more imminent and the more revolutionary must be the change. Yet change in SA has become a near unusable word. To supporters of the Nationalist Government it is little more than a cosmetic. To their opponents it is invested with a mighty panoply of wishful thinking. Rarely do cataclysmic political changes occur, and seldom when most expected. Conservatism forewarned is forearmed.

So what are we to make of the most significant change to have taken place in SA in the past five years: not the regularly shifting coalition of Afrikanerdom (always "on the brink" of collapse yet never quite), but the increased militarisation of government policy and administration?

Mindful of the above, we must predict that even this change will not lead anywhere very fast. It is a development which has taken place over a number of years, though more quickly in the past three. I cannot see in it the making of either a revolution or a coup — "constitutional" or otherwise.

Generals Malan, Geldenhuys, van der Westhuizen, Coetzee and others who move mysteriously round the State Security Council (SSC) are unlikely to be acceptable as political leaders of Afrikanerdom.

Nor, it should be said, have they any need of coup. It is hard to think of a constitutional regime outside the communist block in which the armed forces have more control over key decisions (without it showing) than SA. And in no field of policy is this more noticeable than defence and foreign affairs.

The most public manifestations of this control have been the stagnation of talks on Namibia/Angola and the aggressive acts of regional destabilisation (or whatever Pretoria would prefer them to be called) of the past two years. These acts include the Matola, Maseru and Maputo raids, the support given to Unita in Angola, the Mozambique National Resistance in Mozambique and, more modestly, exiled elements of the Zimbabwe Peoples' Revolutionary Army and the Lesotho Liberation Army. They also include such acts of economic sabotage as the withdrawal of the Zimbabwean locomotives, the cutting of fuel supplies and the attacks on Angola's industrial infrastructure.

Destabilisation gives rise to a variety of emotions in Pretoria, varying from denial to embarrassment to outspoken self-justification and even some pride. Most of those involved with, or close to,

**SIMON
JENKINS,
Political Editor
of The
Economist**

Change in SA has become a near unusable word; the field is littered with the wreckage of predictions of imminent collapse

Increased militarisation of government policy and administration is the most significant change in SA in the past five years

Military control has publicly manifested itself in the stagnation of talks on Namibia/Angola and the aggressive acts of regional destabilisation

PERSPECTIVES

Unita soldiers - will they turn to Pretoria for support if they come to power?



AP/WIDEWORLD

Some see unsophisticated soldiers dominating the State Security Council, others see them as careful strategists adhering to a deliberate exercise in regional deterrence

The first view predicts armed forces high on power, with SA moving towards the Latin American style of politics

The second view is hardly more stable: it eventually requires self-abnegation by the armed forces, something which has never willingly occurred

It is hard to see a new and peaceful dispensation emerging from a strategy of destabilisation

military policy-formation acknowledge SA's orchestration of the "events" of the past two years; they argue chiefly over analysis and terminology.

In a series of conversations in SA earlier this year I found this analysis leading in two very distinct directions. The first had the SSC dominated by unsophisticated hawks, soldiers whose experience was limited to the battle-field and the barracks. They were presented as classic exemplars of military oligarchy: lively, direct, decisive, pragmatic and immensely well-meaning. Fed up with the Department of Foreign Affairs and Information's policies of the gentle carrot, they advocate the hard stick. They have turned tough on black Africa and, if tacit recognition is any test of success, they have proved their point. Scarcely a month goes by without some new military adventure leading to a meeting, a negotiation, a form of acknowledgement from the front-line states.

Yet on this same analysis, these soldiers have no clue where they are going. They are school bullies showing off their muscles. Using the African National Congress (ANC) or the South West African Peoples' Organisation as a pretext, they will thrash about with their commandos, client dissidents, mercenaries and sabotage squads whenever they feel like it (or domestic politics demands it). The black man is on the end of a rope and dancing, and that is good enough for them.

The second analysis is more subtle. It has these same men thinking very carefully about their strategy. Supported by a sophisticated (military) secretariat, they have position papers on every option under the sun. The past two years have been a deliberate exercise in regional deterrence. Each of SA's new weapons has been brought out and put on display: political destabilisation in Angola, control over fuel supplies in Zimbabwe, military supremacy in Mozambique. They need to be used only once to achieve their effect (or maybe twice!). They are surgical tools in the new realpolitik diplomacy.

As a result, the front-line states have had not only to calm their rhetoric but also to think more realistically about their future subcontinental relations. They have had to treat with SA, negotiate over the ANC, acknowledge SA's superpower status. Gradually, so it is argued, Pretoria will be able to build a second and third and even fourth defensive frontier: the Republic, then the "homelands", then Botswana, Lesotho and Venda and finally the front-line states. Each has to gear its actions and its language to its degree of dependence on SA. Each has varying lengths of rope, but the length is measured from south of the Limpopo.

No prediction of the course of politics in Southern Africa can be made without knowing which of these two analyses is correct. As with all such questions, the answer probably lies somewhere

between the two, but neither seems a fruitful source of long-term stability in the region.

The danger in the first is clear. It is of a SA sowing anarchy throughout Southern Africa. Its sheer military and economic strength means that, willingly or unwillingly, it finds itself with client regimes in power in one state after another. These regimes — Unita in Luanda, MNR in Maputo — must turn to Pretoria for support and that support will become ever more costly as each regime produces its own dissident antibodies.

This is a prediction of the armed forces high on power. Their diffusion throughout SA Government will stray into politics, into academic life, into industry and commerce. SA will move steadily towards the Latin American style of politics: a political culture of coup and counter-coup, of corruption at home and adventurism abroad. It may for a time be sustainable, as is Russia's hegemony over Eastern Europe. But it would require similar disciplines and a high cost in freedom and prosperity foregone.

The difficulty in accepting the second and more sophisticated analysis is that it is scarcely more stable than the first. It posits a new equilibrium: of SA still confronting black Africa but with new deterrents on show. For a time this assertiveness may pay dividends — as it is already doing. But the maxim, "destabilise, the better to stabilise," is not easy to swallow.

In the first place, it requires self-abnegation by the armed forces. Soldiers are not body-building consultants, brought in to toughen up Pretoria's regional physique and then retire to barracks. In this crucial area of policy they have hijacked the whole show. In every country in which such men have been given a taste of the power and the glory, they have never willingly returned to the quiet life. Throughout history the armed forces have entered government to supply qualities of discipline and decisiveness which a rotten political culture has come to lack. Throughout history they have eventually been found wanting, not just in the cruder arts of politics and administration but in the fundamental basis of stable rule, public accountability. Soldiers enjoy consent for war, not government.

Besides, the gamble of destabilisation is awesome. What if Russia changed its mind and decided to support heavily one or more of the already embattled front-line states? What if the West did the same? What if the price of gold plummeted? What if military infiltration began to effect SA's cautious management of its economy, directing it more towards high spending and high inflation (as is the wont of armed forces the world over)?

There may indeed be circumstances in which the new SA realpolitik could be regionally benign. Any power, military, economic, political, can be dispensed for good as well as evil. It would require of both sides the patience of Job, reciprocal security deals, joint policing of dissidents, trade agreements, exchanges and "non pre-emptive aggression" pacts.

Optimists can still hope that a new and peaceful dispensation might arise in Southern Africa. Yet it is hard to see such a dispensation emerging from a strategy of destabilisation. Whether or not the new masters of Pretoria's foreign policy are hawks or doves, tacticians or strategists, destabilisers or "restabilisers", they are currently engaged on a course of great danger. The wise futurologist merely asks the simple question: do they really know what they are doing?

New BLACK OPPOSITION

The Prospects

A number of new alliances have been formed in opposition to the Government's constitutional proposals. Indicator's SPECIAL CORRESPONDENT takes a critical look at these recent developments in black politics. Although the view expressed is controversial it should nevertheless be taken seriously.

The Government's plans to impose a new constitution on South Africa have provoked the formation of a number of new opposition alliances among blacks, among them the United Democratic Front (UDF) in the Transvaal and the National Forum Committee. Although both groupings have received considerable favourable publicity from the "Rand Daily Mail", they have so far served more to highlight the divisions in black opposition politics than to promote unity. Not only have prominent personalities in each grouping publicly attacked the other, but both have kept their distance from the South African Black Alliance (SABA), the first attempt to unify opposition to constitutional developments. (SABA was founded in 1978 after the Reform Party had approached Chief Gatsha Buthelezi with a view to opposing the exclusion of Africans from the President's Council.)

The UDF — which has counterparts in other provinces — was launched in Johannesburg in May 1983 by about 150 delegates from 30 organisations, among them civic associations, trade unions, religious and educational groups, and notably the Transvaal Indian Congress (TIC), which had itself been revived a few weeks before. One of the inspirations behind the formation of the UDF was Dr Alan Boesak, Assessor of the NG Sendingkerk and President of the World Alliance of Reformed Churches. Addressing a congress of the Transvaal Anti-SAIC (South African Indian Council) Committee in January, Dr Boesak had called for a united front to implement "the politics of refusal" to co-operate with the Government's constitutional plans — "the only dignified response black people can give in this situation". Dr Boesak's call, and the fact that various "anti-SAIC" groups had succeeded in bringing about a large-scale boycott of elections to the Government-sponsored South African Indian Council in November 1981, established the UDF firmly in the boycott tradition.

Newspapers have also tended to identify the UDF with the Freedom Charter, which was adopted by the "Congress of the People" at Kliptown, near Johannesburg, in 1955 by members of the Congress Alliance, which included the TIC and the African National Congress (ANC). Though prominent partners in the UDF, such as the TIC, support the Freedom Charter, the UDF itself has never adopted it, deliberately opting for a broader declaration so as to enable organisations that do not support the Charter to join.

The National Forum Committee held its first major gathering at Hammanskraal, north of Pretoria, in June 1983. More than 500 delegates representing more than 100 organisations adopted a draft "Manifesto of the Azanian People" identifying "racial capitalism" as the problem in

South Africa and calling for control by workers of the "means of production, distribution, and exchange" in a "social republic". Again, refusal to serve in any of the political institutions of the "oppressor" was one of the principles adopted by the Forum, whose participants include civic, educational, labour, and religious organisations, with the Azanian People's Organisation (AZAPO) as the driving force. A second conference is due to be held in April 1984.

Both new groupings have attracted press attention in Johannesburg and internationally, most of it favourable — with the "Rand Daily Mail" going as far as to describe the UDF as the largest "broad-based national resistance front" South Africa had seen in two decades, though there had not as yet been any indication of planned resistance as opposed to mere protest or boycotting.

In fact, the launching of the two new alliances brought out a number of important negative characteristics of much current black opposition politics in South Africa. One or two black journalists writing in magazines rather than the mainstream press have recently begun to express concern at what one called "the poverty of leadership" and to criticise the "retrogressive and arid rhetoric which reels the protest movements", but white newspapers that are conventionally regarded as being in touch with black political developments have ignored this concern.

The founding of the UDF and the Forum revealed, in the first place, continuing disunity. Before either organisation had been formally launched, AZAPO made a public attack on the proposal to set up the UDF, describing it as "a conglomerate of ethnically orientated groups which perpetuate ethnicity and tribalism at a time when the oppressed should be rallied into a single organisation which does not have ethnicity in its structure". UDF leaders defended themselves by pointing out that South Africa's laws forced different people to live in different ghettos and that it was easier for them to mobilise politically from their respective areas. They added that "AZAPO claims to be against ethnicity, but they exclude whites".

The public recrimination continued when Miss Zindzi Mandela, daughter of the imprisoned ANC leader, attacked "ideologically lost political bandits" who rejected the Freedom Charter and "diverted the struggle". Her obvious reference to the Forum drew a retort from AZAPO about "hysteria... reminiscent of a fascist backlash". As the main surviving standard-bearer of the "Black Consciousness" movement that was the target of mass bannings in October 1977, AZAPO apparently feels threatened by the revival of black support for the non-racial congress tradition in the



Dr Alan Boesak, President of the World Alliance of Reformed Churches

New black opposition alliances have so far served more to highlight the divisions in black opposition politics than to promote unity

Before either the UDF or the Forum had been formally launched, AZAPO made a public attack on the proposal to set up the UDF

A feature of much urban black politics is that it is reactive rather than creative

PERSPECTIVES



Zindzi Mandela,
daughter of the
imprisoned ANC
leader

Much urban black politics is characterised less by strategic thinking than by high moral tones

Besides displaying remoteness from practical concerns, leaders of some new groupings show remoteness from reality as well

The rise of the black and non-racial trade union movement has in fact passed the urban politicians by

At a local level, one of the main topical issues is the elections due to be held for black local authorities

wake of the perceived success of the external mission of the ANC in prosecuting acts of insurgency in South Africa.

The feuding between the UDF and the Forum has occurred in spite of attempts two years ago by some of the organisations involved to patch up their differences. It is worth pointing out that the revival of the non-racial congress tradition has taken place at the same time as the Government has permitted a larger number of blacks to attend the white universities, resulting to some extent in reconciliation between black and white students. "Black consciousness" thrived in the late 1960s and 1970s when Government-imposed segregation the universities caused severe strain to the liberal, non-racial National Union of South African Students (NUSAS), resulting in the breakaway of black student leaders like Mr Steve Biko to found the exclusivist "Black Consciousness" movement.

The second feature of much urban black politics underlined by the founding of the UDF and the Forum is that it is reactive rather than creative. The Government rather than the black opposition has the initiative, the anti-SAIC groups, the UDF, and the Forum all being reactions to moves by the Government. So also, an "Anti-Community Council" group has recently been formed in Soweto.

When Mr Robert Mugabe swept to power in Zimbabwe in March 1980 there was much talk in black political circles that there was now "no time for pussy-footing" any longer. But since then there has been little sign of political creativity among self-styled radical groups on the Reef.

Thirdly, much urban black politics is characterised less by strategic thinking than by high moral tones, typified by Dr Boesak's remark at the anti-SAIC congress in January that "one ought not to play around with evil. Working within the system, for whatever reason, contaminates you." So also, Dr Boesak's "politics of refusal" is concerned more with a "dignified" response by blacks than with political effectiveness.

Nor are these characteristics the only weaknesses of some current black political developments. Despite its proclaimed intention of focussing on "the plight of the black worker", AZAPO in fact appears somewhat remote from the black man in the street. Its demand for a mass boycott of a major football event at Ellis Park Stadium in Johannesburg in July 1983 was ignored by a crowd that packed the stadium to capacity, not the first occasion on which it miscalculated its influence. Much the same kind of remoteness was evident in many of the speeches at the Forum's conference in June 1983, which concentrated on academic analysis likely to be obscure to the very "black working class" which was supposedly to retain "the leadership of the struggle".

If leaders of some of the new groupings display remoteness from practical concerns, the starting-point of their analysis suggests remoteness from reality as well. Both in the UDF and the Forum there appears to be a widespread assumption that the South African Government is facing a serious political and economic crisis. One of the main speakers at the Forum conference thus spoke of the "impending actions of the mass of black people" and the fundamental weakness of a "regime" which had lost the historical initiative to the "liberation movement".

In fact, if the Government is facing a political crisis, that crisis arises from the resurgence of right-wing Afrikanerdom (of which the

Conservative Party is but one manifestation) and not from black opposition forces. And if any initiative has been lost, it is on the part of the black middle class and intelligentsia which dominates the new groupings in the Transvaal. Black workers are seen as the key to black political power, but the rise of the black and non-racial trade union movement has in fact passed the urban politicians by. The major non-racial trade union grouping, FOSATU, has no links with either the UDF or the Forum. The other major grouping, the Council of Unions of South Africa (CUSA), is represented on both organisations. However, unions affiliated to CUSA, like unions in the FOSATU fold and other major and non-racial unions, are jealous of their political independence and would resist any attempts by other organisations to gain control of them.

At a local level, one of the main topical issues is the elections due to be held for Black Local Authorities in Soweto and other townships in the PVW area, possibly before the end of the year. CUSA is among the organisations that have already called for a boycott, while an "Anti-Community Council" committee was launched in Soweto at the end of May. The "Committee of Ten", which was formed in the wake of the upheavals in Soweto in 1976, initially had broad legitimacy, but since then it has experienced considerable internal tensions and its influence appears to have substantially diminished. The major unknown factor in any Soweto election would be Inkatha, whose rallies in Soweto continue to draw crowds of up to 10 000.

Initially, Inkatha indicated that its participation in any election would depend on satisfactory arrangements being made by the Government for the financing of Soweto, but the Government has in the meantime unintentionally made its plans for a new constitution a major factor too. Its claims that increased powers for Black Local Authorities are part compensation for the denial to blacks of the Parliamentary Franchise has greatly angered Inkatha, which has demanded that they be repudiated before it will consider participating in any local elections.

Another unknown factor in any election is whether the present Soweto Community Council has succeeded in increasing its legitimacy since it came to office on a six percent poll in 1978. Although its active involvement in the demolition of authorised dwellings has undoubtedly damaged its image, it may reap some benefit to the extent that it is associated in the public mind with improvements made in Soweto, among them electrification, a vigorous programme of school building, and sale of houses on 99-year leases. The Government appears to have been willing for the Council to claim credit for some of this, including a \$160 000 000 loan raised for Soweto by the Government from West German, Swiss, and British banks in 1982. On the other hand, the Government has undermined the credibility of blacks willing to risk constant vilification from black-read newspapers like "The Sowetan" by participating in Community Councils. A national association of councils — The Urban Councils Association of South Africa (UCASA) — formed a few years ago has found that the Department of Co-operation and Development refuses to meet it as a body, insisting on talking to individual councils only. The Association's Chairman, Mr Steve Kgame, has publicly complained of his deep frustration and acknowledged that it is with much justification that "our people are telling us it is a useless exercise".

INDICATOR

South Africa

ECONOMIC MONITOR

Co-ordinator: Jill Nattrass

2
Aims of the Economic Monitor

Diagnosis

3
Regional Development, Industrial Deconcentration
and Inflation *J Nattrass*

7
Economic Outlook *M Holden, T Jones and M McGrath*

Trends

10
Selected Economic Indicators

12
South Africa 1980 *J Nattrass*

Perspectives

13
Is there a Rationale for Stabilization Policy? *B Kantor*

15
Distribution of Personal Wealth in South Africa *M McGrath*

Aims of the Economic Monitor

A major controversy, both in South Africa and abroad, is over the interpretation of change and reform in our society. Very frequently there is more agreement about what South Africa is than about where it is going. This section of the Indicator is devoted to the economic aspects of these very basic questions. It will not deal with particularities but with the inter-relationships between specific issues or with over-arching tendencies. The Economic Monitor is divided into three parts:

DIAGNOSIS – essays describing and evaluating major policy trends and economic developments. Once-yearly, accumulated developments will be analysed in greater depth against a background of the basic characteristics of the South African society and economy.

TRENDS – will present quantitative indices illustrating recent economic trends.

PERSPECTIVES – are contrasting viewpoints on change or on major problems which reflect sincerely-held and reasoned contributions to the ongoing debate on change or reform in South Africa.

The goal of all three sections is to provide a basis for identifying the most critical issues and priorities for policy or action in the economic field. If South Africa is to avoid the dismal consequences of its underlying conflicts that are so often predicted, greater clarity of action and policy are needed. It is at the encouragement of this that these assessments are aimed.

REGIONAL DEVELOPMENT, INDUSTRIAL DECONCENTRATION AND INFLATION



JILL NATTRASS,
Head of the
Development
Studies Unit at the
University of Natal

Inflation is usually defined as being a period of sustained increase in the general price level. In terms of this definition, it would appear that inflation is predominantly an economic phenomenon. However, this is not in fact the case and one finds that it is frequently political policies or institutional constraints that affect prices through the impact that they have on the economic factors underlying them.

The policy of regional development seeks to relocate the sources of productive activity physically. Consequently if it affects the inflation rate, it will do so through directly influencing the supply of goods and services.

THE NEED FOR POLICIES OF REGIONAL DEVELOPMENT AND DECONCENTRATION

Historical patterns of development in South Africa have created a situation in which the productive capacity of the economy is highly spatially concentrated but largely

The widening gap between living standards of urban and rural Africans draw a flow of people to the towns

Because of their impact on underlying economic factors, political policies or institutional constraints frequently affect prices

DIAGNOSIS

The productive capacity of the economy is highly spacially concentrated but largely divorced from the population concentrations

divorced from the concentrations of population. Table 1 shows this.

This dislocation has been reinforced by the measures controlling the movements of the African population, and has led to the co-existence of extreme levels of wealth and poverty, which have a significant racial overlap. Table 2 shows this.

The differences in racial incomes give rise to a number of concerns which, when coupled with the Government's continuing commitment to the policy of separate development, largely explain the recent impetus given to regional development and the decentralisation or deconcentration of industry.

Table 1 • **The Spatial Distribution of Population and Economic Activity** •

Region	PERCENTAGE OF TOTAL IN THE REGION				
	Population	Gross Domestic Product		Manufacturing Output	
		1980 ¹	1970	1975	1970
Johannesburg	6.2	19.3	16.0	17.4	15.6
Johannesburg, the Rand and Pretoria	16.3	40.1	39.3	44.4	45.9
Metropolitan Areas	28.0	65.5	63.4	75.6	73.1

¹ Excluding Transkei, Bophuthatswana and Venda

Source: Report 09-14-04 Gross Geographic Product and Factor Income by Magisterial District Department of Statistics, Pretoria, 1981 Report 02-80-02 Population Census 1980 Sample Tabulations Social Characteristics Central Statistical Services, Pretoria, 1982

Racial income differentials are inevitably a source for both continued domestic social unrest and foreign pressure for reform

Firstly, the persistence of the racial income differential. Although estimates suggest that the share of the black (or non white) groups in personal income increased from 26 percent of the total in 1970 to 32 percent in 1975, and again to 40 percent in 1980¹, on average South African whites still receive in per capita terms, nearly four times the income received by Indians, five times that by 'coloureds' and urban Africans and twenty times the income of rural Africans. Racial income differentials of such magnitude are inevitably a source for both continued domestic social unrest and foreign pressure for reform.

In 1980, per capita incomes of urban Africans were on average roughly four times those of rural Africans

Secondly, the apparently widening gap opening up between the living standards of urban and rural Africans and the impact that this has on the flow of people to the towns. In 1980, per capita incomes of urban Africans were on average roughly four times those of rural Africans. Some 62 percent of the African population resident outside Transkei, Bophuthatswana and Venda, lives in the rural areas and, whilst influx control measures act as a deterrent to the unlawful entry to the urban areas, these laws cannot, in the face of income differentials of such magnitude, be expected to stem the tide of rural urban migration indefinitely.²

The Government has chosen a policy including an intensified regional development strategy, based on the decentralisation of industry

These growing concerns and the increased pressures they generate, place a Government committed to a policy of racial separation, on the 'horns of a dilemma'. Ruling out increased force as a solution, the ultimate choice was seen to lie between two alternatives:

- a course of action that allowed or even indeed encouraged an increased flow of Africans to the white cities, with the inevitability of the eventual abandonment of separate development, in favour of the founding of a common society; and
- one aimed at achieving the diversion of sufficient economic resources away from the strong economic centres to the areas of population concentration, in an effort to develop the outlying regions to the point where they can offer their inhabitants a meaningful alternate lifestyle.

The necessary physical infrastructure must be created by Government in regions where such investment is lacking

The latter policy was selected as it was seen as compatible with the policy of separate development and within the confines of existing Government policy. The actual policy package chosen included an intensified regional development strategy, based on the decentralisation of industry.

Regional development was seen as a prerequisite for the alleviation of the poverty prevalent in the rural areas and the decentralisation and deconcentration of industry as the foundation stone upon which such regional development rested. The new incentives offered to industrialists to locate in the various regions were graded in terms of the regions' relative perceived social needs, which were measured in terms of poverty levels, numbers of people living in poverty in the region, the level of unemployment and the potential rate of growth of unemployment. Industrial decentralisation policies are, however, only one arm of the overall policy of regional development, the other being the creation of the necessary physical infrastructure by Government in regions where such investment is lacking.

IS THE POLICY INFLATIONARY?

Whilst it is not possible to come to an overall conclusion regarding the precise impact that the present policies will have on inflation, one can isolate a number of aspects for discussion. Assuming that the financing of the policy is handled in a non inflationary manner, then:

- 1 To the extent that regional development generates additional local production through the use of otherwise unemployed resources, once the short term, self-correcting, inflationary pressure that accompanies all new investment, has worked its way through the economy, the long term impact on the price levels will be neutral or even deflationary.
- 2 Once production actually starts, to the extent that the policy relocates economic activity to the underdeveloped areas of the country, its effect on prices will be determined by the effect that it has on the quantity of goods marketed in relation to the changing demand patterns and by the impact that the policy has on production costs.
 - It will be neutral in relation to the inflation rate if the costs and price per unit of the product at the point of marketing remain unchanged by the relocation;
 - It will be inflationary if the cost and price per unit at the point of marketing is higher than it was at the original location of production;
 - It will be deflationary in its impact if the cost and price per unit at the point of marketing is lower than was the case at the original location of the production site.

One should remember that one is not concerned merely with the direct costs of production but with its total social cost. To compare the impact of establishing a new industrial plant in Johannesburg with that of establishing the same plant in a decentralised area, one must include in the calculation, the costs of the additional infrastructure that will be needed in both areas, the costs of the plant itself and its operation, the costs of transportation both of the product to the market and of the factors of production to the point of production and the costs incurred in raising the taxes used to finance any subsidies and incentives paid.

It is too often assumed that the mere existence of the subsidies and incentives that are offered for decentralisation, necessarily means that the goods that are produced in the decentralised regions, are supplied to the major markets at a higher overall unit cost to society than similar goods produced in closer market proximity. There is, however, no reason why this must inevitably be the case because:

- The costs of supplying additional infrastructure such as water and electricity in a centre such as Johannesburg can easily be considerably higher than the provision of such services in the outlying regions. This is particularly likely to be so in the case of water supplies and the removal of industrial pollution.
- As far as the transport rebates are concerned, one needs to ask what the additional costs incurred by those transporting the goods actually are, as these may be very different from the rates charged. This would be so, for example, in the case in which freight was carried in a truck on a return journey that would otherwise have taken place with the truck empty.
- Wage costs and the costs of housing are usually considerably lower in the outlying areas — as indeed are the costs of transporting such people from their homes to their places of work — simply because, due to the lower levels of urban concentration, employees can live closer to their work than in the cities.
- The infrastructure created in the outlying regions has a life span at least as long as

One is not concerned merely with the direct costs of production but with its total social cost

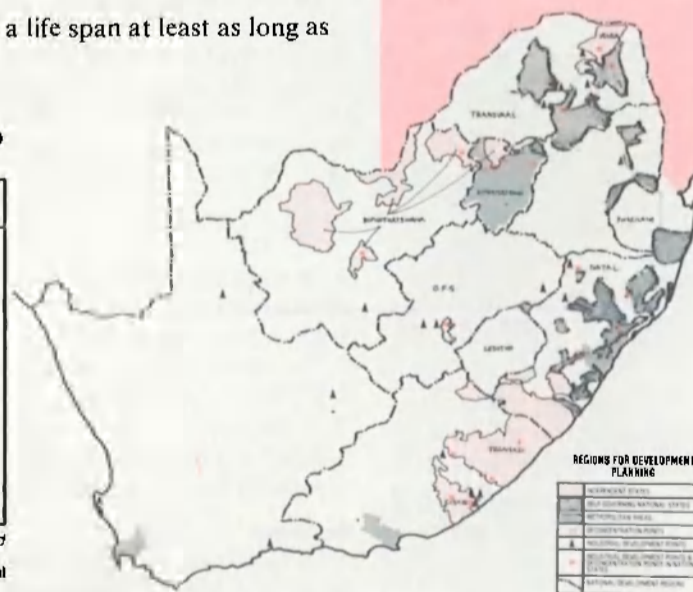
Goods produced in decentralised regions are not inevitably supplied to major markets at a higher overall unit cost to society

Table 2

• Average Incomes of Selected Populations in 1980 •

AVERAGE INCOME PER HEAD ¹	
African	362
Urban African	725
Rural African	182 ²
Asian	1 615
Coloured	709
White	4 026

¹ Estimate based on 1975 estimates in Jill Natrass *The South African Economy: its growth and change* Oxford Press, 1981, updated.
² Whilst this may look very low, it is in line with studies done by the Bureau of Market Research in rural Transkei in 1979 and in rural Ciskei in 1981.



The benefits of supplying social overhead capital to outlying regions far exceed those in central areas

The alternative strategies are to abandon separate development, or to abandon any attempt to upgrade rural life-styles

Under any government strategy a determinedly implemented set of anti-poverty measures will be needed

With the abandonment of separate development, a far greater range of solutions would become available

At present all the choices facing South African policy makers are to some extent inflationary

infrastructure created in the central areas and consequently the cost of its construction should be charged to the users over its life time rather than in the initial period.

- The outlying regions are often so short of social overhead capital, such as schools and hospitals, and of physical infrastructure, such as roads and water supplies, that the benefits of supplying them to the people living there exceeds those in the centre. For example, the provision of additional water supplies to Johannesburg simply improves the overall flow rate of water over time, whereas the provision of an adequate water supply to a town in a black state may represent the people's first access to a non-contaminated water source—and consequently may have substantial spin-offs in the form of lower health care costs and higher levels of productivity.

A much more careful analysis of the situation needs to be made before one can decide whether the decentralisation of industry or its increased concentration is in fact the higher cost solution.

ALTERNATE STRATEGIES AND INFLATION

Since the major aim of the policy of regional development and industrial deconcentration is to offer a reasonable standard of living within the political ideology of separate development, there are two possible alternative strategies:

- to abandon separate development, ie to permit common development in any area—regardless of race;
- or
- to abandon any attempt to upgrade rural lifestyles, ie to opt to maintain the policy of separate development but to abandon the policy of regional development and decentralisation.

Development in a Common Society

The abandonment of separate development would not negate the need for regional development and decentralisation, nor would it eliminate the present inflationary pressures on the economy.

The *raison d'être* for the policy of regional development is the persistence of the high levels of poverty amongst the African group, particularly those living in the under-developed rural areas. This poverty would not disappear with the removal of the policy of separate development. Indeed, under any government strategy, be it socialist or capitalist, a determinedly implemented set of anti-poverty measures will be needed, and clearly regional development and the decentralisation of industry will continue to form an integrated part of any realistic anti-poverty package.


What would change, however, would be the magnitude of the spatial redistribution of the physical capital resources that would be needed. With present Government policy, the spatial distribution of the African population is treated as fixed and attempts are made to redistribute capital to the areas in which the people live. With the abandonment of separate development, a far greater range of solutions would become available, as the population would be able to move to the centres where the economic capacity already exists. With a greater range of solutions to choose from, the chances of finding a lower cost solution to the problem of poverty increase dramatically.

The Alternative of Separation with no Development

With the present rate of growth of rural poverty and the consequent pressures that this places upon Africans living in rural areas to seek work in the white controlled towns, the option of continued separation with no development could only be implemented through the use of a significantly increased degree of force. This would not only be morally unacceptable, but also inevitably highly inflationary, as real productive resources would be diverted from the production of consumer goods to the production of services and military hardware.

CAN SOUTH AFRICA AVOID INFLATION?

At present all the choices facing South African policy makers are to some extent inflationary and the real choice lies not between inflation and growth, as is so often argued, but between:

- inflation caused by development generating investment that ultimately will be self-correcting, once the investment projects start to bear fruit;
- a constantly accelerating inflation rate which is caused by increasing expenditure on military activity and the maintenance of law and order arising from the non-development of South Africa's under-developed regions and population groups. 

FOOTNOTES

¹ Indicator South Africa Vol 1 No 1 Centre for Applied Social Sciences, University of Natal, Durban, 1983

² AS is evidenced by the increased number of pass law offenders in 1981. Survey of Race Relations 1982 South African Institute of Race Relations, Johannesburg, 1983

ECONOMIC OUTLOOK

RETROSPECT

The performance of the South African (SA) economy over the last six months has served partially to confound the relatively optimistic prognostication made by several commentators in the first quarter of 1983. Despite the favourable influences then expected from an improved Balance of Payments; substantially lower interest rates; the appreciation of the Rand and a considerable abatement of wage claims, both of which would tend to moderate upward pressure on prices; and anticipated increased recovery momentum in our major trading partners, the SA economy continued to decelerate, and is still clearly in a downward phase of the business cycle, with real output falling and unemployment rising.

The growth performance of the economy has worsened further. After an overall decline in real Gross Domestic Product (GDP) of one percent was posted in 1982, this magnitude fell at a seasonally adjusted annualised rate of 6,5 percent during the first half of this year. A major contributor was the poor performance of the drought-ravaged agricultural sector where real output fell by 34 percent, the negative effects of falling agricultural output and income being transmitted to other sectors via backward and forward linkages. With the exception of goldmining, most of the major sectors of the economy performed badly, although some levelling out in the manufacturing and construction sectors could be discerned from the second quarter of this year.

On the demand side, while aggregate consumer expenditure remained relatively stable, domestic fixed investment slumped further, falling at an annualised rate of eight percent during the first half of 1983, while substantial inventory disinvestment also took place. One of the major factors militating against any recovery of investment flows was the rapid increase in the real cost of borrowing during the second and third quarters. After interest rates had bottomed out at negative real levels in February, they were to advance across the board so that by August the Standard Bank economists could comment that the real rate stood at approximately eight percent, a rate which they believe to be the highest in recent memory.¹

The Balance of Payments which had shown such remarkable recuperative powers in late 1982, has behaved in a more subdued manner this year. After moving into surplus during the last few months of last year, the Current Account made further progress during 1983, recording an overall unadjusted surplus of R1 239 million between January and June. This came about largely as a result of a further decline in merchandise imports as domestic deflation bit more deeply into expenditure — notably investment expenditure. The quarterly money values of both merchandise exports and net gold output have remained virtually static over the last four quarters, despite the recent volatility of the gold price, and the much-trumpeted, if somewhat fragile, recoveries of the American and Western European economies, which have yet to be translated into a noteworthy increase in the demand for SA products.

The Capital Account which, somewhat uncharacteristically, moved in synchronisation with the Current Account late last year, has once again moved into deficit. Major forces at work here appear to have been some repatriation of capital following the relaxation of foreign exchange control regulations for non-residents and, in the context of short-term capital flows, recently changed expectations regarding the exchange rate. After appreciating by an effective 10,6 percent against a basket of currencies between June 1982 and June 1983, the Rand has recently lost some ground, particularly against the Dollar, thus forcing would-be users of offshore credit to avail themselves of forward cover, leading to an outflow of short term capital.

In sum, the deficit of R1 410 million recorded by the Capital Account in the first half of 1983 more than offset the Current Account surplus, hence net foreign reserves were to fall by some R170 million. While not a substantial magnitude, this does signify the partial frustration of one of the policy areas singled out for particular attention by Mr Horwood in the March budget, namely the accumulation of net reserves sufficient to provide a Balance of Payments cushion for the next upswing.

The area of the authorities' primary policy concern remains inflation. In this regard, the present situation appears both unsatisfactory and somewhat ambiguous, despite a certain moderation of upward pressures on prices as labour market conditions eased, as the Rand appreciated somewhat, and as firms appeared to be absorbing a greater proportion of rising costs in company profits. These mitigating influences

By MERLE HOLDEN, TREVOR JONES and MIKE MCGRATH of the Department of Economics, University of Natal, Durban

This regular review will analyse current trends in the economy and comment on recent economic policy statements.

The SA economy has continued to decelerate, with real output falling and unemployment rising

A major contributor to the bad growth performance of the economy was the performance of the drought-ravaged agricultural sector

Domestic fixed investment slumped further, falling at an annualised rate of eight percent during the first half of 1983

The Capital Account has once again moved into deficit, more than offsetting the Current Account surplus

DIAGNOSIS

The authorities' primary area of concern remains inflation; SA's inflation rate is well over twice as high as that of our major trading partners

There is uncertainty about the short-run trend of interest rates and the timing of the recovery; the prospect of a strong export-led recovery also seems poor

There is certainly no consensus among economists about short-run prospects for the economy

The American recovery may not be prolonged, and gold does not seem set for a large price rise unless the international political climate worsens

notwithstanding, the inflation rate for the year ended in June 1983 remained at 12.4 percent, down from the 14.7 percent recorded for 1982 but still well over twice as high as the rates presently confronting our major trading partners. An interesting feature of cumulative consumer prices from January to June was the poor performance of non-food (up 13.9 percent) compared with food items (up 12.3 percent). Unless the distressed state of the agricultural sector is relieved soon, the potential for an explosive take-off of food prices cannot be discounted.

Apart from the influence of the drought on agricultural prices, the major inflationary influence at work in early 1983 was the excessive growth of the money supply (M2), which increased at a seasonally adjusted annualised rate of 27 percent in the first half of the year. By June 1983 the money supply stood 22 percent higher than in mid-1982, a figure well in excess of the inflation rate, and a figure which the monetary authorities deemed to be excessive.

PROSPECT

Even though the Bureau for Economic Research's index of leading indicators turned upwards during 1982, the state of expectations now seems poised on a knife-edge, showing uncertainty about the short-run trend of interest rates, and about the timing of the recovery. During the first quarter of 1983 confidence had improved noticeably, as is shown by the Barclays Opinion Survey in Table 1. Seventy five percent of respondents held optimistic or reasonably optimistic expectations about business prospects, compared to the 54 percent of respondents who had been optimistic or reasonably optimistic in the last quarter of 1982. The circumstances which created the expectations of an early recovery, have been discussed above. The business mood did not continue to strengthen, and confidence waned slightly as the decline in interest rates was reversed, the Consumer Price Index (CPI) rose slightly, and the effects of the drought became felt.

Table 1

• THE STATE OF EXPECTATIONS •

	IQ1982	IIQ1982	IIIQ1982	IVQ1982	IQ1983	IIQ1983
Optimistic	11	7	23	15	19	14
Reasonably optimistic	57	43	44	39	56	59
Pessimistic	32	50	33	46	25	27

Source: Barclays Business Briefing

The uncertainties about the short-term prospects for the economy are illustrated by the opinions of 25 economists who were surveyed at the Economic Society conference late in September 1983. Although these responses cannot be claimed as representative, they are interesting for the spectrum of different expectations which they reveal. Thirty three percent of the group felt that interest rates would fall in the last quarter of 1983, whereas 17 percent predicted a rise, and the remaining 50 percent predicted no change or believed that prediction was not possible. Almost 40 percent of those surveyed felt the economy would not recover until the fourth quarter of 1984 or later, whereas an equal percentage predicted a recovery before the end of the second quarter of 1984. This wide range of views shows that there is certainly no consensus among economists about short-run prospects.

There was, however, a greater degree of consensus about the expected inflation rate, and the level of the gold price. A majority of 65 percent expected the average gold price in 1984 to be between \$450-500. Average annual inflation rates of either 12 or 13 percent were forecast for 1983 by over 70 percent of respondents, with a small minority predicting inflation rates of over 14 percent. Eighty seven percent of the group forecast a lowering of the inflation rate in 1984, with 75 percent predicting an annual rate of inflation of less than 11 percent, although only 16 percent foresaw single figure inflation rates.

The major factors which will determine the timing and strength of the recovery are the performance of the industrial nations (which will affect the demand for SA exports), the level of the gold price and the severity with which monetary controls are applied locally.

Unfortunately, conditions which generated the 1979 upswing in the economy seem unlikely to be repeated. High real interest rates in America and a low inflation rate have had a depressing effect on the gold price, and there seems little prospect of a large reduction in the real interest rate in America during the next 15 months. In fact, the International Monetary Fund's (IMF) World Economic Outlook sees the prospect of rising US real interest rates caused by the need to finance a growing budgetary deficit, preventing an enduring recovery of the American economy.² Even if the American recovery persists, high real interest rates there will ensure a relatively low growth rate.

The short-term prospects for the gold price would thus seem poorer than predicted by our sample of economists. In the words of the Chairman of Goldfields: "While I am confident that the price of gold will increase in the medium term I do not believe it will run away as it has done in the past unless there is major political upheaval."³

The prospect of a strong export-led recovery also seems poor at present. Even if the SA

inflation rate drops to single figures by 1984, it may still be almost twice as high as the inflation rates of Britain and America, and this will impede the competitiveness of SA's manufacturing exports at the present exchange rate. Weak recoveries have been forecast for the industrialised nations, and the IMF's prediction is that they will be relatively shortlived, since rising real interest rates will smother demand as it starts to expand. World trade is also likely to remain at relatively depressed levels, because of the protectionist tendencies which have proliferated in recent years.

The prospects for the SA economy therefore seem far less favourable than envisaged by the SA Reserve Bank which recently reported that: "The economic recovery in the United States is now clearly under way and should increasingly exert expansionary effects on Europe and Japan. The prospects are that SA will in due course benefit from this via an export-led recovery. Inevitably, the timing and momentum of this expected new swing will depend in no small measure on the behaviour of the gold price."¹

This review has stated that the American recovery may not be strong or prolonged, and that at present gold does not seem set for a large price rise, unless the international political climate worsens. A strong export led recovery in the SA economy does not seem likely, and although 1984 may see some recovery one might question whether it will be sustained. If this scenario is played out the economy will have great difficulty in meeting its growth objectives in the next few years.

PRESCRIPTION

At the present time several changes in economic policy in SA are taking place, which will have important implications for stabilisation and growth.

During the last few months exchange controls have been eased and exchange rate policy has moved towards a free float, with Reserve Bank intervention only to smooth erratic fluctuations in the exchange rate. The mines, the major earner of foreign exchange, are now paid in foreign currency and are able to maintain these funds outside SA for seven days. The Reserve Bank's decision to move out of one-way intervention in the spot market for foreign exchange may help to prevent speculation against the Rand, and contribute to stabilising the exchange rate. Certainly, the decision to allow mines to keep their earnings abroad, albeit for a limited period, reflects the general move towards the freeing of capital markets.

The decision to float the Rand is questionable given the openness of the economy, combined with the lack of diversification in our export markets. The optimal exchange rate policy would rather be to manage the float so that short run changes in the price of gold could be cushioned. It is recognised that this intervention does make it difficult for the authorities to control the money supply, yet the appropriate choice of a monetary target could alleviate this problem. A floating Rand exchange rate will allow greater control of the money supply, and the Reserve Bank has indicated that it will be happy with a reduction in its rate of growth. However, if inflation is to be countered, and room is to be left for growth, a target for the annual growth of the money supply of between 8-14 percent would seem appropriate.

At present several changes in SA economic policy are taking place, which will have important implications for stabilisation and growth

Exchange rate policy has moved towards a free float, with Reserve Bank intervention only to smooth erratic fluctuations in the exchange rate

If inflation is to be countered, an annual growth target of the money supply of between 8-14 percent seems appropriate

● THE CURRENT ECONOMIC SCENE IN SUMMARY ●

Growth rate of Gross Domestic Product 1982	1 percent	Balance of Payments January — June	
first half 1983	6.5 percent	Current Account (Surplus)	R1 239 million
Domestic Fixed Investment first half 1983	8.0 percent	Capital Account (Deficit)	R1 410 million
Interest Rates (in real terms)	8.0 percent	Change in Reserves	R 170 million
		Inflation Rate	12.4 percent

Overall Economic Prospects — Weak

In the area of trade policy the mood of policy makers appears to be shifting from an import substitution strategy towards emphasising the promotion of exports and rationalisation of the system of protection granted to domestic producers. The Steenkamp Committee reporting on the state of protection in the clothing and textile industry, has recommended the replacement of the present system of import controls with tariffs, and the Kleu Report strongly recommends the reduction of protection and the encouragement of exports.

The whole question of trade policy is now being reviewed within government and their main choices will be important to long run growth. Certainly inefficiencies and distortions within the SA economy may have been fostered by high levels of protection, and a policy shift which moves the economy closer to free trade may bring about increased efficiency, but the present recessionary climate is not the right time for these changes. The imposition of a system of uniform effective rates of protection, which would not favour any particular industry, would ensure that distortionary changes in the allocation of resources do not occur between import substituting industries. It goes without saying that any reduction in the level of protection will impose hardship on the affected industries, and to this end the State should provide aid in the adjustment process. These proposed changes in trade policy may be premature, given the depressed state of the world economy and the SA economy, and the present high level of unemployment.

Uniform effective rates of protection ensure that distortionary changes in the allocation of resources do not occur between import substituting industries

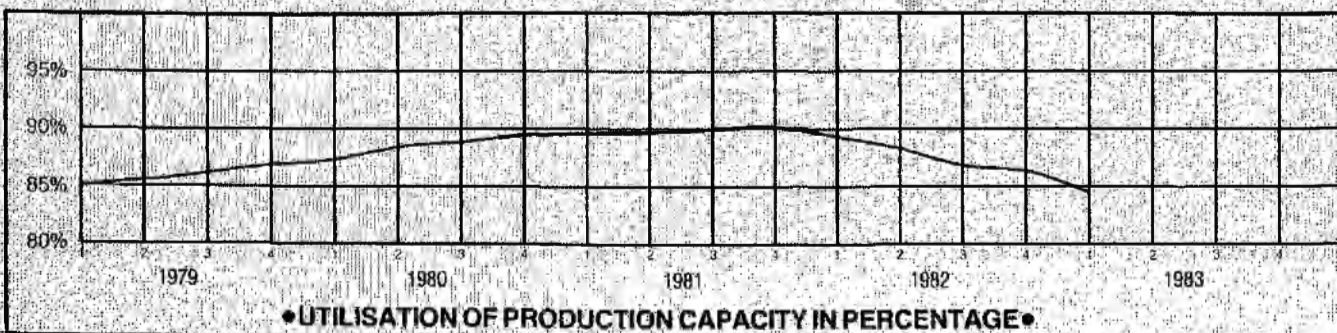
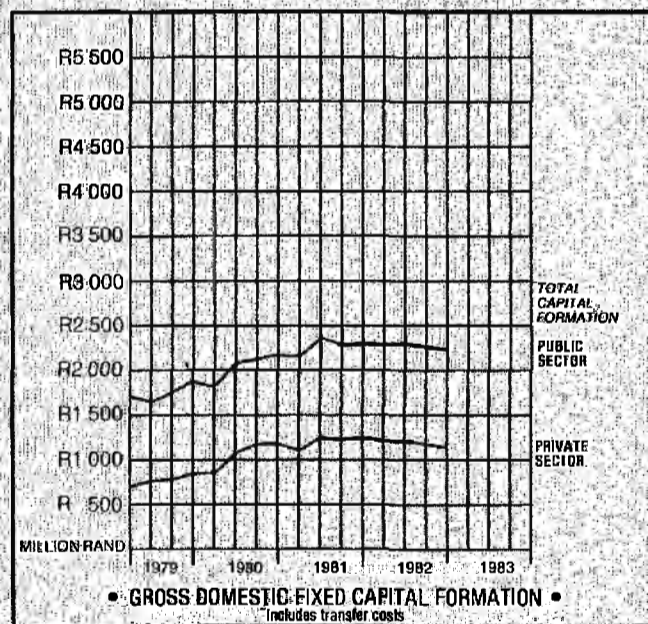
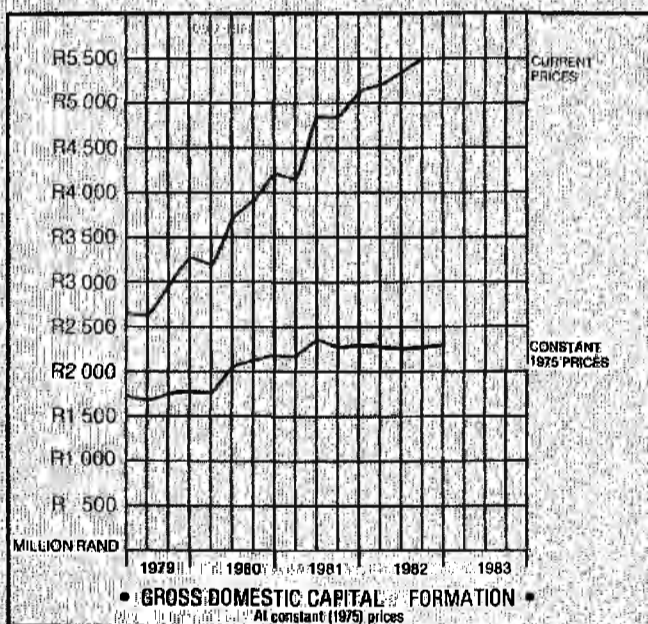
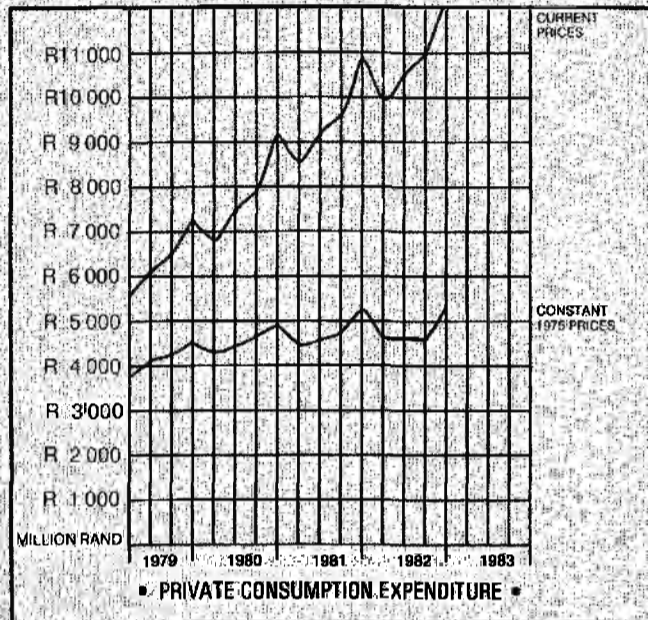
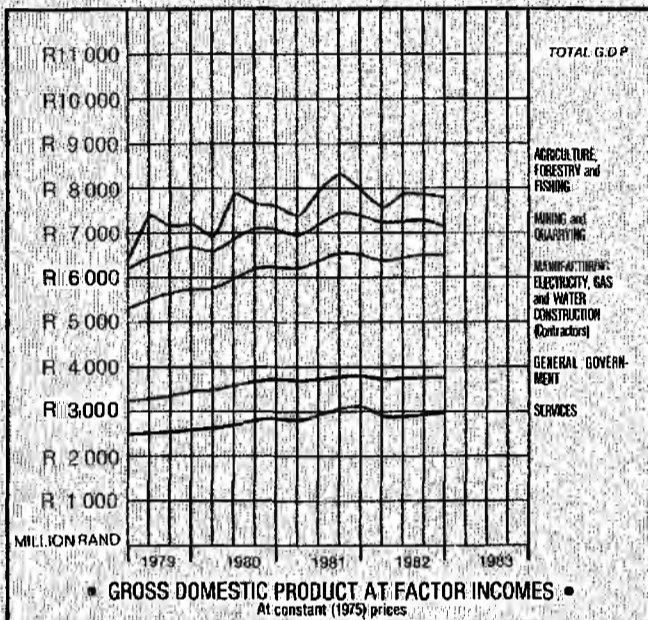
Footnotes

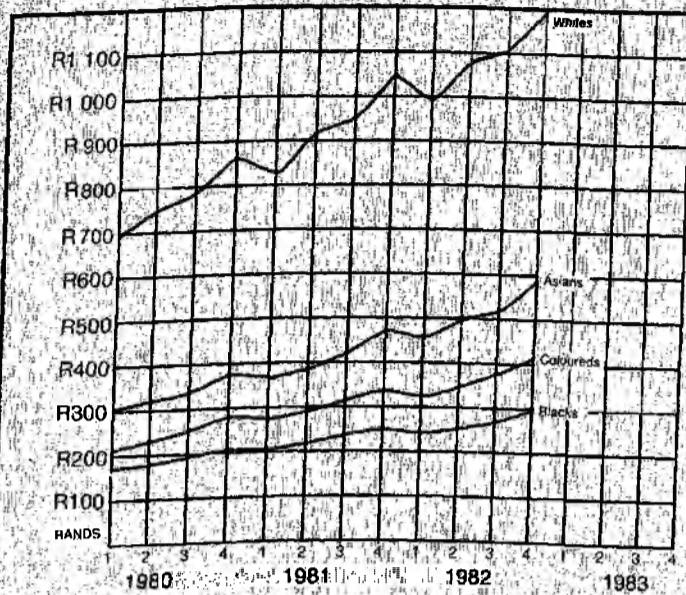
1. Standard Bank Review September 1983
2. World Economic Outlook/IMF Washington 1983 pp. 3-16
3. Goldfields of South Africa, Chairman's Review Natal Mercury, 23 September 1983
4. South African Reserve Bank Annual Economic Report 1983 p6

IPIA

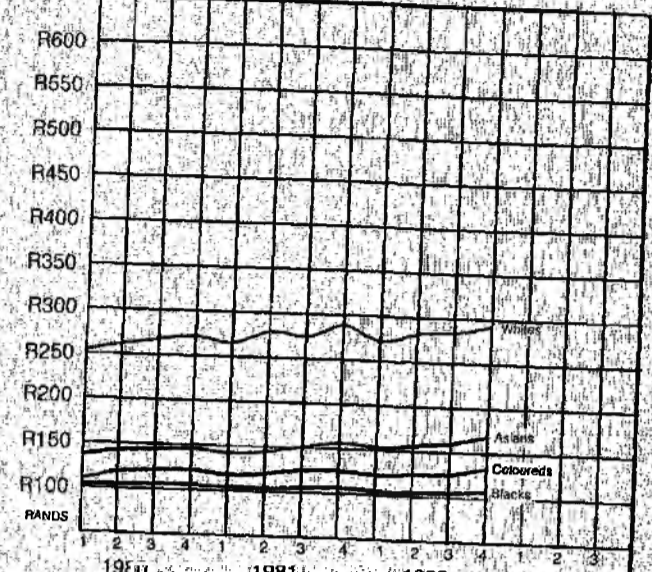
		S	E	L	E	C	T	E	D		
		E	C	O	N	O	M	I	C		
		I	N	D	I	C	A	T	O	R	S

ECONOMIC TRENDS

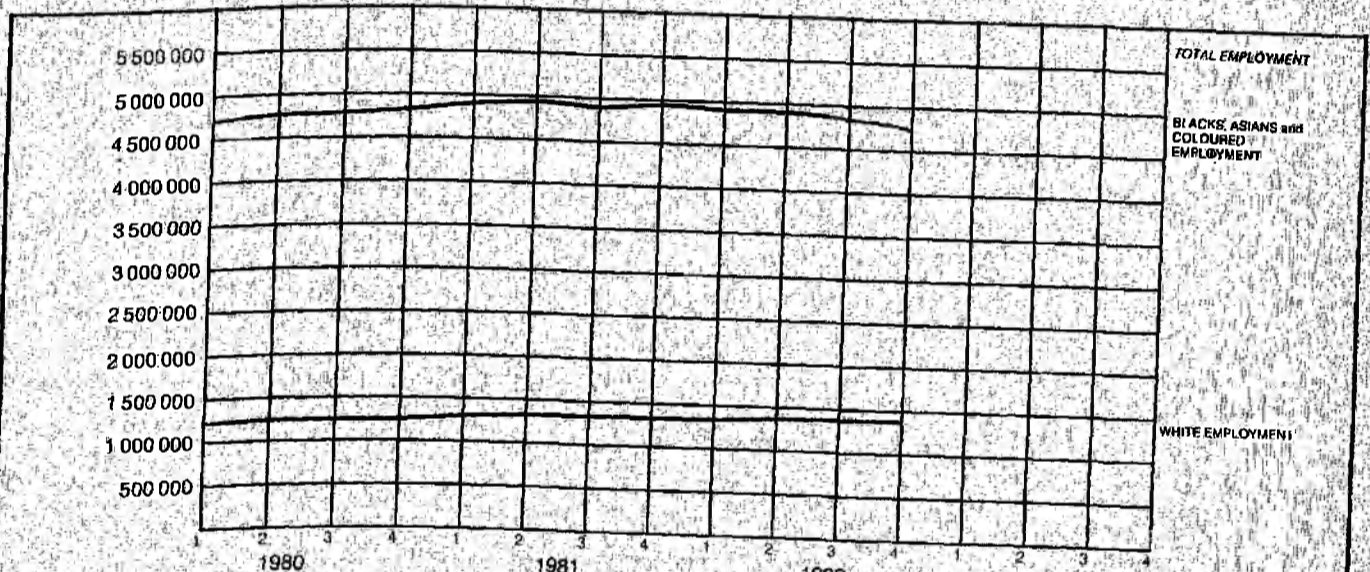




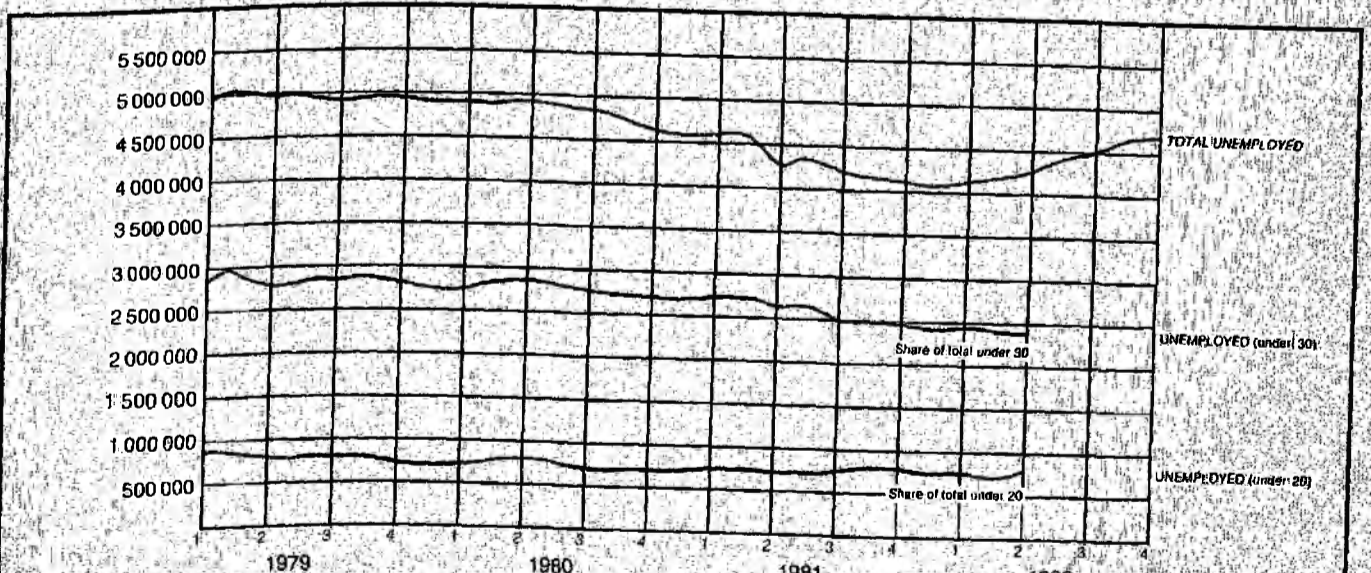
• WAGES IN MONEY TERMS •



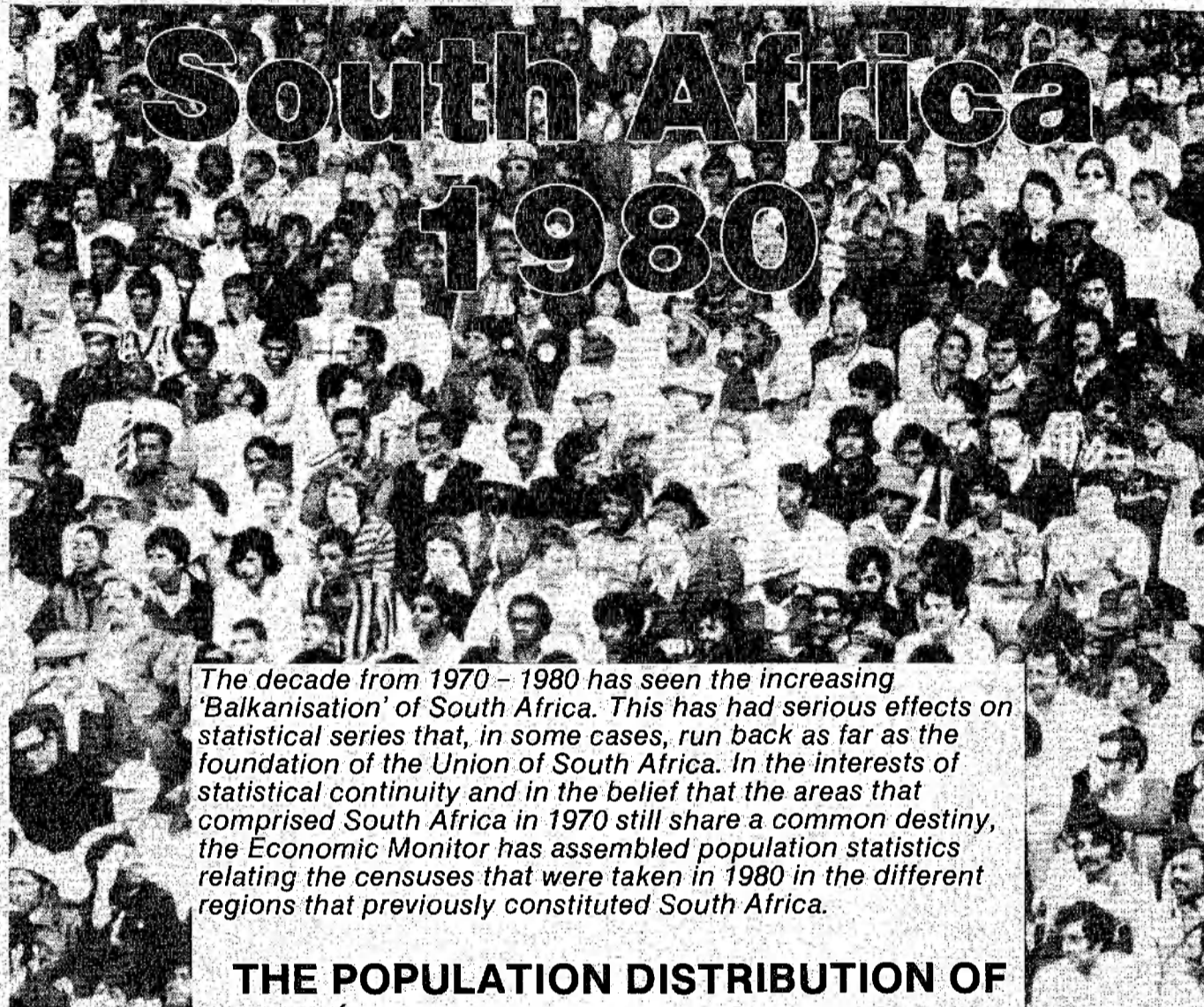
• WAGES IN REAL TERMS •



• EMPLOYMENT (excluding agriculture and domestic service) •



• UNEMPLOYED AFRICAN WORKERS •



South Africa 1980

The decade from 1970 - 1980 has seen the increasing 'Balkanisation' of South Africa. This has had serious effects on statistical series that, in some cases, run back as far as the foundation of the Union of South Africa. In the interests of statistical continuity and in the belief that the areas that comprised South Africa in 1970 still share a common destiny, the Economic Monitor has assembled population statistics relating the censuses that were taken in 1980 in the different regions that previously constituted South Africa.

THE POPULATION DISTRIBUTION OF 'OLD' SOUTH AFRICA 1980

	POPULATION	PERCENTAGE OF TOTAL
'INDEPENDENT' NATIONAL STATES		
• Transkei	2 323 650	8.1
• Bophuthatswana	1 323 315	4.6
• Venda	315 545	1.1
• Ciskei	669 340	2.3
	<u>4 631 850</u>	<u>16.1</u>
SELF-GOVERNING NATIONAL STATES		
• KwaZulu	3 408 200	11.8
• Gazankulu	512 000	1.8
• Lebowa	1 739 460	6.1
• Kangwane	160 600	.6
• KwaNdebele	156 260	.5
• QwaQwa	156 480	.5
	<u>6 133 000</u>	<u>21.3</u>
Africans in the National States	10 764 850	37.4
Africans in the RSA	10 121 420	35.0
TOTAL AFRICAN POPULATION	20 886 270	72.4
'COLOURED'	2 612 780	9.1
ASIAN	821 320	2.8
WHITE	4 528 100	15.7
TOTAL POPULATION OF SOUTH AFRICA	28 848 470	100.0

JILL NATTRASS

Is there a Rationale for Stabilization Policy?

There is no consistent basis for hoping that stabilization policy can either prevent or cure unemployment. Unemployment is fundamentally explained by unavoidable uncertainty.

The objectives of stabilization policy are usually defined as the satisfaction of internal and external stability. Internal stability is achieved when 'high' levels of employment of men and machines are combined with low rates of increase in prices. External stability is satisfied by a 'satisfactory' state of the balance of payments. This conventional definition of the ends of stabilization policy confuses ends and means. Price stability should not be preferred for its own sake but for the contribution it may make to economic growth. Exchange rate stability may be a necessary condition for general price stability.

The task set for fiscal and monetary policy is that of compensating for imbalances originating in the private sector of the economy. In practice this task is very complex. Nevertheless, despite the difficulties of accurately forecasting economic activity and appropriately timing fiscal and monetary intervention, the theoretical justification for stabilization policy is widely accepted.

There are, however, two major grounds for scepticism. In brief, the first is that if the failure of an economic system revealed by general excess capacity and unemployment is caused by uncertainty and not wage and price rigidities, then there can be no good reason for believing that the authorities are better able to compensate for such uncertainty than the producers and consumers themselves.

The second is that while the waste of unemployment is unavoidable, prices and wages may be insufficiently flexible to make the adjustments required of them. If this view is valid, again there seems little prospect of stabilization policy being able to introduce the necessary flexibility. The problem here is that the impact of stabilization policy itself becomes anticipated and part of the information upon which price and wage decisions are made.

It is seldom made explicit in discussions of stabilization policy whether it is designed to prevent or to cure unemployment. The recognition that stabilization policy measures can at best influence the economy with a time lag would seem to imply that ideally, prevention is better than cure.

Stabilization Policy as Prevention

Keynes saw the basic cause of general deflation as the inability of financial markets to communicate accurately the intentions of savers and investors. Here lies the rub of economic instability. Households do not wish to make up their minds about their future spending. They prefer to keep their options open in the uncertain world they know they live in. On the other hand, because the production process takes time firms are obliged to provide for the future. In doing so they may make

mistakes but it is perhaps of more importance in explaining severe economic depressions that they too may lack the confidence to commit themselves as hostages to an uncertain future. They may in general prefer to remain liquid — keeping some of their options open.

What can be done about such a crisis of confidence? The Keynesian emphasis on interest rates and liquidity traps was surely misplaced. A depression is not perpetuated by the unwillingness of the households, through the financial intermediaries to lend, but by the unwillingness of the potential investors to borrow. What can an interest rate policy do about such circumstances if the key to an investment decision is the investor's state of mind? In making up his mind the current and expected rates of interest are likely to brook small against all the other known and unknown factors that may influence the outcome of an investment.

In the modern mixed economy the unwillingness of the private sector to make up its mind and the inability to plan forward accurately may not be the only cause of instability. The same weakness may be characteristic of the government sector.

Potentially of course a large government sector, less subject to risk aversion and loss avoidance, should be able to make independent long term plans and stick to them and therefore be a source of stability for the system as a whole. Unfortunately the reality is often very different not least because changes of government bring different conceptions as to the appropriate scope of government itself.

If prolonged general unemployment and excess capacity are not due to wage and price rigidities, but to the unpredictable states of mind of potential spenders, what can general stabilization policy hope to do about this? It would seem to require that the authorities be able to read the minds of potential spenders.

Is there, however, any reason for believing that they would be more capable of doing so than the entrepreneur? The success or failure of the firm in a market economy will depend ultimately on the capacity for knowing or guessing correctly what their own market or markets will be doing.

Stabilization Policy as Cure

A state of excess supply or demand in the labour and commodity markets must be attributed to mistakes made by decision-makers about the intentions of buyers and sellers. Curing a depression may be understood as 'getting right' the

BRIAN KANTOR,
Professor of
Economics,
University of
Cape Town

Price stability should be preferred for the contribution it may make to economic growth

In discussions of stabilization policy it is seldom made explicit whether it is designed to prevent or to cure unemployment

A depression is perpetuated by the unwillingness of the potential investors to borrow

Curing a depression may be understood as 'getting right' the relative values and volumes of prices, outputs, wages and employment

PERSPECTIVES

VOLUME ONE

NUMBER TWO

INSTITUTE
OF
DEVELOPMENT
STUDIES
LIBRARY

INDICATOR

South Africa

Industrial MONITOR

Co-ordinator : Loretta van Schalkwyk

2

Aims of the Industrial Monitor

3

Basic Conditions of Employment Act, 1983 C Albertyn

5

**Unemployment Insurance - A Social Service or a Hindrance?
S Piper**

8

**Mediation - A Resource in the Collective Bargaining Process
L Douwes Dekker**

10

Investing in Apartheid or Investing in Reform R M Godsell

Aims of the Industrial Monitor

South African industry today faces very great challenges in the field of employment policies and industrial relations affecting workers.

In attempting to meet these challenges, employers and employer organisations will have to rely increasingly on sophisticated knowledge of processes, mood and trends in the labour scene. The Industrial Monitor aims to develop indicators which will serve to augment the analyses of decision-makers in the field. It will focus on changes in employment practices, labour legislation, industrial unrest, present trends in labour relations and the activities of both the emergent and established union organisations.

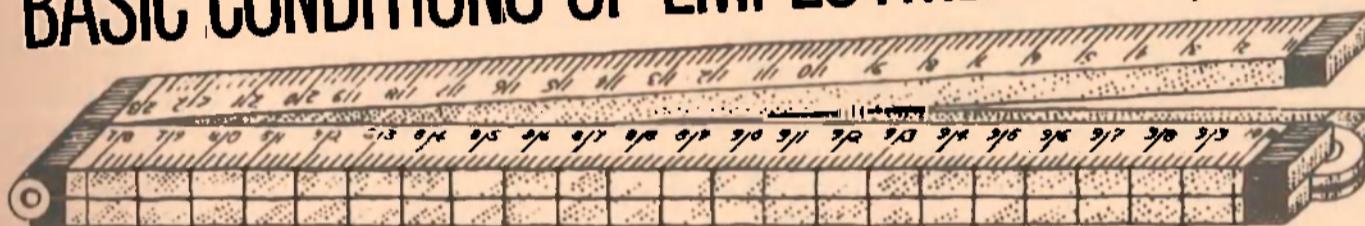
An industrial panel has been set up specifically to identify and assess trends and emerging problems in labour supply, labour relations and the utilisation of labour generally. In due course results from this panel will be reported in the Industrial Monitor.



Acknowledgement to the Daily News

Christopher Albertyn, labour lawyer

BASIC CONDITIONS OF EMPLOYMENT ACT, 1983



LEGAL PERSPECTIVE

The Basic Conditions of Employment Act, 1983 (the Act) is now in force and applies to all employers and employees except those engaged in charitable work, farm labourers, domestic servants, State employees (which probably includes provincial employees), educational institutions funded at all by the State, university students undergoing training as part of the curriculum, atomic energy corporation of South Africa (SA), SA Reserve Bank, SA Broadcasting Corporation, SA Bureau of Standards, Council for Scientific and Industrial Research, SA Medical Research Council, Landbank, Council for Mineral Technology and Human Sciences Research Council employees, control board employees, State-aided welfare organisations employees, agricultural show employees and certain others whose conditions of employment are subject to other statutes, eg SA Transport Services (SATS) employees. The Act does not apply to employees earning above R14 400,00 per annum but this figure is subject to amendment by regulation.

“
A wage determination or an industrial council agreement takes precedence over the Basic Conditions of Employment Act
 ”

Its scope is further limited by the fact that its provisions are superseded by the Mines and Works Act, the Manpower Training Act, the Wage Act and the Labour Relations Act to the extent that those Acts deal with matters covered in the Act. Thus a wage determination or an industrial council agreement takes precedence over the provisions of the Act. The Act will apply only to the extent that a wage determination or industrial council agreement does not have a commensurate regulation. The substantive provisions therein which vary little from their equivalent in the now repealed Factories, Machinery

and Building Works Act and the Shops and Offices Act, are as follows:

Basic Hours of Work

- Sixty per week for security guards and guards.
- Up to 48 per week in respect of other workers.
- Not to exceed 12, in any period of 24 (“a spread over”) subject to the following exceptions, permitting:
 - 15 maximum by guards
 - 12¼ in respect of other workers
 - Unlimited in the cases of emergency work and work related to the arrival, departure, provisioning, loading or unloading of ships, aircraft, trucks or SATS vehicles or those vehicles contracted by SATS.

Overtime

- Limited to three hours on any day or ten in any week. These may be increased by an Inspector of Manpower, on application by the employer and after consultation with the employees affected.
- Female employees are no longer protected by restricted periods of overtime (a regressive feature of the removal of sex discrimination).

Overtime Payment

- Remains at *time and one third* only.
- Sunday and public holiday work at *double time*, or time and one third with a day off in the next week. Sunday overtime must be applied for in writing to the Department of Manpower except in the emergency cases etc as listed above.

Annual Leave

- Only casual workers (those who work three days or less in any week) do not qualify.
- Must be taken within 16 months of employment or of the previous leave period, or, with written consent, within 18 months.
- Cannot run concurrently with sick leave, military training periods or public holidays.

- For most workers the period is 14 days per year. Employees are entitled to their accumulated leave-pay and any pro-rata share of the current leave cycle on termination of contract, *unless* such termination is due to the worker's desertion; *or* (s)he has failed to give notice of termination of the contract; *or* (s)he has been justifiably summarily dismissed.
- Occasional leave may be deducted from this on written request.

Sick Leave

- All workers apart from casual workers are entitled to 30 or 36 days sick leave every three years (five or six days per week workers respectively).
- A worker who has three consecutive days sick leave or more, requires a doctor's certificate for paid sick leave.
- If sick leave is taken on more than two occasions in an eight week period any subsequent sick leave need only be paid on production of a doctor's certificate.

Notice

- Need not be given to or by casual workers.
- For other employees: one day in the first four weeks of employment, thereafter, *written notice* of one week for weekly-paid and two weeks for monthly-paid workers. Any written contract entered into between the parties, extending this period, is binding.
- Cannot be concurrent with annual leave or sick leave.

Certificates of Service

- Do not apply to casual workers.

“
The Act gives too little protection to casual employees; some limitation should be prescribed
 ”

- Must be given to employees specifying certain details, unless desertion was the reason for the termination of contract. Mention is made of the effects of the Act on casual employees because certain industries rely heavily on "permanent" casuals for their labour force. The Act gives too little protection to employees in this situation. Some limitation should be prescribed in respect of the employment of casual labour, eg any casual employee employed by an employer for any period in excess of three weeks should be deemed to be an employee who would then be entitled to annual leave, notice of termination of the contract, sick leave and a certificate of service.

- Child labour (under 15 years) is prohibited. Pregnant women may work up to four weeks prior to the expected date of confinement, and after confinement a woman may resume work after eight weeks. No provision is made for guaranteed re-employment or proscribing the termination of the employment contract for reasons of maternity. These issues would have to be dealt with under the Labour Relations Act as possible unfair labour practice claims.

- Victimisation is forbidden, as in the Wage Act and the Labour Relations Act. Certain obvious wrongs by employers are made offences in terms of the Act, eg requiring an employee to refund any remuneration payable in terms of any law, depriving an employee of any benefit in terms of the Act, or requiring an employee to give a receipt for more money than actually received. It is also an offence to levy a fine against an employee for any act or omission committed by the employee. A fine does not include claiming damages from an employee. Hence an employer may be entitled to deduct the amount of damages suffered from an employee's wages. An employer, who in terms of the Act is vicariously liable for the actions of its managerial and supervisory staff, is protected from damages claims made by workers who have suffered personal injury as a result of the employer's negligence (Section 7 of the Workmen's Compensation Act). It is equitable that similar protection be afforded to workers in respect of damage to the employer's property, yet the Act does not seem to provide such protection to employees.

- Employers are obliged to keep certain employment records for a period of at least three years. They must have available a summary of at least three years. They must have available a summary of the provisions of the Act for perusal by interested employees.

- Inspectors of the Department of Manpower are given wide powers of inspection and investigation. They must be given facilities, inter alia, to perform their function safely and effectively. They may require any person to make a statement or give an explanation and the failure properly to give such statement is an offence. This is a variation of the rule of natural justice that one may remain silent, but given the context, it constitutes an important potential protection for workers.

The principle problem as regards enforcement of the provisions of the Act is that the Department of Manpower only is granted the wide powers of investigation and enforcement. An aggrieved worker, and a representative trade union of which the worker is a member, do not have any powers of enforcement. This was a serious defect in the old Factories and Shops and Offices Acts, and it has continued in the new Act. Workers are precluded, either individually or collectively through their unions, from having rights of access to information concerning themselves, which is exclusively in the hands of the employer. They may not institute legal proceedings against their employer for arrear wages until the Department of Manpower has itself (through the Attorney-General) prosecuted the employer, or the Attorney-General has issued a certificate declining to prosecute.

In practice, this limitation on the rights of employees to recover wages causes a long delay while the matter is investigated by an Inspector and ultimately brought before a criminal court. The onus of proof is the criminal onus of establishing the employer's liability beyond a reasonable doubt, rather than the less onerous burden in civil disputes of a balance of probabilities favouring one or other party. The worker directly affected has no control over the conduct of the case, as would happen if (s)he or his/her union were initiating proceedings. Furthermore the Act provides that any criminal court judgement against an employer may be enforced only by the Department of Manpower and not by the worker personally. The worker therefore has no control over the collection of the debt due to him/her.

“
A serious defect is that only the Department of Manpower is granted the wide powers of investigation and enforcement
 ”

The worker cannot remedy the situation by utilising the unfair labour practice provisions of the Labour Relations Act because the industrial court has no criminal jurisdiction, and the failure to pay prescribed wages or to comply with the provisions of the Act, constitute criminal offences.

If an employee colludes with an employer to receive lower wages than those prescribed or to accept terms less favourable than those in the Act, then the employee may be wholly or partly deprived of his/her entitlement to the full wages.

The Minister of Manpower has the power, in terms of the Act, to declare any activity (process or occupation), which he considers to be an activity that needs to be performed continuously, to be a continuous activity. It may then be performed 24 hours a day, seven days a week. The Minister is not obliged to consult interested parties, eg representative trade unions, when making this decision. Similarly the Minister may exempt any employer or category of employers from any or all of the provisions of the Act. This discretion is also not subject to an obligation to consult interested representative trade unions or the employees affected. Moreover, such exemption is not affected by a term of any agreement, for example a collective substantive agreement.

Regulations in terms of the Act have been published under regulation 1148 of 3 June 1983. *UPA*

UNEMPLOYMENT INSURANCE

A Social Service or a Hindrance?

Solveig Piper

Propositions about welfare measures are obviously based on ethical judgements; that is they are about what things *ought to be* rather than what they *are*. Unemployment insurance is one such area.

Most people would agree with the judgement that their fellow citizens should not be allowed to starve for lack of employment and would probably support legislation aimed at curing this wrong. Whether or not they would pay taxes to achieve this is another matter altogether.

Advanced countries such as Great Britain have comprehensive social security systems designed to provide a minimum subsistence income for all. The existing British system is based upon the Beveridge Report of 1942. Analysing this Report, de Schweinitz commented that:

"The effect of mass unemployment in interrupting income and the essential importance of putting an end to this threat are recognised. The Report, indeed is based upon the assumption that this problem (unemployment) can and will be solved, but the particular plan for social security is *conceived as the abolition of want by providing that every individual in Britain shall have a basic income which will supply his essential needs no matter what vicissitude of life he experiences.*"¹ (emphasis added)

In South Africa (SA), unemployment insurance dates back to 1937, with the passage of an act designed to "provide for the payment of benefits to workers in *certain* industries who are capable of and available for work but are unemployed. . .". By 1946 the preamble had been altered to permit the "payment of benefits to *certain* unemployed persons". The 1966 Act, which consolidates all previous legislation in this field, still refers to the "payment of benefits to *certain* persons".

Opposition to the payment of Unemployment Insurance Fund (UIF) benefits to black workers by organisations in the Nationalist Party camp, particularly the Afrikaanse Handelsinstituut (AHI), led directly to "the drastic revision of the UIF Act" by the Nationalist Party after its accession to power in 1948. The attitude of the AHI at the time is captured in this strongly worded quote:

"It has been lost sight of that absolute security (of employment) is the greatest enemy of progress and is fatal to a young country such as South Africa. A certain measure of insecurity brings the best in people to the fore. Comprehensive unemployment insurance therefore places a premium on an aversion to work and damages rather than advances the progress of our country (*Volkshandel* December 1947)."²

Since the basic objection of Afrikaner nationalists at the time was to the movement of blacks to urban areas and since that objection remains a cornerstone of Nationalist policy, it is unlikely that the philosophy underlying UIF payments, at least for blacks, has altered very much.

Coverage in SA is thus restricted to *certain* persons only. Amongst those excluded are:

- domestic workers
- farm workers
- seasonal workers
- government workers (those defined as "officers")
- railway workers.

If the British achievement is regarded as a goal to which a just society should strive, then SA falls hopelessly short of the mark.

In the Republic of SA (RSA) the UIF:



Acknowledgement to Die Vaderland

LEADING ARTICLE

- is made up of contributions from employees of 0.5 percent of their salary, and
- contributions from employers of 0.3 percent of that salary
- pays out 45 percent of the salary earned in the last 13 weeks of employment, for
- a duration of 26 weeks, and thereafter
- *extended* benefits can be applied for, provided that the contributor had worked for 13 weeks in the 52 week period prior to his or her initial application
- pays out illness, maternity, death and special weekly benefits.

The fund is controlled by the SA Government (SAG) and, from May 1 1983, by the Governments of the Transkei, Bophuthatswana, Venda and Ciskei (TBVC) — for those people who would *normally* reside in these four "countries".

Unemployment in South Africa

Precise information on the full extent of unemployment in the RSA is not available. The official unemployment statistics are published by the Central Statistical Services in their Statistical News Release (SNR) Series. What connection, if any, there is between the number receiving UIF and the number actually

unemployed, is somewhat unclear. For example, SNR number P.17¹ gives the total number of whites, Asians and "coloureds" unemployed in January 1983 as 38 510. In the same month according to the Current Population Survey,⁴ there were 70 000 "coloureds" unemployed and 21 490 unemployed Asians.

For blacks the picture is even less clear. The Department of Manpower publishes data on the number of unemployed "registered at employment offices". The latest available figure is for the month of December 1981 — blacks numbered 119 880 out of a total number of registered unemployed of 133 544.⁶ A spokesperson from this Department assured the writer that black unemployment was really "much higher" and also that the figure of 119 880 bore no relation whatsoever to the number actually receiving UIF benefits. When pressed for an estimate of the size of this group, he suggested trying the Commissioner of the UIF. A spokesperson from this Department said that this information was "not available". He suggested we try the Department of Manpower! There the matter rests.

The controversy on the extent of black unemployment in the RSA has raged for a considerable period. "Official" unemployment as measured by the Current Population Survey is presented both in *detail*, and in *summary* form, in the SNR Series.⁷ The most recent *detailed* figures are for April 1982. Summary statistics⁸ are available for April 1983, but these are so cursory as to be almost useless.

For a country that makes such an inordinate fuss over certain social statistics, for example the number of murders per day in Soweto, it is alarming to note that the most up to date *detailed* information on black unemployment appears to be more than 15 months old.

As measured by the strict definition of unemployment used in the Current Population Survey, there has been an increase in unemployment amongst blacks from 406 000 in April 1982 to 470 000 in March 1983.

What percentage of these people receives UIF benefits is not known. Given the likelihood that most of the unemployed are concentrated in the "homelands", it is improbable that anyone will ever know.

There is however, one important indication of just how insignificant UIF payments are in alleviating the suffering which unemployment causes amongst blacks and that is the following:

According to the Department of Manpower, a mere 0,2 percent of what is termed "main support" of the unemployed in June 1981 was provided by the UIF.⁹

For "coloureds" the figure was an almost equally low 1,0 percent for males and 1,5 percent for females. "Persons in household" or "relatives not in household" provided the overwhelming bulk of support for both groups.

Unemployment insurance in the "Independent States"

From May 1 1983 Unemployment Insurance Funds were established by the Governments of Transkei, Venda and Ciskei. The Republic of Bophuthatswana fund which has 9,3 million rand invested at present, came into operation on December 6 1977. Bophuthatswana nationals were not compelled to contribute before May 1 1983. Now, persons from any "independent state" who enter SA "for the purpose of performing service within the RSA and who upon the termination of such service are required to leave the RSA, i.e. the border commuters and migrant workers,"¹⁰ are not regarded as contributors to the RSA UIF.

The RSA Unemployment Insurance Act has been amended to exclude any reference to *race*. Eligibility for benefits is tied to *citizenship*. Although the authorities apparently resent the amended Act being described in this way, the statement on the Contributor's Record Card (UF74) that: "If a contract worker or commuter from independent state, state country to which he (sic) must return", establishes beyond doubt *where* a particular person is compelled to draw his or her benefits.

Employers in the RSA are now obliged to deduct the prescribed contributions from the earnings of workers from the TBVC states, and to transmit such contributions together with their own contributions to the RSA fund. To enable the RSA fund to transfer the correct amounts to the Governments concerned, the monthly return form (UF3) has been amended as shown below.

ANNEXURE UF 3
UNEMPLOYMENT INSURANCE ACT, 1966

To the Unemployment Insurance Fund
Labour Building
Pretoria 0001

Return for the month _____ only
In terms of section 29(3) of the Unemployment Insurance Act, 1966, I forward herewith the total amount as shown in column F hereunder, being all contributions due in respect of myself and the contributors employed by me during the above-mentioned month.
I hereby certify that all details contained herein are true and correct.

Date _____ Signature of employer or duly authorized agent _____

Date	If no contributors were employed during the month, state date in the adjacent space when a contributor was last employed and return this form.					
	A	B	C	D	E	F
Code No.	Republic of	Number of contributors	Contributions payable on earnings		Total, Columns D plus E	
			By employer at the rate of 0,3 per cent	By contributors at the rate of 0,5 per cent	D	E
			R	C	R	C
1	South Africa					
2	Transkei					
3	Bophuthatswana					
4	Venda					
5	Ciskei					
Total						
						Total contributions payable

It is therefore essential that employers establish *from each* of their workers from the TBVC "countries", whether they are

- border commuters *or*
- contract workers who enter the RSA to work, but who upon termination of their contracts of employment are required to leave the RSA.

A worker *must* indicate to which State (s) he must return. If employers are unsure as to whether any person is a border commuter or contract worker, they are advised to contact their nearest Administration Board office for the necessary clarification.

The contributor's record card (UF74) has also been amended to include a fourth reason for termination of service. Employers must insert *reason "four"* for contract expired and must also indicate if such a contract worker/commuter has been offered re-employment after "expiration" of contract. Pretoria will then take the monthly returns, total the number in each ethnic group from each firm, calculate the contributions and transfer the amounts to the different territories.

The qualification period for the claiming of benefits in the TBVC states is 18 weeks and not 13 as in the RSA. This is because the funds, still in their embryonic stage, need to build up reserves. From September 4 1983, these funds should be fully operational. All applications for UIF benefits will have to be lodged with the fund concerned at the Magistrate's office or District Commissioner's office *nearest* to the worker's place of residence in the "country" concerned.

Can such a complex system work?

IN THE TBVC "COUNTRIES":

A spokesperson for the Assistant Unemployment Commissioner in Pretoria maintains that the four TBVC "countries" have *all* passed legislation relating to the UIF and that their offices and officials are "geared" to handle the administration of benefits to contributors. According to circulars issued by the four TBVC "countries" through Pretoria, the rates of deductions and benefits payable are the same as the RSA fund.

At the time of writing, officials in the TBVC "countries" responded to questions about their preparedness to implement the UIF system as follows:

TRANSKEI

- No legislation has been gazetted yet.

- No offices are ready due to a shortage of accommodation.
- No forms have been printed.

(UIF Official — Department of the Interior)

BOPHUTHATSWANA

- UIF now compulsory — though not necessary to change existing legislation passed in 1977.
- To operate on the same basis as the RSA.
- Magistrate offices already dealing with unemployment administration.

(UIF Commissioner)

VENDA

- Legislation passed — in the process of being printed.
- Accommodation problem — being sorted out.
- Computer still to be collected from Pretoria.
- Two mobile units to move around to the different Magisterial districts.

(Assistant Secretary — Department of Internal Affairs)

- Percentage of salary to be paid as benefits, will reportedly depend on a number of factors.

The spokesperson was not prepared to clarify this point of information (essential to workers), which he terms as "too unhealthy and dangerous to discuss telephonically". He suggested a personal meeting in his office in Venda to talk about these issues.

(Pretoria Advisor to Venda on unemployment)

One wonders if workers from Venda will be given a similar opportunity?

CISKEI

- Legislation passed.
- Offices set up and ready to deal with the administration.
- Unemployment commissioner has assumed duty.
- Contributors record cards printed and being issued.
- Contributions and benefits the same as the RSA.

(Spokesperson — Department of Manpower)

THE SOUTH AFRICAN CASE:

The creation, within a previously unitary state, of "different countries" all adjoining what remains of the RSA, has spawned a nightmarish tangle of worker "categories". *De facto* rights of migrant contract workers and border commuters differ according to whether or not they are citizens of independent or non-independent "homelands". These rights also differ according to place of birth and according to residential rights. For example, Section 10 rights fell away with the incorporation of Umlazi and KwaMashu (dormitory townships adjoining Durban) into KwaZulu. As a concession, and because of the administrative difficulties involved, all of those residing legally in the townships as hostel dwellers or lodgers are entitled to a *permit to seek work* in Durban.

Similar generosity does not apply to UIF benefits — a Transkei citizen, legally in the area — *must* return to his country of origin to collect UIF in the event of being unemployed. A KwaZulu citizen, *who is not a householder*, and was born say in Ingwavuma several hundred kilometres to the north, must likewise return to collect UIF.

Allowing persons the right to seek work in the only area they are likely to find it, whilst at the same time compelling them to draw their temporary subsistence in some other, possibly remote area, is yet another illustration of the perverse logic of apartheid. As we pointed out above, it thus becomes crucially important to establish exactly where a worker must "return" to, in the event of becoming unemployed.

Do employers have either the inclination or the time to obtain this information correctly?

As an indication of either the incapacity or unwillingness of employers to follow the official rules of the bureaucrats, we would point out that the Durban City Engineer's Department is still deducting UIF contributions from Transkei workers — *seven years after being instructed to stop doing so*.

The South African Unemployment Insurance Act which dates from 1937, is still not functioning either efficiently or effectively. According to a recent article in the Financial Mail,

"There is increasing concern at the inability of the State-run UIF to cope with the growing number of applications for benefits. Some applicants are said to have waited up to six months for payments."¹¹

Clearly, such delays impose severe hardship on the unemployed. Not only that, but if payment of UIF benefits is delayed for longer than about three months, then the recipient stands an excellent chance of losing any claim to *extension benefits*. The reason is as follows: to be eligible for extension benefits, a person must have worked at least 13 weeks in the preceding 52 weeks. If from the time of initial application for benefits a delay slightly longer than 3 months — say 14 weeks — occurs, and benefits are then paid for the following 26 weeks, it will be *impossible* for the person to meet the qualification for extension benefits.

The UIF Act stipulates a punitive six week penalty for workers who lose their jobs through their own default. Logically then, it should follow that those who are not subject to this penalty have a *right* to expect payment of UIF benefits within a *week of application* if they were weekly paid, and within a *month of application* if they were monthly paid workers.

A spokesperson for the Department of Manpower contends however, that there had been a "vast improvement" in the pay-outs since the earlier delays caused by the change-over to a computer system to process the UIF claims.¹² Whether or not this "improvement" has occurred remains to be seen. According to a recent Black Sash survey of 115 UIF cases in Durban, 78 concerned problems with delays in payment. Average delay for ordinary benefits was 6.2 months and for extension benefits it was 6.0 months.

Conclusion

- UIF benefits in the RSA do not begin to relieve the misery of those worst hit by unemployment. A large proportion of so-called "modern sector" employment is excluded from the ambit of present legislation. Therefore, nothing even remotely resembling the "safety net" provided by a "proper" social security system exists in this country.

- Statistics on unemployment and on the numbers receiving UIF benefits in the RSA are alarmingly disparate and dated.
- "Homeland" Government response to the recent changes in SA law, conferring upon them the burden of providing UIF benefits for their own citizens, is patchy, to say the least. Whether bureaucracies such as those of Ciskei and Venda are capable of administering complex benefit schemes remains an open question.

- Anomalies generated by the fission of the SA State into several component bantustan states, further complicate an already unwieldy welfare bureaucracy. Payment of benefits turns on the question of citizenship and responsibility for reporting this citizenship accurately resides with employers. It is unlikely that they will discharge this responsibility with any great distinction.

- Bureaucratic inefficiency in the SA system often causes lengthy delays in the payment of benefits to those unfortunates who complete the obstacle course of registration for benefits.

- The present recession has lasted almost two years, the previous one nearly three. For people unemployed for longer than six months, extension benefits are desperately necessary. These should be readily available but appear to be precisely the opposite. **IPJA**

FOOTNOTES

- 1 Karl de Schweinitz *England's Road to Social Security* University of Pennsylvania Press Perpetua Edition, New York 1972 p 231
- 2 Dan O'Meara *VOLKSKAPITALISME Class, capital and ideology in the development of Afrikaner Nationalism 1934-1948* Raven Press, Johannesburg 1983 p 172
- 3 *Statistical News Release No P.17 Short Term Economic Indicators of May 1983*
- 4 *Statistical News Release No P.27.1 Central Statistical Services, Pretoria 29 March 1983*
- 5 *Statistical News Release No P.27.5 Central Statistical Services, Pretoria 27 June 1983*
- 6 *RP 25/1982 Report of the National Manpower Commission for the period 1 January 1981-31 December 1981 Table 1.4.1 p 212*
- 7 *Statistical News Release No P.27.3 Central Statistical Services, Pretoria 22 October 1982*
- 8 *Statistical News Release No P.27.2 Central Statistical Services, Pretoria 7 June 1983*
- 9 *RP 25/1982 op cit Table 1.4.12 p 218 (June 1981 is the most recent)*
- 10 *IMPORTANT NOTICE TO ALL EMPLOYERS - ESTABLISHMENT OF UNEMPLOYMENT INSURANCE FUNDS BY TRANSKEI, BOPHUTHATSWANA, VENDA AND CISKEI* UIF, Pretoria April 1983
- 11 *Financial Mail* 8 April 1983
- 12 *Argus* 2 July 1983

Mediation in a collective bargaining process between management and worker representatives has been used with increased frequency in South Africa (SA) in recent months. Clear distinction needs to be drawn between mediation and arbitration. The mediator's role is one of a catalyst when bargaining between the two parties reaches impasse. The mediator seeks to shift the movement in a deadlock power conflict situation. As such, mediation is designed to promote collective bargaining. A mediator can be called in at any point of the bargaining process and acts in the interest of both the parties.

Arbitration by contrast imposes a solution to which the two parties must abide, thereby ending a process of negotiation. Collective bargaining is one of the three rights underlined by the concept of freedom of association which is endorsed in SA. The importance of upholding democratic values in the workplace has been acknowledged even if not yet always endorsed by management.

Increased trade union strength has demonstrated that imposed managerial power is no longer accepted. Consequently there has been a need to give attention to processes whereby managerial authority can be legitimately exercised in the bargaining process.

Collective bargaining is clearly the preferred alternative to either spontaneous strike action on the part of the workers, unilateral decisions, actions or intransigent attitudes by management, or coercive interference by the State when it believes that "the public interest" has been threatened. In SA the concept of "public interest" has little meaning as no political solution has been arrived at between black and white groups. This makes it even more imperative for the two parties to the industrial relations system to reach agreement on the rules governing their power play.

Experience in other countries suggests that it is important for traditions and norms to be established in the industrial relations system which differentiate between conflict of interests and conflict of

rights. Conflict of interests arises because the aims of unions and employers are different: wage increases are a cost to management. The collective bargaining process aims to reconcile such conflicting interests. It is here that mediation is the appropriate third party intervention if an impasse occurs. Conflict of rights arises out of different interpretations by the parties of established or agreed to, as well as common law rights. The appropriate intervention process, in deadlock, is arbitration.

The two parties to the industrial relationship exist in a society which endorses the operation of market forces. Acknowledgement of freedom of association implies willingness to augment operation of market forces with a concept of industrial justice. But this is not easily achieved. Employers have a longer history of 'power' behind them and believe in managerial prerogatives. As workers gain confidence in the

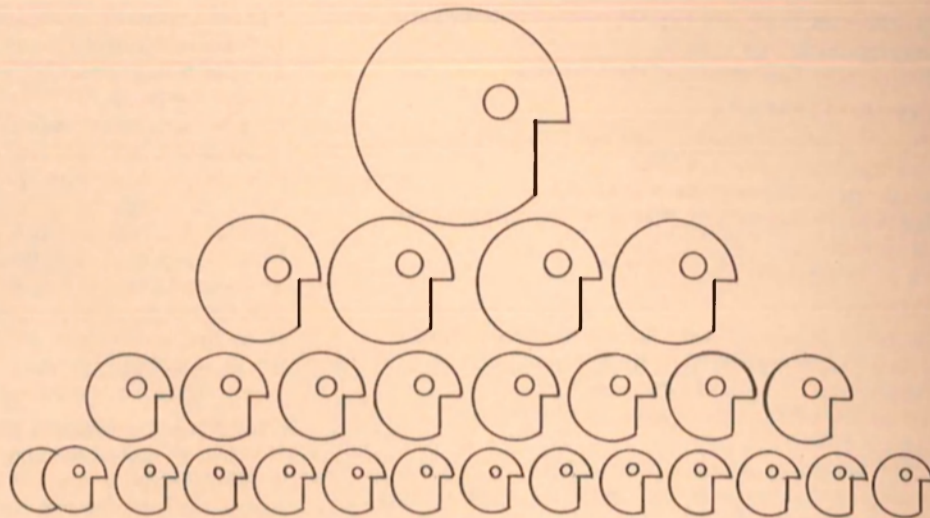
use of their power, they see it as imperative to be and remain independent from management. But as the industrial relationship develops other needs emerge. That is, for the parties to pursue their respective objectives (profit and growth as against better wages and working conditions and a greater say in matters affecting them), they have to acknowledge their interdependence and hence, the value particularly for the leaders of developing mutual respect and trust for each other.

The tenuous nature of the relationship between management and unions is a consequence of two important dynamics which constitute the content of the relationship and give it form, namely, power and trust. During negotiation these qualities are brought into play and influence the stances of the parties. When the mediator is called in he will first determine his acceptability to both parties. He will indicate that his

intervention is voluntary but that he controls the situation once called in. That is, he will act as chairman of meetings, he will decide when to hold separate meetings with the parties and when to convene joint meetings. He will decide when meetings are to be postponed and when they are to continue and for how long.

The mediator performs a number of functions and has a number of qualities. These include:

- an ability to listen to the parties, ie 'hear' what they are saying
- acknowledging the need for the parties to 'let off steam'
- clarifying the issue(s) in dispute
- bringing rational thought and discussion to the bargaining table and identifying what perspectives caused a blockage
- identifying priority requirements if a number of issues caused a deadlock. He can suggest that some issues are left for a future negotiating situation, or be referred to an



MEDIATION

A resource in the collective bargaining process

With the acceptance of freedom of association, a new dynamic was introduced into South Africa's industrial relations system. Coupled with increased trade union strength and the demand for recognition agreements, the need arose to give attention to processes whereby managerial authority can be legitimately exercised in the bargaining process. Mediation can be essential to ensure that the parties involved do not either withdraw or only consider pursuing their own goals. LOET DOUWES DEKKER, lecturer at the Graduate School of Business Administration, University of Witwatersrand, looks at the role of mediation in the South African context and the feasibility of a private mediation service.

arbitration

- seeking understanding by each party of the other's position
- assisting in a rational search for alternative solutions to the issue(s)
- identifying if and how the parties can move from their last position
- reinforcing the principle of compromise which underlies the negotiating process
- judging the moment when the mood for settlement is opportune.

The International Labour Organisation has adopted a Recommendation (No 92) on mediation in which the following points are highlighted:

- mediation to settle industrial disputes is a voluntary intervention
- the parties should abstain from strikes and lockouts during the use of a mediator
- the mediation process should be free of charge and expeditious
- all agreements reached after mediation intervention should be in writing and agreed to by the parties.

THE SOUTH AFRICAN CONTEXT

In the pre-Wiehahn industrial relations system a serious power imbalance existed between employers' associations and registered or established unions of white, "coloured" and Indian workers. The latter only represented between 20 to 30 percent of the workers depending on the sector. Those unions were forced into a collusion relationship pattern with employers' associations. A large racial gap developed between wages and social security benefits of, as well as employment practices extended to, skilled and unskilled workers.

Mediation was not considered by the parties although Section 44 of the then Industrial Conciliation Act empowered the Minister to appoint a mediator. In fact the existing union party did not have the membership power to oppose employers. The Conciliation Board provision of the Act was hardly used; to set up the Conciliation Board was time-consuming and too dependent on the Minister. The established unions who were party to the Industrial

Council system could obtain some improvements for their members without resorting to deadlock or threatened strike action. Some general secretaries of industrial councils acted informally as mediators when deadlocks loomed.

With the legal endorsement of union rights for black workers in 1979, consequent to the acceptance by the Government of the major recommendation of the Wiehahn Commission of Inquiry, a new dynamic was introduced into the SA industrial relations system. When from October 1979 SA accepted freedom of association, it became less tenable for employers to ignore the demand from the black trade unions to enter into a recognition agreement. During 1980, the first such agreements providing for procedural rules to guide the conduct in particular of managers, were signed between independent black unions and companies.

The recognition agreement provides for grievance and disciplinary procedure, as well as collective bargaining. In the nature of its intent and requirements on both parties, the interdependence between them is acknowledged. It formed, and will continue to do so, an essential base for the development of influence as well as organisational strength for those black unions.

The following points suggest that in SA mediation will increasingly be considered by the parties. They also indicate a strong need for an independent mediation service:

- A significant number of the nearly 300 recognition agreements entered into, contain a procedural arrangement to guide the collective bargaining process. Implied in the intent of the recognition agreement is the willingness of the parties to call in a mediator should at any stage a deadlock arise. The recently proposed Government intended service will not be used by the independent black unions because of the inherent mistrust towards the State. Furthermore the provision that the Minister can appoint a mediator is a contradiction in terms.

- The entry of black unions into the collective bargaining forum of the industrial

councils will face fundamental problems:

- the emotional barriers between the union groupings because race is still a factor dominating SA's way of life
- the problem of an acceptable formula to decrease the quality of life gap between skilled and unskilled workers
- the emphasis by black unions on report back to membership before decisions are taken.

“ The recognition agreement forms an essential base for the development of influence as well as organisational strength for black unions ”

- The dynamics of the SA socio-economic/political scene are such that emotional issues can be expected to arise frequently, leading to confrontation and deadlock.
- Wage disputes are already common. In 1982, 173 of the 394 strikes arose solely from wage demands and a further 21 for wage demands coupled with other issues. Mediation intervention is not dependent on the existence of a procedural agreement, but whether both parties agree to it.
- The parties on both sides are inexperienced in dealing with collective bargaining. This will lead to trials of strength situations.
- The implementation of recognition agreements will be resisted by middle and lower management as well as hampered by muscle flexing events by shop stewards and the workers. The internalisation of the procedural arrangements into the behavioural culture of the business organisation will face intransigent attitudes as well as coercive measures and hostile actions.
- SA has to pay serious attention to improving productivity. This requires a problem-solving approach by the parties to the nature of effectiveness and efficiency of the production process or service being rendered. Too great an emphasis was placed in the past on unilateral action, ie achieving goals instead of relationship building. The relationship

dimension has now to be tackled. A mediation service is essential to ensure the parties do not either withdraw or only consider pursuing their own goals. The collective bargaining process must first be established and maintained. When the conflicting issues have been reconciled, although never resolved, it is possible for the parties to embark on problem-solving interaction.

It is not claimed that the mediator will 'settle' all the above situations. Trials of strength situations will continue to be necessary and the parties will use industrial action to establish a power balance. At times the mediator will not be called in. He will either be informally consulted or his mere availability will be sufficient for the parties to find their own negotiating range.

Awareness of the strains inherent in the post-Wiehahn dispensation brought together a number of leading trade union leaders and industrial relations managers during 1981 to investigate the feasibility of establishing a private mediation service. It was felt that the Government was not the appropriate agency to provide such a service and that an independent service had potential.

In January 1983, it was agreed to establish a private service in terms of the following principles:

- a mediation service must be independent and impartial
 - mediation intervention is dependent upon the voluntary agreement of both parties
 - mediation is a resource which can only assist the process of collective bargaining
 - mediation recognises the principle of self-governance where the regulation of the relationship is left in the hands of management and trade unions.
- In the few months of its formal existence, the Independent Mediation Service of South Africa (IMMSA) has been involved in a number of successful mediations.¹ TPA

Footnote

¹ IMMSA will not be attached to any institute or university. In the initial period before the appointment of a full-time director, information about the panel and use of IMMSA can be obtained from June van Lingen P O Box 31170 Braamfontein 2107.

INVESTING IN APARTHEID OR INVESTING IN REFORM

Robert M Godsell, Industrial Relations Consultant, Anglo American Corporation.

ISSUE IN FOCUS

The expulsion at the end of May of South African (SA) employers from the International Organisation of Employers (IOE) — the free enterprise-based employer body which represents employers in the international labour organisation — has refocused attention on the international relations of SA business.

The expulsion came in the face of threats from African employer organisations to resign from the IOE unless SA withdrew. SA's expulsion was desired by black Africa not because of any criticism of employer actions in this country, but rather because of the continued existence of apartheid. The expulsion is but one of many forms in which business relations are damaged by political opposition.

“
South Africa's expulsion from the IOE is one of many forms in which business relations are damaged by political opposition
”

HOW IMPORTANT ARE THESE THREATS?

SA's economy is an open economy, in the sense that it is significantly dependent on the mainstems of the world economy: foreign capital flows, foreign demand for major primary export such as gold, diamonds, platinum and other minerals. Increasingly, our ability to grow economically is also going to be significantly linked to our ability to export other commodities, in particular manufactured goods.



Outspan oranges - one of the targets of international boycotts.

In addition to the capital and export links, technology exchange is also vital. So: both the quantum and quality of SA's international business links are of vital importance to this country's health and particularly to our future capacity to grow.

“
Both the quantum and quality of international business links are of vital importance to SA's health and future capacity to grow
”

WHAT IS THE NATURE OF THE THREATS TO OUR INTERNATIONAL ECONOMIC RELATIONS?

The threats operate at a variety of levels. Perhaps the most common threats can be called symbolic; certainly SA's expulsion from the IOE is no more (or less) than a symbolic break. Similar (though more important) are the consumer campaigns aimed at the boycott of SA produced goods such as Outspan oranges. More significant still are the efforts to withdraw capital from enterprises operating in SA. Perhaps the country which has gone further than any other is Sweden. In 1977 that country passed legislation to prohibit any “new” investment in SA. Swedish companies already established in SA may make essential capital replacements, but they may not expand, and no new Swedish enterprises may be initiated.

Elsewhere campaigns have been mounted to prevent capital flows to SA. Banks

“
The threats operate at various levels, ranging from symbolic to the most damaging of all: trade sanctions
 ”

such as the British Bank, Barclays have been the target of protests. However, outside of Sweden, probably the most concerted and important campaigns are taking place in the United States. Presently some 27 State Legislatures are in the process of considering legislation which commonly requires all state controlled investment funds to be withdrawn from the stock of companies doing business in SA. The funds controlled by such Legislatures (especially for example Pension Funds) are very considerable. American universities have been urged to take similar steps.

Finally, without doubt the most damaging of all “breaks” would be trade sanctions. Yet these are the least likely. Individual countries are reluctant to impose trade bars unilaterally, and the prospect of universal agreement seems slight. Universal application is even less likely.

WHAT IS THE RATIONALE BEHIND SUCH THREATS? AND HOW SHOULD SA BUSINESS RESPOND?

In essence this foreign investment debate turns on the question of whether capital and trade is investment in apartheid, or investment in reform. The debate may be considered in both a long-term and in a short-term context.

Long-term it has been compellingly argued that economic growth is fundamentally incompatible with a society ruled in terms of race. As a society we do indeed face a choice between being rich and mixed, or poor and segregated. Whilst it is possible to plan for economic expansion on the basis that blacks must exercise the exclusive role of the providers of labour, it is not possible to

“
Diminished capital flows and decreasing export markets will hurt SA economy, but how will they force change?
 ”

experience growth without blacks also becoming consumers, city dwellers and a permanent and increasingly undifferentiated part of the fabric of a modern society.

However, the more interesting and important debate is the debate around the short-term consequences of investment or divestment.

Firstly, it is important to ask the proponents of divestment and boycotts to outline how they see this as a strategy for change. Without doubt diminished capital flows and decreasing export markets will hurt the SA economy, but how will they force change?

“
The ill-found premise is that change will be more forthcoming in conditions of economic adversity rather than economic expansion
 ”

The often implied but seldom articulated reasoning appears to run along these lines: economic pressure will cause economic hardship, but at some stage this hardship will produce “real” change. It seems a strange logic, based as it is on the premise that change will be more

forthcoming in conditions of economic adversity rather than economic expansion. Such a premise seems ill-founded in general and difficult to imagine in a particular SA context.

There is of course a highly plausible series of consequences flowing from economic pressure. Increased pressure will cause increased isolation, which in turn will create resistance and greater polarisation. Such a strategy is a move for change in SA based on present conflict. Yet many of the groups pushing for economic pressure would shy away from a commitment to a full-scale civil war with the consequent high stakes and uncertain outcome which such a war would imply.

Secondly, and more positively, it is important for those doing business in SA (both foreign-owned and local enterprises) to ask themselves the question: are we investing in racial discrimination or reform? This is a question requiring an honest answer. For whilst it can be argued that economic growth and racial discrimination are incompatible in the long-term, evidence abounds in the short-term to suggest that they are eminently compatible.

Economic growth is not possible without blacks becoming consumers and city dwellers



(This paradox resolves itself because if economic activity continues to operate within the shackles of racial discrimination, economic growth will not be sustained. Indeed it will falter and fade. To believe otherwise is to conceive of Britain's industrial revolution leaving that country's feudal social organisation unaltered).

WHAT THEN DOES THIS QUESTION MEAN IN PRACTICAL TERMS?

Does an apartheid regime obtain within the company, or is there clear and continuous progress towards a non-racial order?

Is the whites first, "coloureds" and Asians second and blacks last order of apartheid society replicated inside the factory or office, or does at least a measure (and an expanding measure) of equal opportunity exist?

Is the company making serious efforts to give meaning to the fine sounding phrase "equal opportunity"? A race is only equal if everybody reaches the starting gate. If blacks have received basically deficient education, they must be given the tools to overcome this obstacle, if they are to have any real chance to succeed.

Is reward non-racial? Racial discrimination is not often easy to detect. Simple cross-racial comparisons reveal disparate payscales and other examples of inequality. The disparities are often difficult to change. Yet if the claim of SA business is true that economic growth brings

reform, the discrimination must be changed.

“
If the claim of SA business is true that economic growth brings reform, the discrimination must be changed
 ”

Is the company making a real investment in the non-racial development of the skills of the employees. Such an investment is probably the most important investment of all and is also the most useful "aid" which any developing country could receive.

Is the company promoting industrial democracy and the economic enfranchisement of its employees? A company which is prepared to deal with unions representing all groups of its employees in a firm and reasonable way can make this claim. A prevaricating or obstructive employer cannot.

This does not of course mean that employers can or should do everything which black unions ask. Rather it means that they should be ready to acknowledge the need for a responsible partnership with their workers. Collective bargaining does not consist in compliance but rather in compromise.

Finally, is the company a responsible corporate citizen playing its role in the broader issues of SA society? In modern industrial society, companies are citizens. They have influence and should use it responsibly.



Does an apartheid regime obtain within companies, or is there progress towards a non-racial order?



Ando o elekto men to 1 in Daily News

The examples of employer pressure on the State to change are mounting and already constitute an impressive list. Change in

“
Change has been small, gradual and often grudging; the way most societies change most often and most successfully
 ”

labour law, urban housing, education and influx control all bear testimony to this. In all cases, change has been small, gradual, often grudging. This is the way most societies change most often and most successfully. Apocalyptic change is more dramatic but almost always far more costly.

If the business community can answer the above questions positively, then this community can confidently claim that they are partners in reform and de-racialisation.

TPA

VOLUME ONE

NUMBER TWO

INDICATOR

South Africa

RURAL MONITOR

Co-ordinator: Garth Seneque
Research Assistants: Themba Nzimande and Simon Wells

2
Aims of the Rural Monitor

3
Drought

4
Ubombo and Hlabisa: A Case Study

5
The "Homelands"

6
White Agricultural Debt

6
Rural Urban Migration

7
Measles

8
Health Tariffs T Nzimande

9
The Informal Sector: Desperation vs Maximisation Strategies
C Cross and E Preston-Whyte

Aims of the Rural Monitor

Rural poverty, deprivation and underdevelopment are amongst the critical problems facing South Africa in the 1980's. *The Rural Monitor* will deal with rural questions throughout South Africa. This includes the white rural areas and the black "homelands" – both self-governing and "independent" states.

The rural field of inquiry is spatially defined purely for the sake of convenience. Dualistic notions are not implicit in this urban-rural distinction. Issues such as removals and resettlement, migrant labour, water supplies, health, and education – to name just a few – obviously transcend such a distinction.

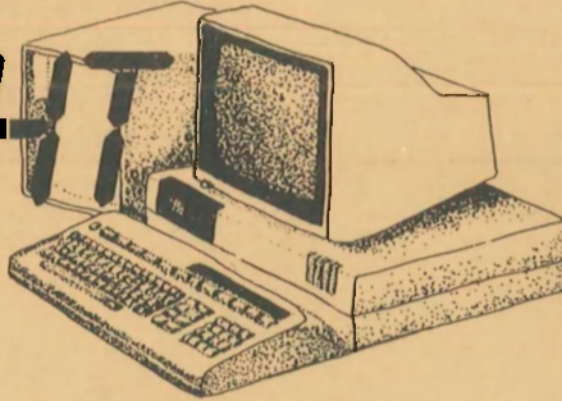
Events will be monitored in context, and policies analysed and evaluated. Wherever possible case studies will be used to illustrate a general theme. The monitoring and evaluation of rural development projects and programmes is a priority.

We are aware of the problems that face us in trying to achieve the tasks outlined above. Information on South Africa's rural areas – particularly the black areas – is extremely sparse, and where available is often unreliable. On the other hand much of the research conducted on the rural areas seldom reaches more than a few specialists.

The *Rural Monitor* will collect, collate and analyse research findings in order to make these more accessible to specialists and non-specialists alike. Some original research will be carried out by the Monitor, but it will be limited by the availability of funds and other resources.

Using information from official sources, published research and our own findings, the Monitor aims gradually to build up a series of indicators. Individually and collectively, these indicators will serve as pointers to trends and shifts in the rural areas. Combined with analysis of the issues and events, they are intended to aid understanding of rural problems.

DROUGHT



The drought has brought into sharp focus a number of the underlying problems in South Africa (SA). Contrasts within SA society have been more clearly etched.

Scientists are using R millions of highly sophisticated computer and satellite technology to monitor rapidly diminishing water levels of major storage dams¹, while hundreds of thousands of rural women and children trek for hours with plastic containers in search of water.

The grain crops fail and Government Ministers assure consumers that imports will ensure no shortages. Yet conservative estimates, by the Bureau for Economic Research, indicate that three million children suffer from or show signs of malnutrition.² Even before winter set in, health and aid workers in the rural areas reported massive – up to 50 percent – increases in malnutrition and related diseases.³

Even before the drought, however, an expert has estimated that 30 000 children were dying from malnutrition each year, whilst thousands of tons of food were exported. The drought has pushed white farmers so deep into debt, that there is speculation that many will never be able to repay their loans. However, before the drought there were indications that a debt-crisis was mounting.

The impact and consequences will be felt for decades. Many may be irreversible. Famine threatens many "homeland" areas. Hundreds of thousands of people face starvation. Livestock herds have been completely lost and even breeding herds reduced. Pasturage is likely to stabilize at a lower level, reducing the long-term productive capacity of land.⁴

The only option open is to trek to the urban centres in the hope of securing absolute minimal survival needs – water and food. This report is based on information gathered and collated in the early stages of winter (June/July). The picture it paints is already a serious, and in some instances, a critical one. In the long, dry winter months, the situation will worsen. A more detailed evaluation will be possible only in the summer of 1983/4. This report merely isolates a few selected sectors and areas to illustrate the impact of the drought.

FOOTNOTES

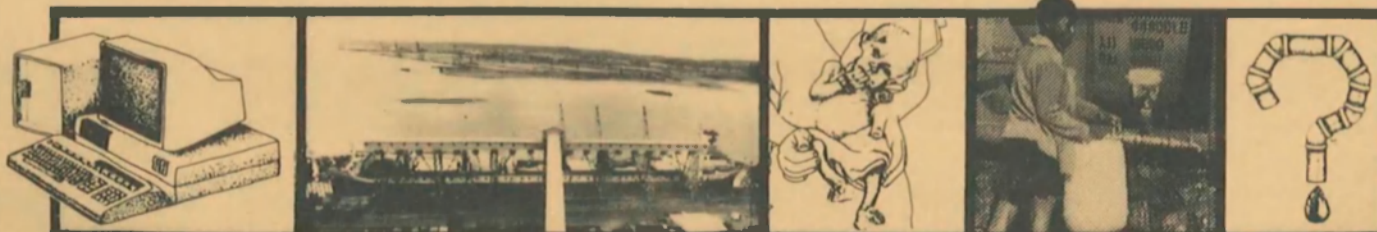
¹ AI the National Institute for Telecommunications Research, of the Council for Scientific and Industrial Research, Harlebeeshoek. *The Star* 4 July 1983

² *The Star* 30 June 1983

³ *Ibid*

⁴ *Hansard* 26 May 1983 col 7970-1

Acknowledgement to the *Daily News* for: photograph of maize being loaded onto a ship for export — while 30 000 children die from malnutrition each year — and photograph of girl drawing water from a tank, one of many who have to trek for hours with plastic containers to get water.



Ubombo and Hlabisa



At the end of June, with the onset of winter, the Rural Monitor conducted a rapid survey of these two rural districts in north-eastern Natal/KwaZulu. The impact of the drought is immediately noticeable: groups of people clustered at points along the roadside waiting for the emergency water tankers; parched barren fields; thin cattle in desperate search of grazing and water.

The coastal belt usually has an adequate annual rainfall, but the inland areas are among the lower rainfall regions in KwaZulu (KZ). Except for the Lebombo mountains, the area is flat and usually characterised by numerous fresh water pans. The Pongola river has been the only water source for the thousands of people — its regular flooding replenished the pans — on the Makhlatini Flats. However, for the first time in living memory, the pans have dried up.

The communities in the area bitterly blame the construction of the Jozini Dam (J G Strydom Dam) for interfering with the flooding cycle. This "white elephant" built in the 60's has never been utilized, because it was found that the Makhlatini Flats "could not be irrigated because the brak water lying beneath the surface was drawn upwards by fresh water, making the ground useless for agricultural purposes".¹

Water drawn from the dam is chlorinated and distributed by water tanker. The thirteen 10 000 litre water tankers are coordinated by the Ubombo District Water Committee. At some of the distribution points the tankers empty their loads into corrugated iron reservoirs, but at most points the water is transferred directly into people's 25 litre containers.

Interviews with people — mainly women and children — at these points elicited a number of complaints. Often the tankers fail to turn up. Yet the people are almost totally dependent on this source for water. Others complained that they obtained insufficient water for cooking and drinking. This forced them to dig wells in the river bed.

Boreholes sunk by the KZ Department of Agriculture, Anglo American Corporation and the KZ Water Development Fund have provided some relief in the area. Of the 89 boreholes in the area, 78 are in operation. However, some of these have recently run dry.

Of the 15 boreholes sunk this year, only ten yielded water. Even such figures are misleading, because the yields in many instances are very low. The researchers observed one borehole in Mpukunyoni which only yielded 20 litres in 20 minutes. Furthermore, much of the Ubombo district is geologically unsuited to borehole development.

Subsistence crops (maize, peanuts and vegetables) have failed totally and in some areas up to half the cattle herds have died. The South African Red Cross has distributed at least five consignments of 1 000x12,5kg bags of mielie meal. Distribution is handled by existing local organisations.

For example, in the Ubombo district, the Superintendent of Bethesda Hospital helped by chiefs and indunas, issues tickets to households they consider to be most in need. These are redeemable at the distribution point for a 12,5kg bag of maize meal. Women at the distribution point at Mangwazana High School, Ubombo Village, said that the bag would only last their families and dependants for three days.

Malnutrition cases in the children's wards at Bethesda Hospital were 300 percent up on last year — from four cases a month to 12, in June.² The white farming districts — which provide many families in the district with seasonal employment — have had heavy crop losses. With no income and little food adult malnutrition is also on the increase.³



Cattle are dying and few will survive the winter.

By March, official statistics showed that 1 452 head of cattle had to be slaughtered and 2 748 had died — ie ten percent of the total. However, in some areas this percentage is as high as 50 percent.

This was the picture at the beginning of winter. There was little prospect of a massive drought relief programme, which would be required if the people are to make it through the winter months. The agencies — such as the South African Red Cross and various KZ Government departments — are doing what they can with the severely limited resources at their disposal.

It is not nearly enough. The people of Ubombo and Hlabisa will have a long hard winter.

FOOTNOTES

- 1 Daily News 30 April 1983
- 2 Daily News 29 June 1983
- 3 Ibid



The white rural areas are being laid to waste by the drought. The black rural areas are barren. Food production in white rural areas has failed and food has to be imported. Famine threatens the black rural areas.

It is however proving difficult to separate out direct drought-related problems from those 'normally' prevailing. Information is scarce, difficult to collect and not easily comparable. Agencies — both private and public — are usually too busy dealing with crisis after crisis, to be able to spend many hours on compiling elaborate data bases.

All too often data that does emerge is collected at urban or rural centres. For example, health information is usually hospital based, and as Dr H G Kustner, Deputy Director of Epidemiology, State Department of Health, has pointed out, these results do not necessarily reflect what is happening in the community.¹ The reality is likely to be far worse.

When the Transkei Secretary of Health, Mr M Titus was asked whether there had been an increase in malnutrition admissions recorded in the hospitals he replied: "Our hospitals are always full or even over capacity and this is not only a consequence of the drought."²

The drought has merely exacerbated an already disastrous situation. Prior to the drought, Dr A Moosa, Professor of Pediatrics at the University of Natal's Medical School, had established that 30 000 children were dying every year in South Africa (SA), ie between three and four every hour of every day. While he expects the drought to lead to an increase in malnutrition, he has stressed that when the drought eventually breaks, malnutrition and related diseases will not disappear. "As soon as the child leaves [the hospital], he goes back to the same environment. Unless we tackle the socio-economic

The "Homelands"



problems, malnutrition will be with us indefinitely."³

Malnutrition in the "homeland" areas:

- 100 000 children in Lebowa have advanced malnutrition — Dr M Mphahlele, Secretary of Health and Welfare
- one of the worst affected areas is Bochum, a concentration of relocated people who were resettled on residential plots without agricultural land
- five years ago Helen Franz Hospital near Bochum treated five Kwashiorkor cases a day, now it is ten
- in 1982 the hospital treated 380 adults for pellagra; 43 children for pellagra;

1033 children for gastro-enteritis; 325 adults for gastro-enteritis⁴

- Lebowa's Health Department has 137 posts for doctors, of which 90 are vacant⁵
- 60 percent of Lebowa's health and welfare budget is spent on social pensions, and 30 percent on salaries. Thus, only 10 percent is left for health services⁶
- emergency drought aid by Operation Hunger, World Vision and the SA Red Cross feeds 14 000 children in Lebowa daily and 150 000 in all rural areas
- two million people in the rural areas are estimated to need emergency food aid during the winter⁷

- Subiaco Clinic, Thologwe — since January an average death rate from Kwashiorkor of one per week

- Jane Furse Hospital, which serves 180 000 people in the Sekhukhuneland area in Lebowa — admission figures for Kwashiorkor and malnutrition have doubled in the past year — Dr Peter Grant, acting Medical Superintendent

- gastro-intestinal diseases, including typhoid, are endemic in the area, and increasing

- Gazankulu — R15-16 million worth of stock lost since the drought began — Chief Minister, Chief Hudson Ntsantwisi⁸

- Gazankulu — more than 250 000 people will need emergency food aid to survive the winter

- KaNgwane — crops of 11 000 peasant farmers have failed completely⁹

- Ciskei — heavy stock losses are expected and the veld has deteriorated to such a degree that it will take 20 to 30 years of proper stocking and proper grazing management to restore the veld to a good condition — Mr W Trollope, Department of Pasture Science, University of Fort Hare¹⁰

- Transkei — most of the livestock is not expected to make it through the winter, unless there are good rains. In all 13 districts, because of a lack of water, dipping tanks were no longer operating. Red water and other tick transmitted diseases are spreading¹¹

- Ciskei and Transkei face a famine this winter. Indications are that up to 150 000 people will need food aid.¹²

FOOTNOTES

- 1 Daily Dispatch 7 July 1983
- 2 Ibid
- 3 The Guardian 14 May 1983
- 4 Sunday Tribune 19 June 1983
- 5 The Guardian 14 May 1983
- 6 Sunday Tribune 19 June 1983
- 7 The Star 2 June 1983
- 8 Rand Daily Mail 19 April 1983
- 9 The Star 29 March 1983
- 10 Daily Dispatch 18 May 1983
- 11 Daily Dispatch 11 February 1983
- 12 Daily Dispatch 13 July 1983



WHITE agricultural DEBT

Over the last ten years, insolvencies among white farmers averaged 80 a year, in an average population of 70 000, a fall-out rate of slightly more than one in 1 000 per annum.

A survey of agriculture in September 1982 noted that "Creditors have been lulled into confidence by the excellent track record of farmers as credit risks".¹ When the figures for the year to September 1983 are available, that track record is liable to look decidedly shaky.

The drought has forced farmers, already heavily in debt, into a position where they take further massive loans, or sell up and move off the land. They are unable to repay short-term loans for the last planting season because of large scale or even total crop failure.

The State has intervened by amending the Land Bank Act, so as to enable farmers to consolidate their debts, repay these over 22 years, and raise loans to 100 percent (up from 80 percent) of the farm's agricultural value. The Deputy-Minister of Finance, in introducing the Amendment Bill in March this year, noted that: "The stage has been reached where quite a number of farmers, irrespective of other debts, are unable to meet their obligations to their co-operatives [who advance production credit]. This has led to the co-operatives in their turn not being able to pay their debts to the Land Bank, or being unable to assist their members with further credit."²

Other financial concessions made to ease white farmers' financial burden include:

- an income tax concession for those forced to liquidate their livestock
- a 2 percent reduction of the Land Bank's short-term cash

credit advance rate for co-operatives to 12.75 percent in respect of production credit

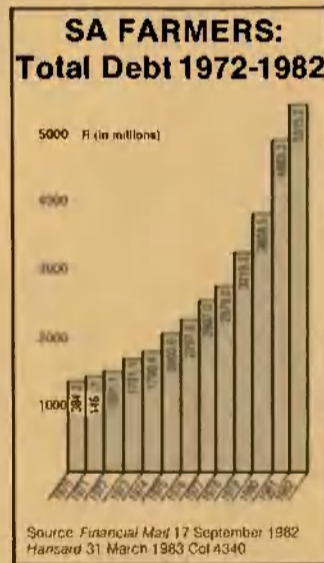
- a 1.5 percent reduction in the Land Bank's market-related long-term lending rate on instalment loans for co-operatives.³

Minister of Finance, Mr Owen Horwood, noted in his 1983 budget speech that there had been a 71.2 percent decline in the contribution of agriculture to the Gross Domestic Product, and that this was one of the principal reasons for the negative growth rate of the economy.

These measures, however, are not likely to provide any long-term solution to the debt problems of the agricultural sector.

Some indicators:

- total financing programme to the agricultural industry amounted to R5 315.2 million in 1982/3
- from 1979-1982 Land Bank



loan debt increased as follows:

- long-term loans to farmers 56.9 percent
- long-term loans to co-operatives 79.7 percent
- short/medium term loans to farmers 126.4 percent
- short/medium term loans to

- co-operatives 122.4 percent
- total left over debt of farmers with their co-operatives, R770 million
- gross income of farmers, 1981-2, rose by 6.4 percent
- net income of farmers, 1981-2, dropped by 34.4 percent
- producer prices rose by 6.4 percent
- prices of farming requisites rose on average by 17.3 percent
- consumer prices rose by

13.8 percent.⁴

Dr Frans Cronje, Chairman of Nedbank and of SA Breweries, predicted in April this year that R2 billion would have to be injected by the State into the agricultural sector to save it from the effects of the drought.⁵

FOOTNOTES

- ¹Financial Mail Agricultural Survey 17 September 1982:27
- ²Hansard 31 March 1983 col 4336
- ³Daily Dispatch 31 March 1983
- ⁴Hansard 31 March 1983 col 4345-6
- ⁵Daily Dispatch 16 April 1983

RURAL - URBAN MIGRATION

With drought and recession-related retrenchments compounding existing unemployment in black rural areas, the various authorities have begun to face the spectre of massive black rural-urban migration. With the influx control system already failing, and the massive growth of squatter settlements on the periphery of the metropolitan centres well established, a drought-induced population migration is the stuff of Government nightmares.

Mr Louis Koch, Chief Director of the Eastern Cape Administration Board, was reported to have said that the present drought would accelerate urbanisation in South Africa to a point never experienced before. "Those people who move to the towns because of the drought are not going to go back."¹

So far no hard figures have been produced. Such pointers may come through State monitoring of the informal settlements around the major urban centres such as Inanda outside Durban and Winterveldt outside Pretoria.

The Government's response is likely to be:

- a tightening up of enforcement of influx-control and repatriation of people to the "homelands". The State has attempted a new strategy:

that of linking drought relief aid for employment creation in Transkei, with accepting 1 000 people expelled from the Western Cape for being "illegal foreigners". Acceptance of these people would entitle the Transkei Government to aid for 4 000 jobs.²

- large-scale site and minimal-service schemes (ie controlled squatting) in the black urban townships abutting white South Africa. Such a policy was already in the pipeline for some areas, before the drought — eg in Mfolweni, Durban. The State will have to revise its estimates of the populations of these areas.

Consequently, an even greater need for urban housing, services, infrastructure and facilities will develop. The housing sphere is already highly politicised, viz KTC and Lamontville. With impending restructuring of local government — in both black and white areas — the politicisation of increasingly costly and scarce services and facilities (eg water, electricity, public transport) is likely. Large-scale rural-urban migration is likely to exacerbate such a situation.

FOOTNOTES

- ¹Daily Dispatch 25 May 1983
- ²Star 4 June 1983

IPIA



MEASLES

This report reviews the Port Elizabeth measles outbreak. It analyses the latest official data available since measles became a notifiable disease in 1979. Analysis of the incidence by age and race group indicates that such factors as environment, population density, urbanisation and overcrowding, availability and pattern of usage of preventative health services are significant.

A crucial element in this last factor is the involvement and active participation of the community in the provision of the primary health care services.

Measles became notifiable in terms of the Health Act (1977) in 1979. The rates of notification for measles in respect of the total population of South Africa have shown a steady decline over the period 1980, 1981 and 1982. (Fig 1)

The recent outbreak of measles in the Port Elizabeth metropolitan region has highlighted this disease. In the first five months of this year 164 people died of measles. The vast majority were children four years and under — 78 were under 12 months, and 83 between one and four years. One hundred and fifty nine of the deaths were in the Cape, two in Natal and three in the Transvaal. Most of those who died were blacks (161) and the remainder "coloured" (13).¹

The incidence of this condition is not equal for all population groups, however. In children under one year of age, who are at greatest risk, the rate of measles notifications in Africans is nearly 500 per 100 000 children, while whites in this age group experience this condition only one-tenth as often. The "coloured" and Indian populations are intermediate between those two extremes.²

A further characteristic associated with population group is the relative proportion of notifications in respect of children, which occur in the first year of the first five years of life. (Fig 2) Among Africans, "coloureds" and Indians the disease occurs more consistently in the youngest members of the

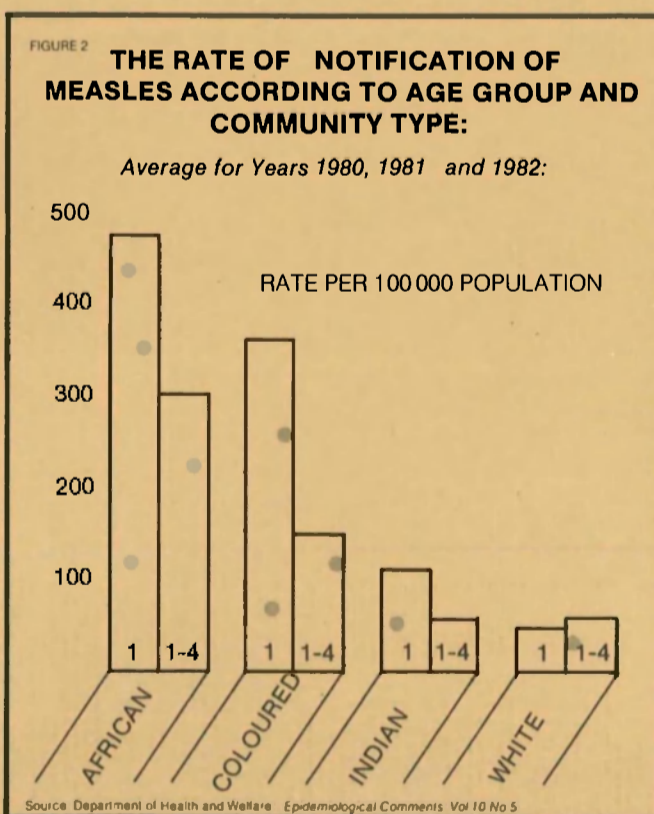
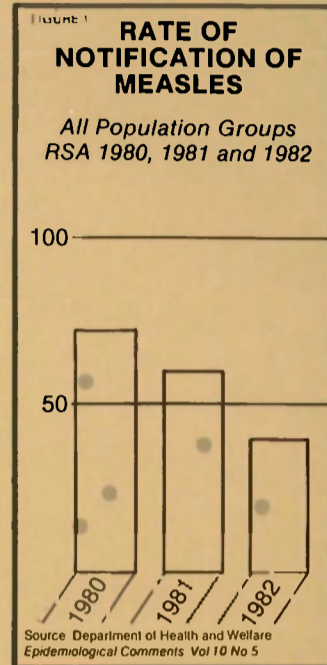
population whereas among whites the distribution between these two age groups is relatively even.

This would suggest that environmental or other factors are associated with the occurrence of measles. These may include population density³ (urbanisation and crowding), susceptibility to infection, the availability of preventative health services and the pattern of utilisation of those services by the population.

In urban areas, where risk of infection is likely to be greatest, the provision of

primary health care services is more easily and less expensively accomplished than is the case in rural areas. However, the rate of occurrence of measles in rural areas is likely to be even less well quantified than is the case for urban areas, owing to the under-reporting of cases. The careful monitoring of this condition in such areas is therefore essential.

It is clear that in both urban and rural areas the provision of basic primary health care services is the most reasonable means by which preventive services can be adequately provided for all population



groups.

The provision of preventive services is however of little value if these services are inadequately or inappropriately used. The motivation of the various communities to timeously use preventative health services is an integral health service function and is possibly an area requiring greatest attention.

Utilisation of primary health care services may be considerably increased through the involvement and active participation of the community in their provision. Local health committees and the presence of Community Health Workers elected by their communities may do much to reduce any alienation between the community and health professionals.

Measles, owing to its easy identification, its association with social and environmental factors and to the availability of effective preventive measures, is an effective indicator of the overall health status of the community and of the efficacy of its primary health care services.

For these reasons it is important to note in which areas and in which population groups this condition is most common — for it is likely that in those areas and in that population group there will be the greatest need for intervention by health and other social services.

FOOTNOTES

- 1 Hansard 3 June 1983 col 1461-2 q 15
- 2 Department of Health and Welfare (RSA) 1983 Epidemiological Comments Volume 10 No 6
- 3 W E K Loening, H M Coovadia 1983, In publication

The KwaZulu Department of Health recently increased its hospitals' tariffs. This controversial decision has led to the resignation of one senior staff member. A report in the Sunday Tribune (26 June 1983) noted that: "Previously patients paid R4 when they were admitted to the hospital. Now most pay R4 a day, or R120 a month."

Dr James Nicholson, acting Superintendent of Ekhombe Hospital commented: "These fees are usually quite beyond the means of people in rural areas. The system of fees is very unfair."

The various hospital services in South Africa (SA) generally have a tariff structure whereby the cost to the patient is related to his income. Indicator SA surveyed the provincial and "homeland" hospital services to establish what comparative health costs are.

The tariff structure differs from one provincial administration to another. The nature of the hospital (private or statutory) is also a factor. Here we are looking particularly into the tariff structure of the general hospitals (statutory).

Some health service officials are unwilling to reveal much data. For example a Transkei official said it was a sensitive issue and that the tariff structure was being reviewed.

KwaZulu (KZ) Director of Health, Dr D Hackland said a minimum cost of R2 per visit is charged to indigents and unemployed out-patients. This fee is determined on the assumption that these people earn a subsistence either from social pensions or Unemployment Insurance Funds (UIF). (See the report on the UIF in the Industrial Monitor) Any other destitute cases would be known by social workers and magistrates.

Dr Hackland admitted that problems had been caused by the restructuring of the tariff, and that it is under review. He noted that it was KZ policy to improve the quality of life and to maintain a high standard of health of its people. The Department of Health has since come to realise that the new tariffs were too high to be realistic.

Hospitals under the Provincial Administration determine the tariffs according to the gross monthly income

Themba Nzimande

HEALTH TARIFFS



Fees have increased while hospitals remain exceptionally overcrowded.

of the patient's family unit. The number of dependants is also taken into account. This criterion is applied to all the Cape Province hospitals irrespective of the person's race.

In Natal it is only the white

statutory hospitals that determine the patient's tariff by the gross monthly income of family unit. Most black hospitals determine the tariff by the monthly income of that particular patient alone, but the number of dependants is taken into consideration.

Methods of establishing the patient's declared income differ from one institution to another. In the Cape for example, the Administration Control Officer, Mr Cilliers, maintains that hospitals in his jurisdiction insist on a patient producing a statement of income by his employer, otherwise he would be assessed at the maximum rate until proof of income is submitted.

A more subjective criterion — the person's appearance — is also used. Mr V Richardson, the Natal Administration Control Officer, stated that in most cases the admitting clerk in black hospitals takes the patient's word and rebates him according to the income given. Quite often follow ups are not made to verify the patient's claim due to the large number of daily admissions. He also emphasised judgement by appearance as a common determining criterion. Only with admitted patients can one easily check and verify given particulars. The tariffs in Natal were increased in October 1982 by 25 percent.

Hospitals in the "homelands" have tariff structures that vary slightly. The tariffs are applied according to the monthly or annual income of the patient. The provincial administration's tariffs are determined by the gross monthly income of the family unit. This difference makes direct comparison between the "homelands" and Provinces difficult.

The fees in statutory hospitals are inclusive of all services rendered, such as X-rays, medication, specialist treatment, operations etc. Tariffs for "homeland" hospitals are nonetheless higher. Most hospitals in the "homelands" serve poor people who are dependent upon subsistence living and meagre remittances. If the tariffs in these places are set higher, then there is a danger of these health services becoming inaccessible to the public.

The non-uniformity of the tariff structures lead to inconsistency in the utilization of health services. Patients travel from a "homeland" to a provincial hospital in order to get cheaper health care. Thus the discrepancy in tariff structures puts further pressure on these health services. *TPA*

● HOMELANDS ●					
PATIENTS INCOME BRACKETS (PER ANNUM)					
PLACE	R0-50	R51-500	R501-1000	R1001-2000	R2001-3000
Gazankulu ¹	R2	R3 ²			
Lebowa ¹		R3	R5	R5(IP-R2) ³	R5(IP-R3)
Owa-Owa		R2	R3(IP-R4)	R4.50(IP-R5)	R6(IP-R6)
KwaZulu		R2	R2	R6	
KaNgwane		R2			
Transkei	50c	R2			
Ciskei	50c	R2			
Bophuthatswana ⁴	?				
Venda ⁴	?				

● NATAL PROVINCIAL HOSPITALS ●						
PATIENTS GROSS INCOME BRACKETS (PER ANNUM)						
R0-900	912-1500	1512-1800	1812-2400	4812-5100	5112-5400	7500-OVER
R1,50-1,80	R2,20-2,60	R3,00-3,40	R3,40-3,80	R7,20	R7,60	R10,00 ⁵
R1,50	R1,50	R2,20	R2,60	R5,80	R6,10	R8,80 ⁶
R1,50	R1,50	R1,50	R2,20	R5,80	R5,80	R8,40 ⁷
R1,50	R1,50	R1,50	R1,50	R5,00	R5,40	R7,60 ⁸

● CAPE PROVINCIAL HOSPITALS ●						
PATIENTS GROSS INCOME BRACKETS (PER ANNUM)						
R0-1200	1201-2400	2401-3600	3601-4800	4801-6000	6001-7200	ABOVE 7200
50c-R2,00	R5,00	R10,00	R12,00	R13,00	R14,00	R15,00 ⁹

- 1 Gross income of the family unit taken into account
- 2 Part paying patients and paying patients respectively. Workmen's Compensation Act patients between R8 and R12
- 3 In-patients daily fees
- 4 Figures not available
- 5 Single person with no dependents
- 6 Married with no dependents
- 7 Married with 2 dependents
- 8 Married with 4 dependents
- 9 Applicable to all patients in non-teaching hospitals only

THE INFORMAL SECTOR: Desperation VS Maximisation Strategies

Catherine Cross and Eleanor Preston-Whyte
University of Natal, Durban

Informal activity in black areas is often thought to be generated either by poverty or when all the people with labour to sell are unable to get work in the formal wage economy. Other interpretations have stressed the high participation of women as opposed to men. These propositions need to be re-examined in the light of factors such as local demand and opportunities and household organisation.

The report is based on an analysis of all the major sources of household income for a sample of 103 homesteads in peri-urban KwaZulu, in a rapidly modernizing area 30 kilometres from Pinetown. The survey was conducted in late 1981, when the South African economy was expanding and it followed an earlier investigation in 1978.

Major findings suggest that:

- Black incomes in some areas outside the cities are not necessarily as low as is usually thought
- Informal participation can reach levels where it involves above two-thirds of a community's households
- Access to both formal and informal earning can be critical to the struggle for liveable income levels.

Women and Men in the "Informal Sector"

Most South African studies have reported female predominance in informal sector activity,¹ but recent International Labour Organisation (ILO) research reports that men tend to predominate.² (Figure 1)

The results in our study show men's and women's involvement to have been roughly equal at 31 and 33 percent of all adult men and all adult women respectively in 1981.

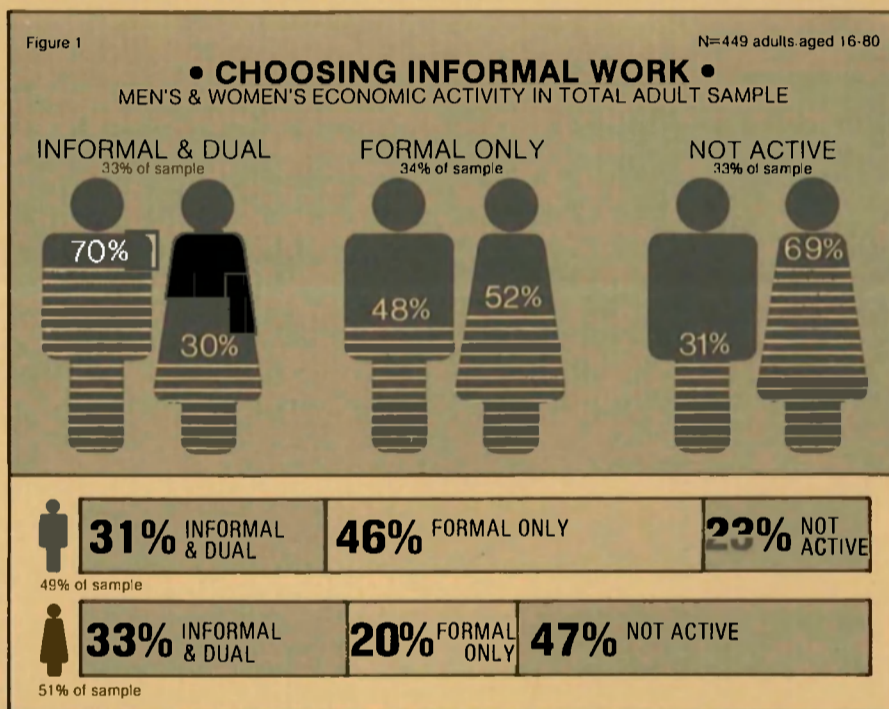
Informal participation on this evidence does not necessarily favour either men or women. But our results further imply that who dominates in the informal sector depends on the structure of economic opportunity in the given area. In the specific area studied, under rural organisation but within reach of urban opportunities, economic mobilization is relatively high. But population density, access to transport and locality differentiation at the extreme micro-level are all factors in defining the opportunity structure for any area.

Local Opportunity Structure

As an area like the one we studied develops toward modernization,

Far-reaching claims are now being made for the development potential of the "informal sector" – but outside of stereotypes, not very much is yet known about what actually determines rural or peri-urban informal activity.

To understand what the informal sector actually means to blacks outside the cities requires both being able to see the economic alternatives as they appear to the community – and being able to assess the consequences of informal activity for the people involved.



population density increases. When this coincides with rising formal sector incomes, conditions can emerge that create a stable market for "informal sector" enterprises and services.

An important factor in this process was the trend to marked economic and social variation between very small local areas. The localities lying along the major transport artery formed the leading edge of modernization, with signs of development in housing, land holding and economic activity.

Male/female informal participation appeared to split in relation to the opportunities defined by locality modernization at this level. Where economic mobilization was highest, the participation of men was greater than that of women. A sub-sample of 131 respondents drawn mainly from localities along the transport artery reflected male to female participation in the informal sector of 51 to 43 percent.

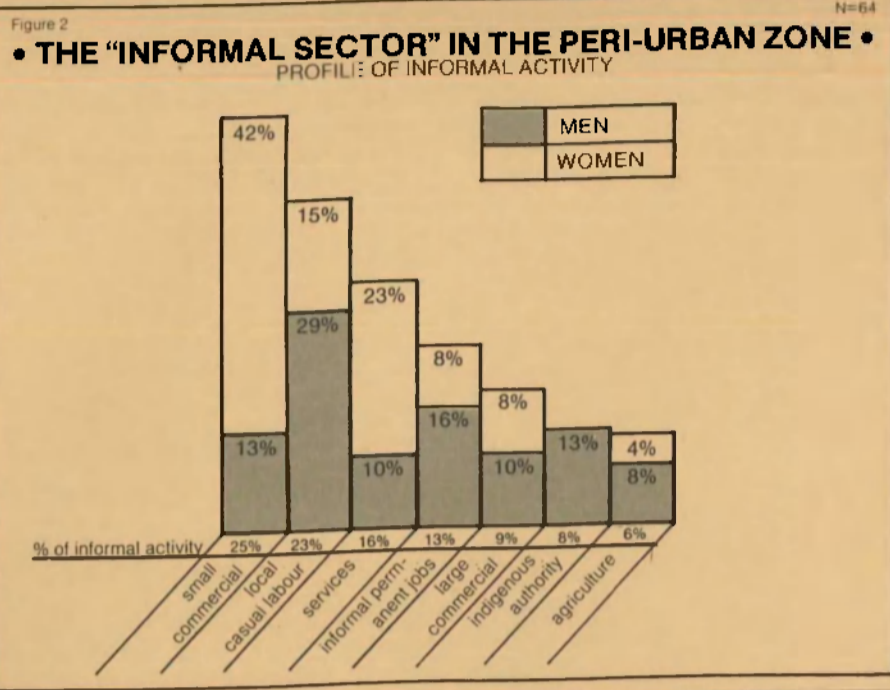
The apparent shift here towards male predominance may foreshadow future

"INFORMAL SECTOR"?

"Informal work" in this report takes in any activity people use to bring in income, as long as it does not fall under the larger developed economy of white South Africa. Use of "informal sector" here emphasises the "informal" – two sealed-off "sectors" are not implied. Defining a local and a regional economy is nearer to the point.

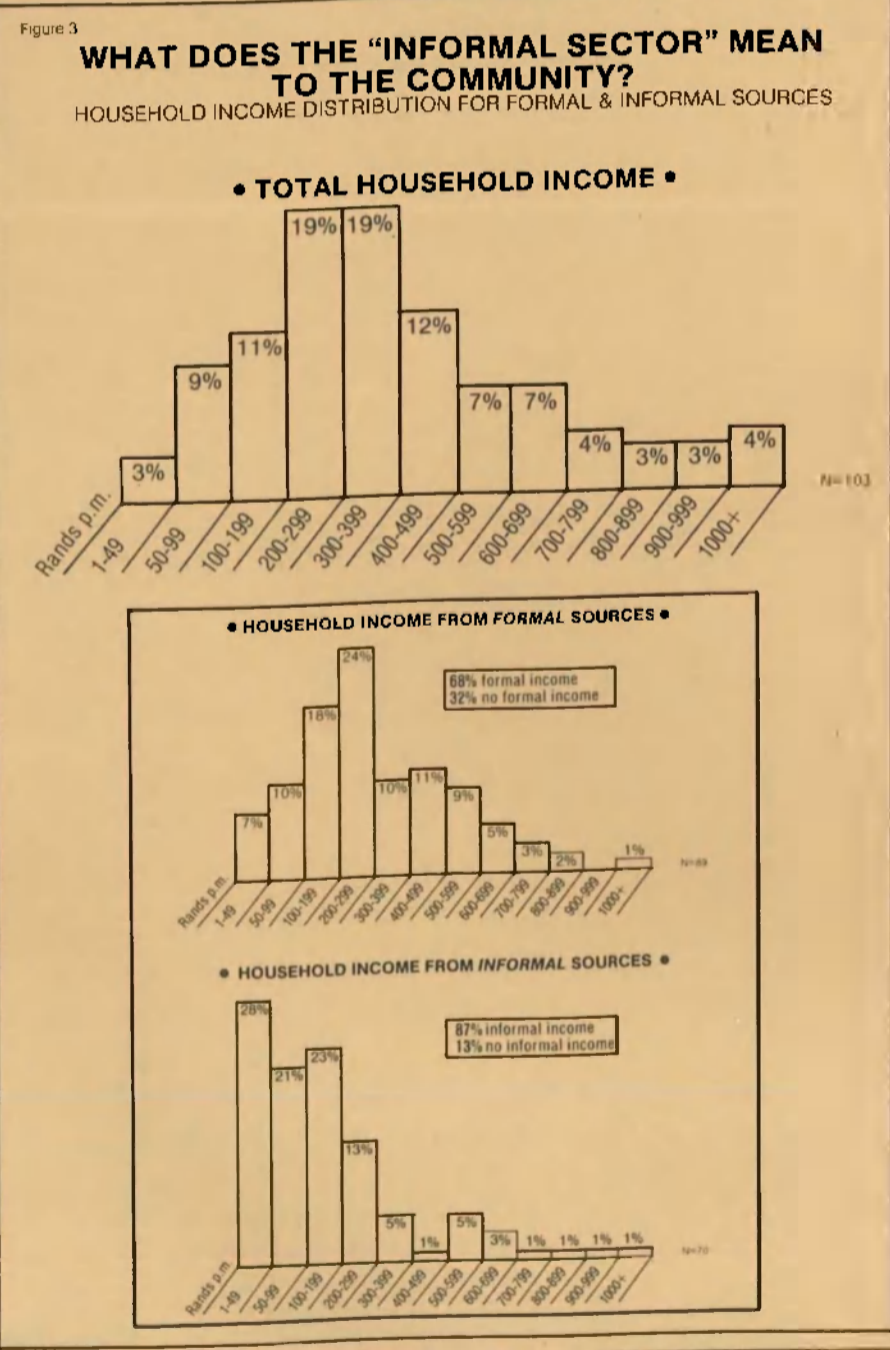
This follows from the way people in the area studied think about economic activity: local people separate "working for whites" – wage employment in the formal economy – from "doing something to get money for yourself", meaning the money-making enterprises people may carry on for themselves, that are not controlled by whites or by white laws and regulations.

Academic definitions are usually more rigorous, but do not necessarily reflect the dynamics of the actual process on the community level. Being able to model informal activity as it looks to the people involved may be a significant factor in formulating development alternatives.



WOMEN AND MEN IN THE INFORMAL SECTOR

- Informal participation was 27 percent for 222 men and 29 percent for 227 women.
- Nearly 20 percent of economically active men pursued both formal and informal earning, while dual involvement was less common for women respondents.
- Women's activity was relatively concentrated — 42 percent in small commercial lines, 23 percent in services and 15 percent in casual labour.
- Outside of small-commerce and services, other informal domains were dominated by men.
- Men's mean informal income was R118 and women's R65 per month.
- Mean formal income for men was R182 per month, while for women it was R127 per month.
- For the men doing both formal and informal earning, mean personal income was R273 a month.



changes in the study area's more outlying localities as well. If the 1981 trend to rising economic mobilization were to continue, the number of men in the informal sector throughout the study area could overtake the number of women, moving into the pattern reported by the ILO for other Third World areas.

The Informal Sector and Formal Employment

This trend is clearly related to events in the formal sector. Increasing formal wages flowing into the area appear to stimulate informal activity generally. Comparisons with the earlier study in 1978 suggest that while the formal economy of the Durban region was expanding and formal wages were rising, formal sector activity for both men and women dropped slightly relative to informal activity in the area studied.³

The picture that emerges is one of a non-urban informal sector taking shape as a semi-independent local economy in its own right. Our results suggest this "informal economy" may have substantial viability and scope to provide employment in an economy of opportunity. Under favourable conditions, it can develop enough economic impetus to exert significant control over the community's income distribution.

Income Distribution and Dual Earning Strategies

Adding up all major components of household income produced results that were fairly startling in terms of rural/peri-urban poverty stereotypes. This area had income levels well above those anticipated for a semi-rural area. (Figure 3) Mean household size stood at 6.9 and mean income was R396 a month. In comparison, if Potgieter's estimate for a Durban black family in 1981 is weighted for this household size, household subsistence level would be R263 per month.⁴

LINES OF INFORMAL WORK AT KWANGELE

- Commercial activity was heavily concentrated at 28 percent and reached saturation in some localities.
- Services, including building and construction, herbalist curing, renting and local domestic service reached 24 percent.
- Casual work around the neighbourhood was a fast growing category at 23 percent.
- Local permanent jobs had become significant at 13 percent.
- Tribal headman and police 8 percent.
- Semi-commercial agriculture 4 percent.

A category of people perceived in the community as rich, as well as the poor and middle income groups,⁵ were reflected in the income distribution; ten percent of sample households were making more than R800 per month.

The researchers explain this result as follows: "With formal sector wages rising fast, household disposable income obtained in the white economy was increasing. Informal operators moved into this economic space, giving the community an internal mechanism for income redistribution. But factors causing poverty still remained: 12 percent of the sample households were receiving under R100 a month."

Formal earning was still the major component of household support. With over two-thirds of household income coming in from the formal sector, it is clear that the households able to draw heavily on the formal labour market were likely to be best off. (Figure 4)

But households did not stop at formal earning. Informal activity played a major role in economic differentiation. Sixty-nine percent of the households sampled had an informal income. Earning strategies had differentiated⁶ in relation to space factors; more modern localities depended very significantly more on multiple income sources within the same

INCOME DISTRIBUTION

- Mean household income was R396 per month, while the comparable Durban 1981 HSL figure was estimated at R263 per month.
- Twenty three percent of households were taking in more than R500 per month.
- Twenty three percent of sample households made less than R200 per month, and 12 percent less than R100 per month.
- Total household income was estimated to range from R20 to R1 545 per month, with a peak in the R200-R400 interval.
- Just on 70 percent of local households were drawing informal income.
- Eighty seven percent were drawing formal income.
- Twenty percent were drawing either social or private pensions.
- Fifty seven percent of sample households were taking in both formal and informal earnings.

household, and frequently even for the same person.

For the entire sample, 57 percent of all households drew on both formal and informal income sources. And 16 percent of the economically active respondents had dual activity involvement — both formal and informal earnings.

The impact on the income distribution was clear: effective household income depended heavily on what mix of formal and informal income was coming into the household.

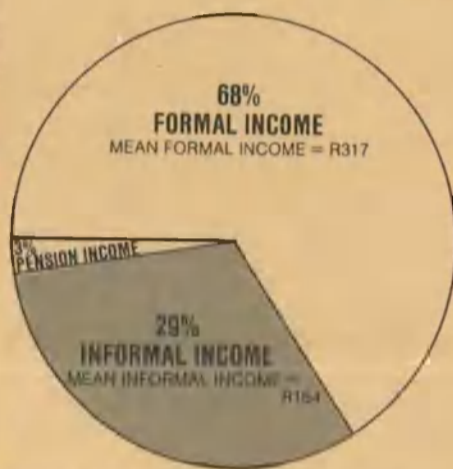
Combining the estimated income from formal and informal sources has the effect of flattening the total income curve and pushing it towards higher levels. It was almost entirely the informal contribution, rather than pension income or outside support, which made up the difference between mean formal wage income at R317 and mean total household income at just on R400.

About 75 percent of the households would be in the poverty category, below R200 a month, if they relied on their

Figure 4

WHAT DOES THE INFORMAL SECTOR MEAN TO THE AVERAGE HOUSEHOLD?

RELATIVE CONTRIBUTION OF MAJOR INCOME SOURCES TO TOTAL HOUSEHOLD INCOME⁹



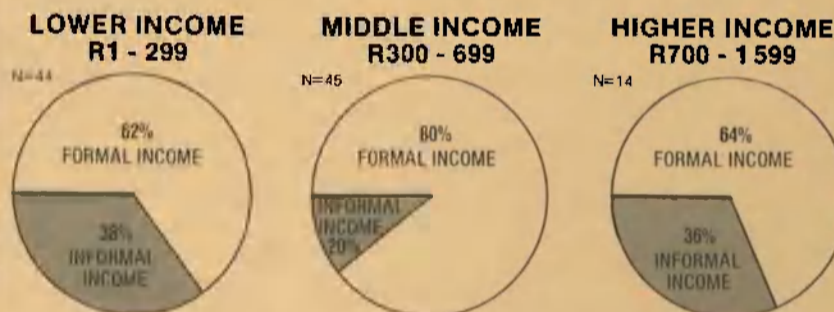
•COMPARATIVE INCOME LEVELS•

FORMAL EARNING was carrying most of the economic load — mean formal sector contribution to household income was R317 per month, equivalent to one person bringing home R73 per week, about what a well-paid semi-skilled industrial worker was getting. **INFORMAL INPUT** was not nearly as high — the mean was R164 per month, a bad starting wage for one unskilled worker in commerce or industry. **PENSION CONTRIBUTION** was relatively low but still important — the mean was R52 per month, about what a domestic working for one employer was getting in 1981.

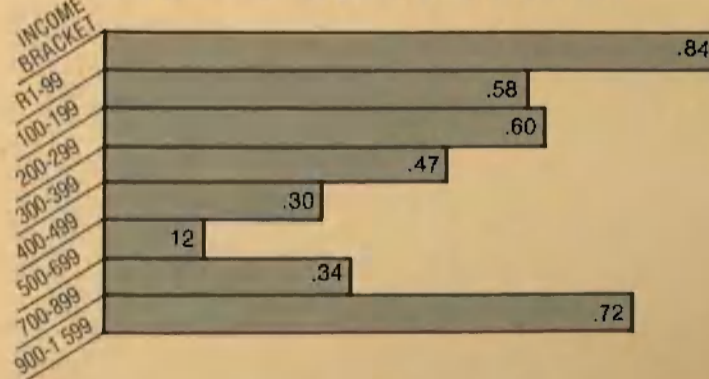
Figure 5

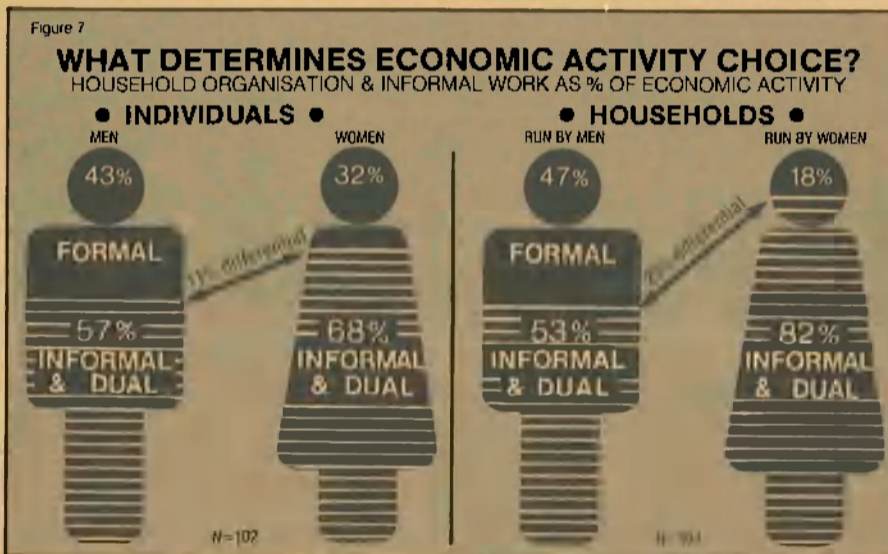
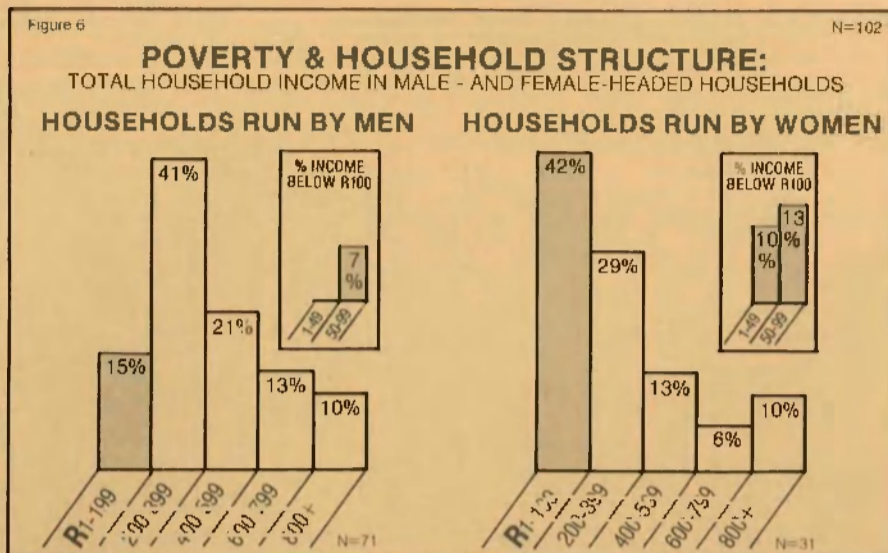
DESPERATION vs MAXIMISATION STRATEGIES FOR EARNING:

RELATIVE CONTRIBUTION OF FORMAL & INFORMAL SOURCES FOR LOWER MIDDLE AND UPPER INCOME BRACKETS



RATIO OF INFORMAL TO FORMAL HOUSEHOLD EARNING





informal income alone; but on the other side, about 60 percent would be uncomfortable — below R300 a month — if they relied on their formal income only.

But in reality, the poverty side of the income distribution showed only 23 percent of households making less than R200 a month from all sources combined, and 42 percent less than R300.

Results showed the "rich" and the poor most heavily involved in formal earning, with a middle-income group tending to rely chiefly on their formal-sector earnings. (Figure 5) Though informal activity did not eliminate poverty, it enabled the poor to draw on the formal wages entering the community through well-off households. At the same time, deciding to go for both formal and informal income very often transformed a middle-income family into one that was well off.

Household Organisation and Informal Activity

Informal strategies can therefore be divided into *desperation strategies* — followed by poor households which the study found to be associated with weak household organisation — and *maximisation strategies* chosen by well-off households with strong organisation.

POLICY IMPLICATIONS

- Variations in household structure can be related to the regional space economy, and are likely to exert some control on opportunities for using the informal sector to support rural development

Policy implications include:

- Raw census data alone may be able to go a long way towards forecasting the likely line of formal/informal development for any given area — and;
- Areas like KwaNgele in the peri-urban zone may be particularly sensitive to development efforts concentrating on informal enterprise — because patterns of in- and out-migration may make organisationally weak households unusually common.

"Strength of organisation" can be roughly defined by how closely the household structure fits the socially accepted standards, because these social norms establish the family's authority structure and degree of internal cohesion.⁷

Here, one convenient index of organisational strength is the sex of the person in charge. Households run by women are weak in terms of accepted authority and are also known to be associated with poverty.⁸ Informal sector involvement was a significant factor here.

(Figures 6 and 7)

People in households run by women did informal work almost 30 percent more often than people in households run by men. When a woman is in charge, the men as well as the women appear to shift towards informal work. But for working women in households run by men, the opposite is true — they shift towards formal wage work, the preference associated with men. The difference here, *at the household level*, is significantly greater than the difference between men and women as individuals.

The influence of who is in charge, and whether the person in authority is a man or a woman, seems thus to push the choice of economic activity nearly 20 percent harder than the factor of the individual's own sex identity. It is hard to avoid the conclusion that household organisation can exert a powerful and measurable force on informal activity.

One of the main reasons why households headed by women tend to be poor may be because their residents, both men and women, have to concentrate their efforts in informal work — and informal work, in terms of reported incomes, as of 1981 still paid much less than formal work.

Conclusions

On the evidence presented here, the "informal sector" operating at the micro-level has its own internal dynamics. While it is associated with poorer households at one level, it does not result only from desperation strategies taken by families whose formal economic participation is low. A very important component is stronger households using dual earning to maximise their income. Here the link to the formal sector is critical. If informal incomes can be encouraged to rise nearer to the level provided by formal sector jobs, the "informal sector" can increase the impact it is already having on rural poverty.

The fuel for the expansion of the informal economy is the community's disposable income. If this is increased it will create additional opportunity space and people can be counted on to move into it. *IPAA*

FOOTNOTES

1. Maasdorp GC "Some Thoughts and Evidence on the Informal Sector" *Development Studies in Southern Africa* Vol 5 No 2 January 1983 p 187-204
2. International Labour Conference, 69th Session 1983 Report VI (1) *Employment Policy* International Labour Organisation, Geneva 1982
3. By 7 percent for men and 8 percent for women, while total economic participation increased by 12 percent for adults over 16 between 1978 and 1981
4. Derived as weighted estimate from Folgieter, 1981, *Institute for Race Relations*
5. Broadly speaking, households having income levels of R5-600 or more are spoken of as "rich" and those with R200 or less tend to be identified as "poor" or "very poor" in the KwaNgele community. This can be compared to the subsistence level estimate of R263 quoted above (Folgieter *ibid*), or the household effective level of R394
6. 1976-78 data for the same area show a lower frequency, both for informal activity and for multiple earning strategies. For 1981, linear correlations between modern localities and multiple earning strategies were significant to $p = 0.002$ for households and $p = 0.01$ for individuals
7. For the same sample, per capita household income has a linear correlation with scored cumulative deviation from standard household structure which is significant to 0.05 Cross CR *Land Tenure, Land Use and Social Thought in Peri-Urban KwaZulu* (forthcoming)
8. Maasdorp GC *ibid*
9. Mean contribution from formal, informal and pension components, adjusted for households drawing on these sources



INDICATOR

South Africa

Urban MONITOR

2
Aims of the Urban Monitor

3
Section 29 : Landmark Judgement on "Idle" Blacks
C R Nicholson

5
The Rikhoto Judgement -
Is Family Life a Right or a Privilege S Piper

7
From KTC to Khayelitsha : The Ancient Hallmark
of Sound Government G Seneque

9
For Sale: 500 000 Houses — A Brick in the Wall?
T Lamont

11
The Housing Question G Seneque

12
Self-Help Housing : A Re-definition
Review by G Seneque

12
The Public Face of Black Self-Help Housing
Review by G Seneque

Aims of the Urban Monitor

Urban areas most visibly reflect many of the critical issues emanating from policy-making and development, conflict and change in South African society.

Conflicts of interests, inequality between groups and adaptation required by urbanisation are very basic features of the situation. The implications of these contradictions are seldom clearly perceived. Most frequently, studies focus on isolated events rather than ongoing processes. As example, the urban disturbances of 1976 and 1977 and the sporadic unrest within black education cannot be seen as unrelated, but rather as part of a continuing conflict.

The Urban Monitor team plans to develop indicators over a period of time to measure and gauge shifts and trends relating to urban disturbance and specific problem areas such as education, housing, transport and general community issues. Indicators will be based on sound published research, official statistics and Indicator SA's own investigations and surveys. This material will be complemented by contrasting perspectives by various authors and by special reports.

In this way the team will seek to provide an understanding of urban issues and give directional pointers to significant trends in the complex maze of events and perceptions in the SA socio-political situation.

SECTION 29

Landmark Judgement on "Idle" Blacks

This headline greeted the readers of various newspapers throughout South Africa on the 29th of June 1983. Part-time domestic worker Beauty Duma was arrested for living in a shelter of plastic and canvas and brought before the commissioner who sentenced her, under Section 29, to a year, suspended, on a prison farm. The alternative was that she should find registered employment within 30 days or leave the area for a period of three years. When the matter came before the Supreme Court on automatic review, the judges used the literal interpretation of the words "idle" and "undesirable" and overturned the order declaring her an "idle" person. "Idle means lazy, indolent, a shirker, a slacker and one not eager to obtain work. Her lack of employment was not of her own making. Throughout she strove for better. She did her best."¹

This judgement turned another Government influx control measure on its head.

CHRISTOPHER NICHOLSON, Advocate of the Supreme Court and Director Legal Resources Centre, Durban

For most white South Africans being called "idle" would be a mild epithet and hardly enough to warrant administrative action. For thousands of black people, however, being declared "idle" has had very serious legal consequences.

Background

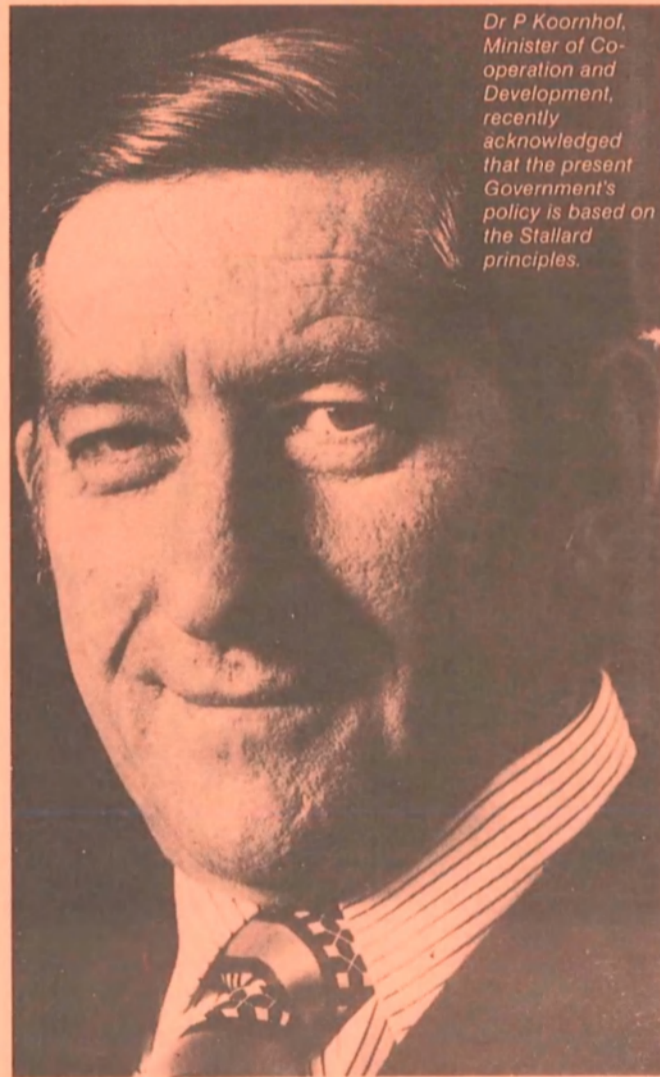
By the end of the nineteenth century whites had conquered or subdued the black population in all of what is presently South Africa (SA). Whites had appropriated the wealthy areas of the land and blacks were restricted to small pockets of land.

In order to secure the high profit rates which have become a hallmark of SA commerce, mining and industry the costs of labour had to be kept as low as possible. The method devised to force "idle" people to work was to render it an offence to be unemployed and the first manifestation of this appeared in the Vagrancy Act of 1879.

The Black Land Act of 1936 provided for 13.7 percent of areas to be set aside for occupation by blacks. Those blacks living in locations near white cities were regarded as temporary sojourners and the Stallard Commission of 1922 formulated the policy in connection with their presence in urban areas as follows: "the native should only be allowed to enter urban areas, which are essentially the white man's creation, when he is willing to enter and to minister to the needs of the white, and should depart therefrom when he ceases to so administer".

Dr P Koornhof, Minister of Co-operation and Development, recently acknowledged that the present Government's policy was based on the Stallard principles. The Vagrancy Act was followed by the Urban Areas Act of 1923 and finally by the present Act of 1945, all designed to remove persons unwilling to work or undesirable (ie likely to lapse into crime) from the white urban areas.

The method of teaching them habits of industry was to send them to prison farms for two years to perform hard labour, a punishment usually reserved for the most serious of crimes. The courts have criticised the "grave dangers that may arise to the liberty of the subject if persons can be dealt with in this informal way, contrary to the well-established principles which have been laid down for criminal trials and if they can be sent



Dr P Koornhof, Minister of Co-operation and Development, recently acknowledged that the present Government's policy is based on the Stallard principles.

SECTION 29 OF THE BLACK (URBAN AREAS) CONSOLIDATION ACT No 25 OF 1945

- If an authorised officer has reason to believe that a black within an area outside a scheduled black area or a released area is an idle or undesirable person, he may without warrant arrest him and cause him to be brought before a commissioner for the enquiry to be held.
- A commissioner is given the power to declare a black idle or undesirable and impose all sorts of orders upon the person including detention for two years at a farm colony or removal from the area in which such black has resided all his life.²

for long periods of detention to penal institutions", and more recently where Mr Justice Didcott found that no counterpart or anything similar can be found "in any system of jurisprudence with which we would like ours to be compared".

Definition of "idle"

Section 29 has eight categories of persons who are defined as being "idle"; and ten categories of persons who are undesirable. These categories are, however, for the purposes of empowering police officers to arrest persons falling within those categories. Once the person has been arrested he or she is taken before a commissioner who, after satisfying himself that the person has been properly arrested, proceeds to enquire whether such person is idle or undesirable, in the ordinary sense and meaning of such words.

For years commissioners and certain judges have been misinterpreting the Section and declaring persons idle or undesirable by virtue of the fact that they fell into one of the defined categories. One of the sub-categories defines persons as being idle if they are not employed for more than 122 days during the preceding twelve months and employment means registered employment.

“
Critics accuse the Government of
using Section 29 as yet another
method of influx control
”



The Supreme Court in Pietermaritzburg, where the "Landmark Judgement" on "idle" blacks did much to destroy the effectiveness of Section 29.

Beauty Duma worked without being registered for holiday-makers on the South Coast and when unable to find such other employment hawked fruit and vegetables without the necessary licence. The commissioner concluded that because she had not worked lawfully for more than 122 days in the previous year, she was therefore idle. He made an order that she be sent to a farm colony for twelve months, suspended on condition she found employment or left the prescribed areas of Sea Park and the South Coast.

The matter was referred by a judge to the Legal Resources Centre in Durban and argument was presented to the Supreme Court to the effect that the Section had been wrongly construed. Three judges of the Supreme Court, Mr Justice Shearer, Mr Justice Didcott and Mr Justice Friedman, upheld this argument and set aside the order made by the Commissioner.

Significance

Because of rural poverty and impoverishment of the land by overuse, blacks flock to the cities to survive. Many critics of legislation restricting an individual's right to freedom of movement accuse the Government of using Section 29 as yet another method of influx control. In fact Section 29 is unreasonably harsh: the notion of forced labour a relic of bygone days.

During 1982 approximately 5 000 enquiries were held in Durban alone. Apart from constituting a drastic interference with individual rights, conviction under Section 29 results in automatic forfeiture of Section 10 rights. If Section 29 is there to protect the rights of urban dwellers, it is anomalous that it applies in Chesterville and Lamontville, whereas urban dwellers of Umlazi and KwaMashu (townships administered by KwaZulu) are not similarly "protected".

The Rieker Commission recommended the abolition of the Section but Mr C Uys, MP for the National Party described Section 29 as a sincere attempt to solve the problems of idleness in black townships. Some estimates are that 20 percent of the black working population is currently unemployed. The real significance of this "Landmark Judgement" is that only persons who are idle in the ordinary sense of the word, ie indolent, lazy or work shy, will be subject to the orders mentioned. It seems unlikely that in the present economic circumstances, there are many, if any, persons unwilling to work at all.

Judges in the Duma case called for the repeal of this vicious law. What is certain is that the Supreme Court decision in the case of Beauty Duma has done much to destroy the effectiveness of the Section. TPA

FOOTNOTES

- ¹ Financial Mail 8 July 1983
- ² Legal Resources Centre (Durban) and the Department of Adjectival and Clinical Law, University of Natal, Durban Para Legal Manual p71



Appeared Sowetan 8 September 1983

THE RIKHOTO JUDGEMENT

Is family life a right or a privilege?

The Rikhoto judgement in the Appeal Court in May 1983, established the rights of contract workers to acquire Section 10 (1)(b) rights after ten years service to one employer in one town.

The major significance of the Rikhoto judgement is that the 10(1)(b) rights of people who have been registered in one job in one town for ten full years will now be recognised *even if* they are migrants/contract workers. That is, those workers who entered into the ten or fifteen year period after April 1 1968.

Prior to Rikhoto, any person who entered into the ten or fifteen year period before April 1 1968, had always been entitled to a 10(1)(b) qualification.

"Section 10(1)(b) is an extremely restrictive, very limited mechanism which allows an exceedingly slow and inadequate rate of legal black urbanisation. Government attempted to halt the process completely in 1968 by promulgating regulations which required that an employer discharge a migrant worker at the end of each annual contract and return him or her to his or her homeland. This was designed to break the *continuity* of the employment so that, even if a worker went on coming back to the same job year after year for ten years, (s)he could not claim a 10(1)(b) qualification. It is this interpretation which the courts have overturned in the Rikhoto judgement."²

Excluded from any possibility of acquiring Section 10 qualifications is the enormous urban population (border commuters) which resides in "homeland" townships adjacent to the so-called white towns, for example, KwaMashu and

Umlazi adjacent to Durban. Even though these workers can easily obtain permits to seek work in the nearby towns, they can never do so in any other urban area.

Also excluded are those whose continuous period of work with one employer has not been in the same town all the time, such as the hundreds of construction workers who have worked for the same company for many years, but have been moved to various sites in different areas throughout their period of employment.

But, amongst those included are people who have not been in one job for ten full years *but* have had a permit to be in the same town for fifteen full years as registered workers or registered on a hostel, house or lodger's permit for this period.

Others who qualify for

rights are those workers who have been with the same company for ten or more years and who have been sent home for long holidays by the company and told to wait until they are called back to work again. This is regarded as acceptable, providing they come back to the *same firm* after their long unpaid leave.

It is important to note that Section 10 *does not apply* to any black person who is a "proper" foreigner from any country other than South Africa or the independent "homelands". "Proper" foreigners *can never* obtain Section 10 rights even if they have been legally in South Africa all their lives.

An initial official estimate was that a maximum of 143 802 migrant workers stand to benefit immediately from the Rikhoto judgement. However, it has since been

suggested by the Minister of Co-operation and Development, Dr P Koornhof, that *as few as 5 000 would in fact be granted urban rights*. He said the extension of Section 10(1)(b) city rights would be dependent on the availability of "approved accommodation", and that he would not tolerate the creation of shanty towns.

What does a Section 10 endorsement mean?

It entitles such a person to:

- work without being registered at all, anywhere in the Administration Board³ area where (s)he has the Section 10 qualification
- move to obtain work in any town outside his or her own Administration Board area — however, (s)he must register if working in another area and such registration cannot be refused if the person has a job and legal residence
- apply to rent or buy a house in a black township where (s)he qualifies, and thereafter *to live with his family in that township*.

The effect of Rikhoto is such that workers can now apply to rent or buy a home. When he received the news that he had been granted urban rights, Mr Tom Rikhoto's spontaneous response was "I am going to apply for a house in Katlehong and bring my wife and children to come and stay with me".⁴

The Komani judgement in the Appeal Court in 1980, established the rights of the wives, unmarried daughters and the sons under the age of 18 of a person who has Section 10(1)(b) rights, to stay in town with the qualified

Section 10 of the Black (Urban Areas) Consolidation Act no 25 of 1945, as amended¹, states that "No Black shall remain for more than 72 hours in a prescribed area" unless he has a permit to do so. This permission is granted if the individual can prove (and the onus is on him to do so) that:

10 (1) (a) *he has since birth, resided continuously in such area; or*

(b) *he has worked continuously in such area for one employer for a period of not less than ten years or has lawfully resided continuously in such area for a period of not less than fifteen years, and has thereafter continued to reside in such area and is not employed outside such area and has not during either period or thereafter been sentenced to a fine exceeding five hundred rand or to imprisonment for a period of six months; or*

(c) *such Black is the wife, the unmarried daughter or the son after the age of eighteen years, of any Black mentioned in paragraph (a) or (b) of this subsection and, after lawful entry into such prescribed area, ordinarily resides with that Black in such area; or*

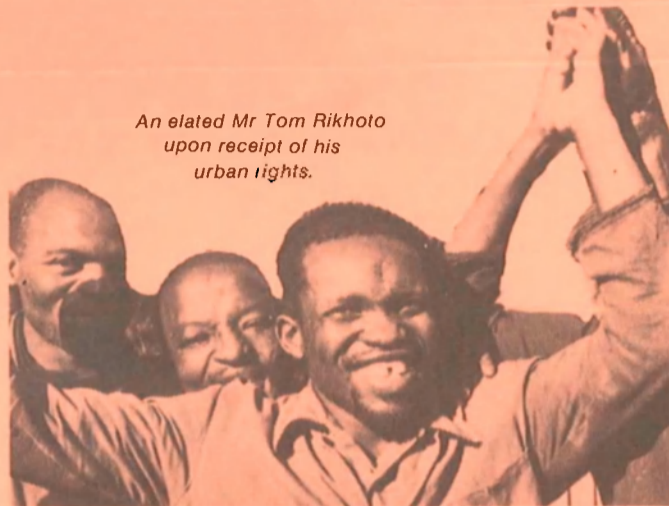
(d) *in the case of any other Black, permission to so remain has been granted by an officer appointed to manage a labour bureau... due regard being had to the availability of accommodation in a Black residential area.*

husband or parent in terms of Section 10(1)(c).

While on the one hand the Government has endorsed the Rikhoto judgement, it immediately introduced the Laws on Co-operation and Development Amendment Bill on the other hand, to curb the influx of the families of qualified people into the cities. Many of these families are already urban dwellers, albeit illegally. This Bill, published at the end of June 1983, will circumvent the Komani judgement by severely limiting the right to family life of newly qualified migrants. As pointed out in the Financial Mail, "it denies residential rights to the families of workers who do not own or rent homes in urban areas — thus disqualifying the families of hostel dwellers".

It specifies "approved accommodation", under Clause 4, sub-section (1a), for the "new" Section 10(1)(b) workers and their families will be:

- in any building erected on any site in respect of which a right of leasehold for residential purposes has been granted or disposed of to that black in terms of Section 6a; or
- in any dwelling erected, for the purposes of occupation by himself and his dependants, by that black on any residential site allocated to that black for such purposes of occupation in terms of the provisions of



An elated Mr Tom Rikhoto upon receipt of his urban rights.

this Act or any regulation, or in any dwelling on any such site let to that black for such purposes in terms of such provisions; or

- in any dwelling allocated or let as a whole to that black for the purposes of occupation by himself and his dependants in terms of such provisions; or
- in any married quarters referred to in Section 9(2)(f) made available by his employer to that black for purposes of occupation by himself and his dependants.

Commenting on the Rikhoto ruling, Dr P Koornhof said, "It is my duty to avoid at all costs the creation of unrealistic expectations of instant accommodation in urban areas in the minds of migrant workers and their families".⁶

According to a government

spokesperson, there is a shortage of approximately 170 000 houses for urban blacks alone. Less than 9 000 houses are being built a year and at this rate the present official backlog will not be eliminated this century.

This problem would not be insurmountable if:

- so-called squatter areas were up-graded instead of demolished
- hostels were converted from bachelor quarters into family dwelling units
- plans were drawn up to intensify land use within the existing townships by increasing densities. This would involve a far more cost-effective development as existing services and infra-structures could be upgraded at minimum cost.

While the State has accepted some forms of self-help, it still has a long way to go in changing Government policy to meet the housing demand for blacks.

Commenting on the Government's decision to accept the Rikhoto judgement, the Urban Foundation said it hoped this "may be the starting point for a positive urbanisation strategy which, together with an economically viable decentralisation effort, will direct us into a more rational and stable future". Workers who qualify in terms of Rikhoto "have shown to a high degree that they can adapt to an urban environment and by length of service that they are both stable and loyal"⁷, but that the "approved accommodation" stipulation could create an unnecessarily negative impression if enacted at this time.

Dr P Koornhof has said recently that the Government's decision on Rikhoto gave employers a

"good opportunity" to help their workers. However, he also said that townships like Soweto will not get more land, and new townships being built by the Government are outside the "prescribed areas" where workers have to live to retain city rights.⁸

Employer bodies like the Federated Chamber of Industries and ASSOCOM who have welcomed the Government's stand on Rikhoto should give attention to the full implications involved with the added introduction of sub-section (1a) of the Laws on Co-operation and Development Amendment Bill, restricting the rights of migrants who qualify in terms of Rikhoto, to live with their families.

Worker and emerging union concern about tougher influx control is growing and much of it is centred around opposition to Dr Koornhof's planned Orderly Movement and Settlement of Black Persons Bill. The proposal to link families' city rights to "approved accommodation" duplicates a key measure in the Bill. If workers and unions decide that employers approve of this measure, it could become a labour relations issue.⁹

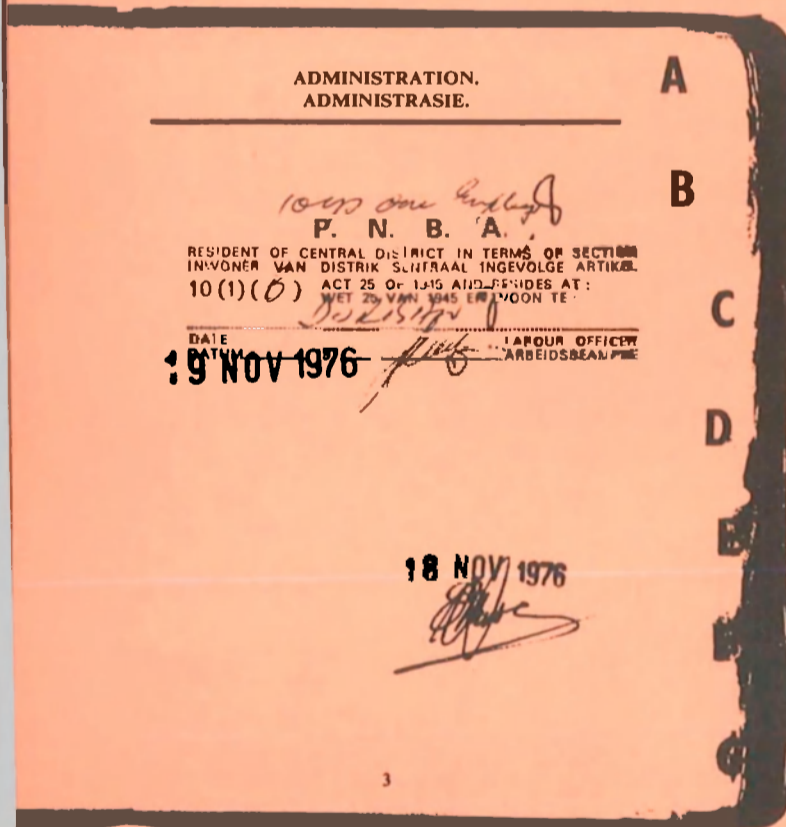
So while some migrants will enjoy greater security, it seems only a few will enjoy a family life.

STOP PRESS

The West Rand Administration Board has subsequently issued a statement that it will not accept any cases of workers from Transkei, Ciskei, Bophuthatswana and Venda who qualified for urban rights after these territories became independent. There are more than 500 000 migrant workers from these four "homelands" working in SA and some tens of thousands of these people could qualify in terms of Rikhoto — it would appear to be a further attempt to circumvent the law.

FOOTNOTES

- 1 This Act will be repealed by the promulgation of the Black Communities Development Bill — due to be gazetted sometime this year
- 2 Sheena Duncan *Rand Daily Mail* 10 June 1983
- 3 These Boards are to become Development Boards under the Black Communities Development Bill
- 4 *The Star* 4 June 1983
- 5 *Financial Mail* 29 July 1983
- 6 *The Star* 24 June 1983
- 7 *The Rand Daily Mail* 24 June 1983
- 8 *Ibid*
- 9 *The Rand Daily Mail* 27 June 1983



Garth Seneque

FROM KTC TO KHAYELITSHA

The Ancient Hallmark of Sound Government

Have any shelters been demolished during this period? (at KTC squatter camp since 15th February 1983).

Three thousand four hundred and forty eight.

With what results?

The ancient hall mark of sound government namely maintenance of law and order had been upheld under extreme provocation and the most difficult circumstances.*

**Dr P Koornhof, the Minister of Co-operation and Development (Hansard 25 May 1983 Q13 col 1393)*

LEADING ARTICLE

South African Government policy is that the Western Cape is a "coloured" labour preference area, ie persons classified "coloured" should gain access to employment ahead of black Africans. In the Western Cape there are no "homeland" areas adjacent to metropolitan Cape Town from which African workers can commute. Policy has been that blacks — primarily from the Ciskei and Transkei "homelands" — should only have access to the Western Cape as contract workers.

For historical reasons, a number of blacks have gained permanent urban status — Section 10 rights in terms of the Urban (Black) Areas Act 25 of 1945. [See article on Rikhoto pp5-6] They live mainly in the prescribed areas of Nyanga, Langa and Guguletu.

The Government has, since the late 1960s, reduced its housing provision programme within the prescribed areas to an absolute minimum. Within the townships natural population growth has led to severe overcrowding with an average of more than ten persons per house in Nyanga, Guguletu and Langa. This situation has been exacerbated by contract workers bringing their families to be with them as "illegal residents". Others have left the "homelands" to avoid starvation and try to survive in the urban centres.

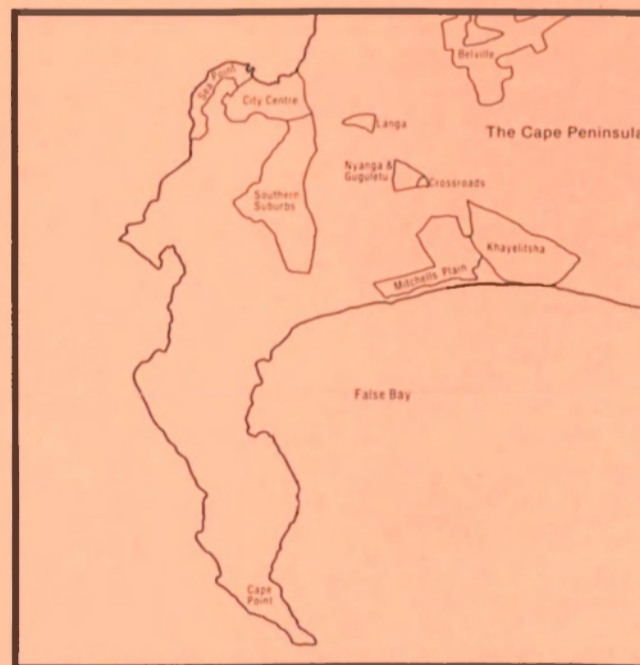
Faced with a virtually static housing supply, the homeless have had to build their own homes and communities. Hence the growth of squatter settlements in the 70's, of which Crossroads is possibly the most well known.

Throughout the 80's the Government has made consistent attempts to expel the "illegal" blacks from the Western Cape and remove the squatter settlements.

However, squatter camps have continued to spring up. One main focus at present is the KTC camp, established by some 200 families on an empty site near the KTC bazaar in January 1983. The Western Cape Administration Board (WCAB)

numbered the shacks in February. The families were "legals" who had been lodging in the overcrowded townships.

This action attracted a further 400 families who believed that it meant official housing might become available. On February 16, however, all shelters were demolished by WCAB. The Chief Commissioner of Western Cape, Mr Timo Bezuidenhout announced that a site-and-service scheme for 200 "legal" families would be established at KTC when the site was cleared. On February 18 it was announced that 2 500 sites would be



made available.

Crossroads has also been in the news. In April, a Department of Community Development spokesman said that Phase 2 of New Crossroads¹ was to be reconsidered because of a proposed new "high density black township".² Mr Timo Bezuidenhout finally announced in June that Phase 2 was to be scrapped but refused to confirm whether the 20 000 remaining Crossroads residents would be moved to a proposed new black township.³

Whilst the Crossroads people faced uncertain Government officials, the KTC people were left in no doubt as to their status. Continuous raids on the KTC squatters were mounted by WCAB officials and the SA police.

On May 13 the Minister, Dr P Koornhof issued a statement that about 1 000 black families, including KTC families, would be allocated serviced sites at a planned new black township at Drift Sands, near Mitchells Plain — the "coloured" township. It was to be called "Khayelitsha" (New Home).⁴

Yet just over three days later, Government officials took drastic action against the KTC people — just as construction work began on the new township.⁵ On May 16 the officials moved in to clear the camp and ensure that no further squatting took place.

Khayelitsha would appear to have been planned for some time, but it seems that the KTC confrontation forced the Government to speed up implementation of the plan. It appears that the first phase will absorb about 1 000 families including 200 KTC families. The 400 "bed people", 900 "Nyanga bush people", 20 000 old Crossroads residents and blacks on official waiting lists are also expected to be allocated sites.⁶

Speaking in the Appropriation Bill debate on his Department, Minister Koornhof made further details on Khayelitsha public.

DR P KOORNHOF'S STATEMENT ON KHAYELITSHA

- o Total area ± 3 000 ha.
- o Area for urban development ± 2 500 ha.
- o Planned population 200 — 300 000 people
- o All "necessary" services and infrastructure including a railway line and community facilities will be provided
- o It is about 30 kms from Cape Town
- o 1 Phase — 1 000 plots
- o Services — gravel streets
one "pillar-tap" for every four plots
toilets
street lights
rubbish removal services
- o Permanent services such as sewerage and water supply will at a later stage be provided on each plot
- o Total estimated cost of Phase 1 — ± R2,5 million
(Hansard 6 June 1983 col 8632 — 3)
- o Khayelitsha is a prescribed area — as defined in the Blacks (Urban Areas) Consolidation Act No 25/1945 — within the Divisional Council of the Cape
- o Rights acquired by persons under Section 10 of this Act will not be affected by their moving into Khayelitsha
(Hansard 8 June 1983 col 1481)

However, the most extraordinary aspect of Khayelitsha is that it is the Government's intention to house all blacks in the Peninsula in this single township. When questioned in Parliament on May 25 as to whether the residents in Langa, Guguletu, Nyanga and other black townships under the WCAB were to be moved to Khayelitsha, Minister Koornhof replied that: "It is intended to provide at Swartklip/Drift Sands (Khayetsha) for the consolidated needs of members of black communities in the metropolitan area of the Cape . . . the view is held that members of the black community will move voluntarily from existing black residential areas to the proposed township . . . From a regional planning point of view it is desirable to have members of black communities accommodated in one residential area only."⁷

It is highly questionable that a single black residential area makes sense from a "regional planning point of view". On the contrary, widely dispersed residential areas adjacent to existing employment opportunities, services and facilities would be consistent with regional planning ideas. As it is, black townships are already too far from these. Concentration in Khayelitsha will merely exacerbate high transport costs to the generally lower income black population.

THE COST of travelling from the new black township of Khayelitsha to Cape Town and back will be R1,46, according to details of the service announced by City Tramways.

A spokesman for the bus company said a number of services were in operation. Subsidised "double ride" 10-journey clipcard fares for these routes had also been established.

CLIPCARD HOLDERS

The costs of the "double ride" 10-journey clipcards are:

Cape Town to Khayelitsha	R7,30
Bellville to Khayelitsha	R2,80
Blake's Bricks to Khayelitsha	R4,50
Killarney to Khayelitsha	R4,70
Langa to Khayelitsha	R2,00
Mutual to Khayelitsha	R3,40
Parow Industria station/Tygerberg Hospital to Khayelitsha	R2,80
Sacks Circle/Peninsula Quarries to Khayelitsha	R4,50
Escom, Bellville to Khayelitsha	R3,20
Claremont to Khayelitsha	R3,40
Elsies River to Khayelitsha	R2,70
Mowbray to Khayelitsha	R3,20

Source: Argus 10 June 1983

That blacks would move "voluntarily" is wishful thinking on the part of the Government. There are over 200 000 people in the townships of Langa, Nyanga and Guguletu.⁸ The cost of rehousing them by conventional public housing means would be very high.⁹ Hence the adoption of the site-and-service approach.

One possibility is that for security purposes the authorities wish to concentrate blacks in a single more easily controllable area. During the urban unrest of the late 70's and early 80's blacks from the main townships disrupted the adjacent transport routes, stoning and fire-bombing passing vehicles. The State presumably perceived their location next to these routes and the relative ease of access to Cape Town, as a potential security threat.

The Government has attempted to get the "homelands" to accept deported squatters in return for financial aid grants. The Deputy Minister of Foreign Affairs has stated that "an understanding had been reached between the Republic of South Africa and the Republic of Transkei in terms of which a special employment programme has been launched in Transkei with a view to creating approximately 4 000 new job opportunities. While the programme is mainly aimed at unemployed persons within Transkei, it also provides for the employment of persons who are presently in the Western Cape and who do not have employment opportunities and/or housing."¹⁰

This is aimed primarily at the KTC squatters. However, it is interesting to note that the Deputy Minister does not use the legal/illegal criterion, ie those who are to be returned are not distinguished in terms of Section 10 rights. Thus if the Government does not provide housing, blacks — who might have urban rights — become liable for forced removal to "homelands". However, it was reported in March that the Transkei Prime Minister, Chief George Matanzima had rejected such a linkage.¹¹

Conclusion

Khayelitsha is the latest in a series of attempts to resolve the urban crisis in the Western Cape within the rigid policies of influx control and settlement control. Its intention to resettle blacks from the existing townships of Langa, Nyanga and Guguletu will probably fail. Its attempts to keep out "illegals" — whose only alternative is starvation in the "homelands" — is also likely to fail. The chances are that Khayelitsha will become a large isolated under-serviced ghetto. As such it will demand of future governments massive capital to improve and upgrade the physical environment, in order to alleviate the social costs which such an environment is likely to engender. **PPA**

FOOTNOTES

- 1 Phase 1 had been completed and thousands of former residents of Crossroads squatter camp had taken occupation of their new homes.
- 2 *Citizen* 13 April 1983
- 3 *Argus* 2 June 1983
- 4 *Daily News* 14 May 1983
- 5 *Hansard* 6 June 1983: 8633
- 6 *Argus* 25 May 1983
- 7 *Hansard* 25 May 1983 col 1389-91q 11
- 8 *Argus* 25 June 1983
- 9 There already exists a housing backlog of ± 10 000 units. These are well established townships and many of these residents have spent considerable amounts on improving and upgrading their homes.
- 10 *Hansard* 25 May 1983 col 1373-4q 5
- 11 *Daily Dispatch* 12 March 1983



Acknowledgement to the Daily News

ISSUE IN FOCUS

FOR SALE 500 000 HOUSES

A Brick in the Wall?

Toni Lamont, Professor of Sociology at the University of South Africa.

BACKGROUND

Early in 1983, the South African Government (SAG) announced that it was to embark on a massive real estate exercise. Over a period of twelve months commencing in July 1983, it intended to release approximately half a million houses for sale to the general public.

The offer includes all race groups, but mainly affects blacks who in the past have been constrained from private property ownership in "white" urban areas. As a consequence almost all black housing is Government owned. By contrast, a major percentage of Asian, "coloured" and white housing is privately owned.

“
The proposed house sale scheme enables blacks to "buy" property in prescribed areas on a 99 year leasehold basis
”

The proposed house sale scheme, by special dispensation will enable blacks to "buy" property in

prescribed areas on a 99 year leasehold basis. This clearly is a less attractive option than the freehold ownership available to other population groups. Nevertheless the proponents of the scheme regard the dispensation to be an advance of free market principles, and a direct outcome of negotiation between representatives of the public and private sectors resulting from the Carlton (1980) and Goedehoop Conferences (1982).

Initiated by Prime Minister Botha, the conferences had the declared aim of developing and extending a free market system in SA. In return for increased private sector co-operation, the Prime Minister offered the possibility of decreased Government intervention and control.

Not all the Government houses are to be offered for sale. A percentage of the houses is to be retained for people unwilling or unable to purchase a home.

The present housing policy in SA is a direct outcome of apartheid politics. In the separate development context, blacks have not been regarded as permanent inhabitants of so-called white towns and

“
In return for increased private sector co-operation, the Prime Minister offered the possibility of decreased Government intervention and control
”

cities. The State believed that a reversal of the rural-urban migration pattern would eventually reduce the number of blacks in the cities. This assumption led to the development of "temporary" towns and urban facilities of very poor quality.

Presently blacks are granted the right to occupation in a township in terms of Section 10(1)(a) or (b) of the Black (Urban Areas) Consolidation Act No 25 of 1945. With this right a residential permit is issued.

TOWARDS A NEW STRATEGY

The increased demand and expanding cost of low income housing has left the

Government unable to keep pace with the needs, or to provide the necessary finance. It has been estimated that between the period 1980 and 2000, 113 000 houses will have to be erected each year to meet the needs of the black community alone (Lamont, pp 81-88). In 1980, 9 500 houses were built or eight percent of the required 113 000.

The new housing strategy for low-income groups in SA is an attempt to correct the critical housing shortage. It differs from previous approaches in the following ways:

- the provision of serviced stands by the Government for self-help development of prospective occupants
- a shift from Government responsibility to owner-employer responsibility as far as construction and financing are concerned

“
The increased demand and expanding cost of low income housing has left the Government unable to keep pace with the needs
”

- a reliance on the private sector for financial and other assistance to their workers to acquire dwellings.

Now the Government proposes directing its resources to providing land and services, with special emphasis on expanding the availability of vacant serviced stands. (In the case of low-cost housing, a serviced stand costs about the same as a standard house)

Methods of streamlining the current procedures for the establishment of new townships are under investigation. In the private sector, co-operation is being sought from three groups: employers, building societies and potential home-owners. Employers are now expected to play a more active role in their employees' housing needs by offering financial subsidisation and a building and financial procedure advisory service to employees.

In turn, building societies have been urged to direct more funds to low-cost housing and where necessary, to relax rigid building standards. (One building society has already decided to accept an unimproved standard 51/6 township house as sufficient security for a mortgage bond)

Potential home-owners may be confronted with a few uncomfortable economic realities. Although rents have generally increased substantially over the last few years, they are still relatively low. If bond repayments are considerably higher than current rentals, buyer

resistance could be expected. The purchase prices of the houses are calculated in terms of the formula worked out by the Department of Co-operation and Development: as a basis, the average of the original cost of the house and an estimate of its present value is used. Certain deductions are allowed under certain conditions. In practice a standard 51/6 house that is about 20 years old may sell for about R1 500, but for some houses, the price could be as low as R500.

“
The unexpected announcement to sell the houses could alienate potential buyers and has caused confusion regarding the implementation in the public and private sector
 ”

EVALUATION

In offering the bulk of its housing stock for sale, the SAG would seem to have two primary motives:

- economic
- political.

It could be argued that the Government is trying to rid itself of its responsibility for housing. It should be noted however that the financial problems experienced by SA in this regard are universal, especially in developing countries.

The Government's decision to sell the houses was taken

virtually with no prior consultation with the affected groups. The announcement was unexpected, giving rise to two major disadvantages:

- a possible alienation of the potential buyers
- a lack of co-ordination between the public and private sectors.

There is still considerable confusion and ignorance in both sectors regarding the implementation of the programme.

In response, the SA Institute for Housing has undertaken an extensive information programme on the nature and implications of the proposed scheme. Currently both the private and public sectors are being invited to one-day seminars in various centres throughout SA. The good attendance might be interpreted both as a measure of the extent of the confusion, and as an acknowledgement of the seriousness of the housing crisis. Financial institutions appear geared for the new programme. Potential mortgage assistance, coupled with an attractive sale price structure, should minimise buyer resistance.

A further point of relevance is the popular approach to development problems in developing countries, which strongly emphasises community and group "self-reliance". The Government's new housing strategy is an attempt to develop this concept. A crucial question that arises in this regard is whether the funds obtained from the sale of the houses will be allocated entirely to the promotion of the low-cost housing industry in terms of the self-help policy. This would be the only way in which the policy could help poor people on anywhere near a meaningful scale.

The sale of the houses therefore needs to be evaluated not in isolation, but as part of a comprehensive programme aimed at alleviating the housing crisis which affects such a large segment of the SA population.

The smooth and sympathetic implementation of self-help housing projects is integral to the acceptance and success of the scheme. The provision of a serviced site is the least of the problems. Essential also is an effective advisory service for potential home owners which deals with the vexing

administrative and legal procedures that are an inevitable element of home purchase.

More challenging is the encouragement of community involvement to ensure the evolution of self-reliance principles. The importance of community interaction dictates that community contact and development programmes need to be initiated at the earliest planning stages of proposed physical development schemes. The question arises whether a government has the image, flexibility or ability to encourage community interaction, or whether an intermediate organisation is necessary for liaison.

“
A crucial question is whether the funds obtained from the house sale will be used entirely to promote the low-cost housing industry in terms of the self-help policy
 ”

In conclusion, it can be said that the actual sale of the 500 000 houses may take place, but that in itself does not necessarily point to success. Success should be measured in terms of the total implementation of the new housing strategy, which is aimed at the elimination, or at least the alleviation of the low-cost housing crisis. UPPA



The urbanisation process will result in massive growth in South African urban population by the year 2000. Between 15 and 20 million additional black people are expected to be resident in urban areas. Of these 75 percent are likely to be in the metropolitan areas. There is already a massive housing backlog in the urban areas. Estimates indicate that it is in excess of 600000 units. Estimates of the need for housing for all race groups over the next 18 years, are upward of 2.3 million units.

There is widespread agreement in the public and private sectors, and among academics and community leaders that the problem is approaching crisis proportions. There is also agreement that the process of housing provision and self-provision has been inadequate. However, there is disagreement or confusion as to the causes and nature of the problem about methods for its solution.

What follows is an attempt to highlight the crucial issues in the housing question, which will be monitored and analysed in future reports.

DWELLING UNIT OR HOME?

It would seem that substantial research effort has been expended on determining the magnitude of the housing backlog and future housing need. The figures produced are daunting. However, because the problem has very often been described or perceived at this simple level, proposed solutions have all too often been over-simple.

The problem is not simply a lack of dwelling units. Housing is more than the simple provision of a shelter to a particular set of standards. Housing provision is merely a component in the development of communities, and therefore entails the provision of the full range of infrastructure services and facilities. Focussing simply on the provision of dwelling units can only lead to severe community problems.

THE STATE'S NEW POLICY

Faced with growing pressure to deal with the housing problem, the State has adopted a fundamentally different policy with respect to the provision of low cost housing. It has shifted from a position where the public sector was responsible for the full provision of such housing and other community services and facilities, to a self-help policy. Here it sees its role as being primarily concerned with the provision of sites with basic services. Thereafter, the private sector is meant to provide the actual housing and the social amenities. The State will only consider providing for the "welfare group" ie those with a monthly income of less than R150. It has opted to do this when an increasing number of households are unable to provide for themselves. The increasing costs of

The Housing Question

Garth Senekane

Solving the housing problem is more than merely providing dwelling units. It also involves the full range of services and facilities that a community needs. The State's new housing policy relies on the private sector playing a leading role. However, it is limited in its capacity to provide for the lower income groups, where the need is greatest. Self-help programmes require skilled and sensitive management, and are not simply a cheap solution to an expensive problem. There is the danger of sprawling slums developing around the metropolitan areas. The solution lies in raising people's capacity to obtain access to housing: namely by improving their incomes.

housing have put home ownership beyond the reach of the lower-middle and lower-income groups. Rented housing is in short supply and rentals are increasing. Overcrowding in the townships is reaching dangerous levels.

STANDARDS

Overcrowding means that certain social and health standards are being exceeded. Yet at the same time the thrust of the new policy will result in a lowering of standards of housing and provision for community needs. If the poor are to provide their own shelter on serviced sites, this must inevitably mean that very low standards must be accepted.

The problem that needs to be addressed is which standards can be lowered, and which cannot. For example, certain high standard infrastructural elements can be reduced. But standards relating to health and social welfare are less flexible. Even if finance – via building societies or other agencies – were to be available, there are still large numbers of households which will be unable to afford sufficient credit to build even a modest low-cost house.

SELF-HELP

The concept of self-help has very quickly become fashionable. However, it has been largely misunderstood. It would seem that the concept has been interpreted as a cheap solution to the housing problem. Self-help programmes require complex and sensitive management and genuine involvement and control by the participants. This has been the experience of self-help community projects world-wide as well as in this country. Self-help does not simply mean people building their own houses, thus saving the public sector money.

The State is already faced with heavy demands on its fiscal resources from, for example, the security apparatuses – the military, police and prisons. At the same time resolution of the housing problem will require a substantial

allocation of financial resources.

If the State believes self-help is a "cheap solution", it should be alerted to the fact that it will only be cheap in the short term. In the longer term the metropolitan areas will have vast areas of valuable land covered with sprawling low density, low standard housing. Communities will have the most basic of services and facilities. In short, all the ingredients of slum and ghetto life, with all the attendant consequent social and economic costs.

THE PRIVATE SECTOR

The private sector is seen by the State as playing the leading role in dealing with the housing problem. This sector can be divided into three broad categories: individuals employers and housing developers or financing agencies.

We have already mentioned that many individuals have a very limited capability of providing for their housing needs. As far as housing provided by private sector is concerned, it is limited to middle and upper income groups. The major backlog and future need is in the low-income group.

One solution is 'employer owned' housing. However, this is a dangerous concept. It makes the employee totally dependent on the employer. The low-income group is particularly vulnerable. During downturns in the economy workers from this group are most likely to be retrenched. If they are in employer-tied housing, retrenchment would lead to homelessness and insecurity. Some employers have already expressed themselves against this concept.

The role of the third category is also limited when applied to the low-income group. The survival of property developers in our economy is dependent on profit. With increasing building and finance costs, housing is already beyond the reach of the low-income group. When profit is added to these costs, the group which the private sector can provide for is relatively small.

The private sector therefore has a limited role to play in solving the problem of housing provision for the lower income groups.

HOME OWNERSHIP

A prevailing notion is that the market mechanism should be allowed to dominate the economy. It is argued that this is the best way of balancing supply and demand. Therefore, it is argued that the State should disengage itself from direct provision of housing. Such a perspective sees the State's new housing policy as a positive development. However, it ignores a simple point: demand does not equal need, as need is often not backed up by the necessary income. One should not be too hasty to judge the present moves to create a housing market in black areas through home-ownership and the 99 year leasehold system as successful.

The current supply of housing and land is so limited that demand is exaggerated. The real need is mostly among the lower income groups. Thus there is a strong likelihood of the development of a housing market which puts housing beyond the reach of the poor, who are then unable to translate need into demand.

CONCLUSIONS

The primary constraint is that the lower-income groups cannot afford housing – whether they build it themselves, or buy or rent at unsubsidised rates. In the longer term, the solution is to enable people to afford housing, namely by increasing their incomes. However, in the short term some success could be achieved through subsidisation.

Given the present policies and constraints, it is highly unlikely that the housing problem – the provision of dwelling units and community services and facilities – will be solved in the foreseeable future. Certainly, the needs of the poorest segments of the urban communities will not be met by the transference of housing from public to private ownership. JPA

SELF-HELP HOUSING: A *Redefinition*

A summary by Garth Seneque of David Dewar's paper: "Self-help Housing in South Africa: A Re-definition of the Problem" presented to a conference of the Institute of South African Architects April 1983.

Much of the response to the State's new policies on housing — particularly the alleged adoption of a "self-help" approach — has been favourable. Political parties, the media sections of the private sector and local government have seen these policies as part of an enlightened reform thrust by the South African Government.

Dewar's paper challenges such a perspective and attempts to redefine the self-help approach to the housing question in South Africa. He notes four major policy changes:

- self-help is now the solution to the housing problem
- a reduction in the provision of rented accommodation
- the move to increased home ownership
- a move towards market determined rental levels.

These in turn imply:

- increasing emphasis on the middle income groups, rather than on the lower income groups
- the Government is increasingly distancing itself from its responsibility for low-income housing
- a move from private and public

housing markets to one dominated by market forces

- that people will still have no choice in meeting their housing needs.

Dewar argues that the consequences of such policy shifts are:

- increased exploitation of the poor (here Dewar perhaps means deliberate neglect)
- an increase in the social control dimension of housing — housing only for those with urban rights and a job, nothing for those unemployed and unskilled
- an increase in overcrowding and therefore lower health levels and increased pressure on health and other social services.

The new policy directions are likely to impose a particular solution and inhibit the ability of the poor to gain access to housing. Instead the approach should be one which "allows the use of the largest possible range of delivery and tenure systems and which directly assists . . . freedom of choice".

Dewar sets out to redefine the contribution of self-help housing in

solving the housing problem, by outlining four perspectives:

- the real housing problem is not the provision of shelter, but the creation of qualitatively rich and viable total environments
- the problem of self-help housing is not simply one of stimulating private initiative, but is one of managing the relationship between public and private actions in the making of environments
- the question of cost reduction, which dominates thinking in the housing field today, requires re-orientation. There must be a shift away from an exclusive concern with short-term capital costs towards longer term maintenance and environmental costs
- you can't play the new game according to the old rules. Large-scale implementation of the self-help system demands massive and effective decentralization of decision-making and financial networks down to local level. If it is monolithically centralized — and there is every indication that this is how it is being seen — the approach is likely to fail dramatically. **USA**

THE PUBLIC FACE OF BLACK SELF-HELP HOUSING

POLICY & PRACTICE POST SOWETO 1976

A Summary by Garth Seneque

At the 1983 South African Geographical Society conference, T Hart presented a preliminary survey of self-help housing projects initiated since 1976.*

The paper noted that a diversity of self-help practice characterises this period, and that many schemes serve simply to replace condemned housing rather than to create new housing. He cautions that present broad acceptance of self-help principles could be used to legitimise the controversial relocation policy.

*T Hart: The Public Face of Self-Help Housing Policy and Practice Post Soweto 1976



Hart describes the "growing advocacy" of various forms of self-help housing that has emerged in South Africa since the 1976 urban riots, and suggests that recent State acceptance of self-help is not unqualified. He examines available case-study material for 18 self-help schemes and draws the following broad conclusions:

- Most self-help schemes are subject to

the centralised control implicit in the administration board system. Most self-help schemes have administrative boards as local authorities, and in most cases the boards have initiated and managed their own self-help schemes.

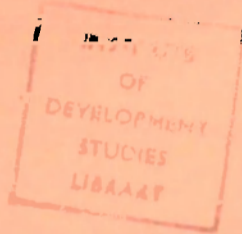
Beneath the "pervasive overlay of State involvement in self-help" a wide spectrum of self-help practice has emerged. Most existing self-help schemes are small by the standards of formal black townships. The establishment of many has been accompanied by the "demolition or the threatened demolition of existing housing, albeit in the form of shacks". These schemes thus replace rather than create housing.

Varying circumstances of establishment have a significant influence on the physical form of self-help schemes. Squatter relocations are typically poorly serviced, while relocation-based schemes close to urban areas are often provided with intermediate levels of service infrastructure and housing assistance. Demonstration schemes consistently display high service standards.

T Hart concludes by suggesting that contemporary self-help practice "portends developments under the new black housing policy", showing that many new self-help schemes based on existing blueprints are already planned. He expresses the fear that self-help and relocation will be increasingly associated.

VOLUME ONE

NUMBER TWO



INDICATOR

South Africa

Urban MONITOR

2
Aims of the Urban Monitor

3
Section 29 : Landmark Judgement on "Idle" Blacks
C R Nicholson

5
The Rikhoto Judgement -
Is Family Life a Right or a Privilege S Piper

7
From KTC to Khayelitsha : The Ancient Hallmark
of Sound Government G Seneque

9
For Sale: 500 000 Houses — A Brick in the Wall?
T Lamont

11
The Housing Question G Seneque

12
Self-Help Housing : A Re-definition
Review by G Seneque

12
The Public Face of Black Self-Help Housing
Review by G Seneque

Aims of the Urban Monitor

Urban areas most visibly reflect many of the critical issues emanating from policy-making and development, conflict and change in South African society.

Conflicts of interests, inequality between groups and adaptation required by urbanisation are very basic features of the situation. The implications of these contradictions are seldom clearly perceived. Most frequently, studies focus on isolated events rather than ongoing processes. As example, the urban disturbances of 1976 and 1977 and the sporadic unrest within black education cannot be seen as unrelated, but rather as part of a continuing conflict.

The Urban Monitor team plans to develop indicators over a period of time to measure and gauge shifts and trends relating to urban disturbance and specific problem areas such as education, housing, transport and general community issues. Indicators will be based on sound published research, official statistics and Indicator SA's own investigations and surveys. This material will be complemented by contrasting perspectives by various authors and by special reports.

In this way the team will seek to provide an understanding of urban issues and give directional pointers to significant trends in the complex maze of events and perceptions in the SA socio-political situation.

SECTION 29

Landmark Judgement on "Idle" Blacks

This headline greeted the readers of various newspapers throughout South Africa on the 29th of June 1983. Part-time domestic worker Beauty Duma was arrested for living in a shelter of plastic and canvas and brought before the commissioner who sentenced her, under Section 29, to a year, suspended, on a prison farm. The alternative was that she should find registered employment within 30 days or leave the area for a period of three years. When the matter came before the Supreme Court on automatic review, the judges used the literal interpretation of the words "idle" and "undesirable" and overturned the order declaring her an "idle" person. "Idle means lazy, indolent, a shirker, a slacker and one not eager to obtain work. Her lack of employment was not of her own making. Throughout she strove for better. She did her best."¹

This judgement turned another Government influx control measure on its head.

CHRISTOPHER NICHOLSON, Advocate of the Supreme Court
and Director Legal Resources Centre, Durban

For most white South Africans being called "idle" would be a mild epithet and hardly enough to warrant administrative action. For thousands of black people, however, being declared "idle" has had very serious legal consequences.

Background

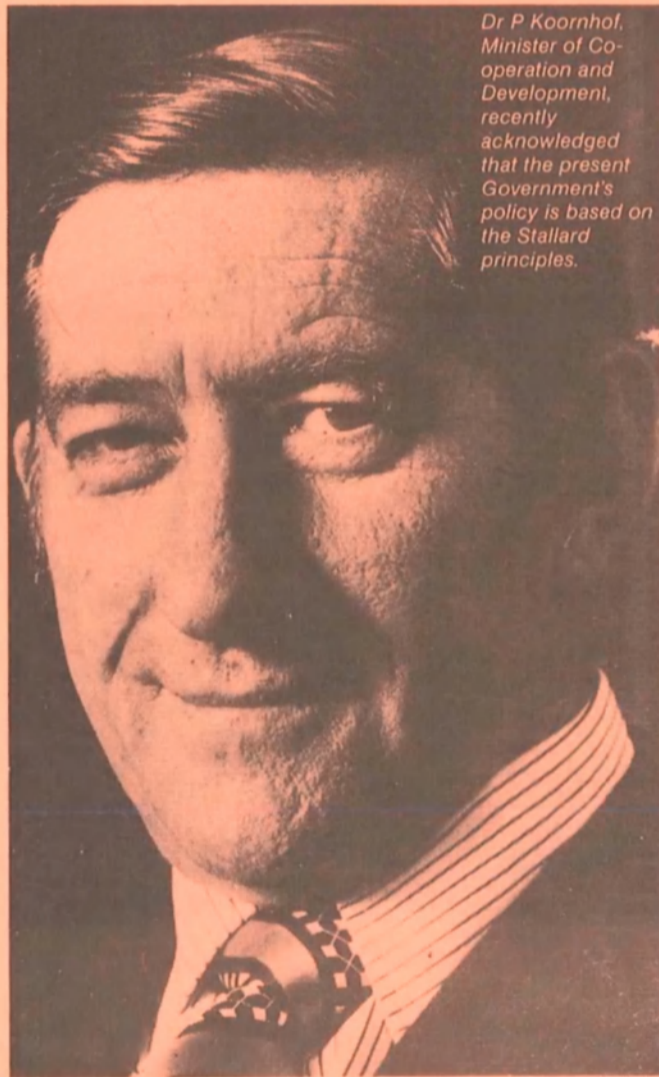
By the end of the nineteenth century whites had conquered or subdued the black population in all of what is presently South Africa (SA). Whites had appropriated the wealthy areas of the land and blacks were restricted to small pockets of land.

In order to secure the high profit rates which have become a hallmark of SA commerce, mining and industry the costs of labour had to be kept as low as possible. The method devised to force "idle" people to work was to render it an offence to be unemployed and the first manifestation of this appeared in the Vagrancy Act of 1879.

The Black Land Act of 1936 provided for 13.7 percent of areas to be set aside for occupation by blacks. Those blacks living in locations near white cities were regarded as temporary sojourners and the Stallard Commission of 1922 formulated the policy in connection with their presence in urban areas as follows: "the native should only be allowed to enter urban areas, which are essentially the white man's creation, when he is willing to enter and to minister to the needs of the white, and should depart therefrom when he ceases to so administer".

Dr P Koornhof, Minister of Co-operation and Development, recently acknowledged that the present Government's policy was based on the Stallard principles. The Vagrancy Act was followed by the Urban Areas Act of 1923 and finally by the present Act of 1945, all designed to remove persons unwilling to work or undesirable (ie likely to lapse into crime) from the white urban areas.

The method of teaching them habits of industry was to send them to prison farms for two years to perform hard labour, a punishment usually reserved for the most serious of crimes. The courts have criticised the "grave dangers that may arise to the liberty of the subject if persons can be dealt with in this informal way, contrary to the well-established principles which have been laid down for criminal trials and if they can be sent



Dr P Koornhof, Minister of Co-operation and Development, recently acknowledged that the present Government's policy is based on the Stallard principles.

SECTION 29 OF THE BLACK (URBAN AREAS) CONSOLIDATION ACT No 25 OF 1945

- If an authorised officer has reason to believe that a black within an area outside a scheduled black area or a released area is an idle or undesirable person, he may without warrant arrest him and cause him to be brought before a commissioner for the enquiry to be held.
- A commissioner is given the power to declare a black idle or undesirable and impose all sorts of orders upon the person including detention for two years at a farm colony or removal from the area in which such black has resided all his life.²

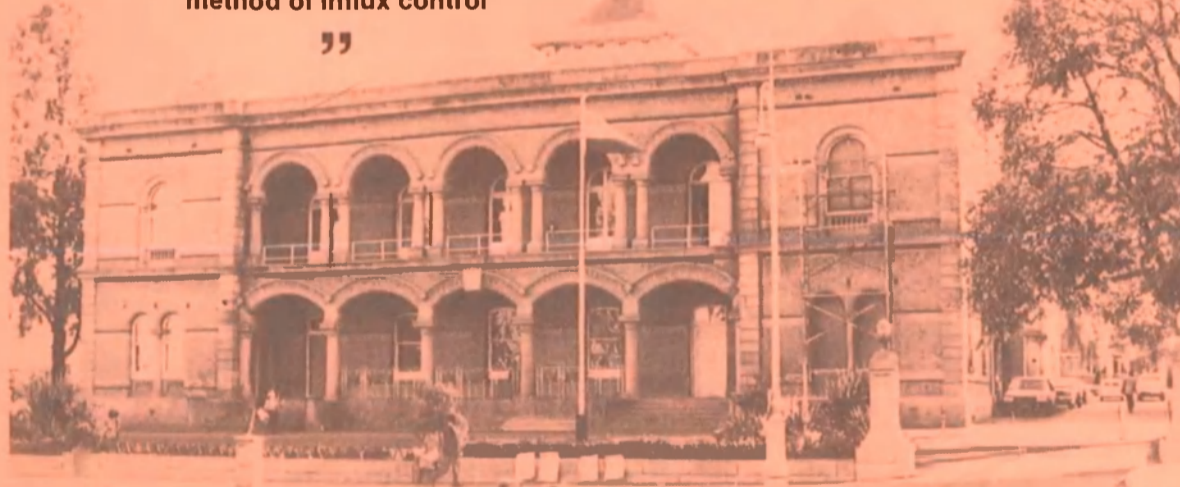
for long periods of detention to penal institutions", and more recently where Mr Justice Didcott found that no counterpart or anything similar can be found "in any system of jurisprudence with which we would like ours to be compared".

Definition of "idle"

Section 29 has eight categories of persons who are defined as being "idle"; and ten categories of persons who are undesirable. These categories are, however, for the purposes of empowering police officers to arrest persons falling within those categories. Once the person has been arrested he or she is taken before a commissioner who, after satisfying himself that the person has been properly arrested, proceeds to enquire whether such person is idle or undesirable, in the ordinary sense and meaning of such words.

For years commissioners and certain judges have been misinterpreting the Section and declaring persons idle or undesirable by virtue of the fact that they fell into one of the defined categories. One of the sub-categories defines persons as being idle if they are not employed for more than 122 days during the preceding twelve months and employment means registered employment.

“
Critics accuse the Government of
using Section 29 as yet another
method of influx control
”



The Supreme Court in Pietermaritzburg, where the "Landmark Judgement" on "idle" blacks did much to destroy the effectiveness of Section 29.

Beauty Duma worked without being registered for holiday-makers on the South Coast and when unable to find such other employment hawked fruit and vegetables without the necessary licence. The commissioner concluded that because she had not worked lawfully for more than 122 days in the previous year, she was therefore idle. He made an order that she be sent to a farm colony for twelve months, suspended on condition she found employment or left the prescribed areas of Sea Park and the South Coast.

The matter was referred by a judge to the Legal Resources Centre in Durban and argument was presented to the Supreme Court to the effect that the Section had been wrongly construed. Three judges of the Supreme Court, Mr Justice Shearer, Mr Justice Didcott and Mr Justice Friedman, upheld this argument and set aside the order made by the Commissioner.

Significance

Because of rural poverty and impoverishment of the land by overuse, blacks flock to the cities to survive. Many critics of legislation restricting an individual's right to freedom of movement accuse the Government of using Section 29 as yet another method of influx control. In fact Section 29 is unreasonably harsh; the notion of forced labour a relic of bygone days.

During 1982 approximately 5 000 enquiries were held in Durban alone. Apart from constituting a drastic interference with individual rights, conviction under Section 29 results in automatic forfeiture of Section 10 rights. If Section 29 is there to protect the rights of urban dwellers, it is anomalous that it applies in Chesterville and Lamontville, whereas urban dwellers of Umlazi and KwaMashu (townships administered by KwaZulu) are not similarly "protected".

The Riekert Commission recommended the abolition of the Section but Mr C Uys, MP for the National Party described Section 29 as a sincere attempt to solve the problems of idleness in black townships. Some estimates are that 20 percent of the black working population is currently unemployed. The real significance of this "Landmark Judgement" is that only persons who are idle in the ordinary sense of the word, ie indolent, lazy or work shy, will be subject to the orders mentioned. It seems unlikely that in the present economic circumstances, there are many, if any, persons unwilling to work at all.

Judges in the Duma case called for the repeal of this vicious law. What is certain is that the Supreme Court decision in the case of Beauty Duma has done much to destroy the effectiveness of the Section. *JPJA*

FOOTNOTES

1. *Financial Mail* 8 July 1983
2. Legal Resources Centre (Durban) and the Department of Adjectival and Clinical Law, University of Natal, Durban *Para Legal Manual* p71



Appeared *Sowetan* 8 September 1983

THE RIKHOTO JUDGEMENT

SOLVEIG PIPER

Is family life a right or a privilege?

ISSUE IN FOCUS

The Rikhoto judgement in the Appeal Court in May 1983, established the rights of contract workers to acquire Section 10 (1)(b) rights after ten years service to one employer in one town.

The major significance of the Rikhoto judgement is that the 10(1)(b) rights of people who have been registered in one job in one town for ten full years will now be recognised *even if* they are migrants/contract workers. That is, those workers who entered into the ten or fifteen year period after April 1 1968.

Prior to Rikhoto, any person who entered into the ten or fifteen year period before April 1 1968, had always been entitled to a 10(1)(b) qualification.

"Section 10(1)(b) is an extremely restrictive, very limited mechanism which allows an exceedingly slow and inadequate rate of legal black urbanisation. Government attempted to halt the process completely in 1968 by promulgating regulations which required that an employer discharge a migrant worker at the end of each annual contract and return him or her to his or her homeland. This was designed to break the *continuity* of the employment so that, even if a worker went on coming back to the same job year after year for ten years, (s)he could not claim a 10(1)(b) qualification. It is this interpretation which the courts have overthrown in the Rikhoto judgement."²

Excluded from any possibility of acquiring Section 10 qualifications is the enormous urban population (border commuters) which resides in "homeland" townships adjacent to the so-called white towns, for example, KwaMashu and

Umlazi adjacent to Durban. Even though these workers can easily obtain permits to seek work in the nearby towns, they can never do so in any other urban area.

Also excluded are those whose continuous period of work with one employer has not been in the same town all the time, such as the hundreds of construction workers who have worked for the same company for many years, but have been moved to various sites in different areas throughout their period of employment.

But, amongst those included are people who have not been in one job for ten full years *but* have had a permit to be in the same town for fifteen full years as registered workers or registered on a hostel, house or lodger's permit for this period.

Others who qualify for

rights are those workers who have been with the same company for ten or more years and who have been sent home for long holidays by the company and told to wait until they are called back to work again. This is regarded as acceptable, providing they come back to the *same firm* after their long unpaid leave.

It is important to note that Section 10 *does not apply* to any black person who is a "proper" foreigner from any country other than South Africa or the independent "homelands". "Proper" foreigners *can never* obtain Section 10 rights even if they have been legally in South Africa all their lives.

An initial official estimate was that a maximum of 143 802 migrant workers stand to benefit immediately from the Rikhoto judgement. However, it has since been

suggested by the Minister of Co-operation and Development, Dr P Koornhof, that *as few as 5 000 would in fact be granted urban rights*. He said the extension of Section 10(1)(b) city rights would be dependent on the availability of "approved accommodation", and that he would not tolerate the creation of shanty towns.

What does a Section 10 endorsement mean?

It entitles such a person to:

- work without being registered at all, anywhere in the Administration Board³ area where (s)he has the Section 10 qualification
- move to obtain work in any town outside his or her own Administration Board area — however, (s)he must register if working in another area and such registration cannot be refused if the person has a job and legal residence
- apply to rent or buy a house in a black township where (s)he qualifies, and thereafter *to live with his family in that township*.

The effect of Rikhoto is such that workers can now apply to rent or buy a home. When he received the news that he had been granted urban rights, Mr Tom Rikhoto's spontaneous response was "I am going to apply for a house in Katlehong and bring my wife and children to come and stay with me".⁴

The *Komani judgement* in the Appeal Court in 1980, established the rights of the wives, unmarried daughters and the sons under the age of 18 of a person who has Section 10(1)(b) rights, to stay in town with the qualified

Section 10 of the Black (Urban Areas) Consolidation Act no 25 of 1945, as amended, states that "No Black shall remain for more than 72 hours in a prescribed area" unless he has a permit to do so. This permission is granted if the individual can prove (and the onus is on him to do so) that:

10 (1) (a) *he has since birth, resided continuously in such area; or*

(b) *he has worked continuously in such area for one employer for a period of not less than ten years or has lawfully resided continuously in such area for a period of not less than fifteen years, and has thereafter continued to reside in such area and is not employed outside such area and has not during either period or thereafter been sentenced to a fine exceeding five hundred rand or to imprisonment for a period of six months; or*

(c) *such Black is the wife, the unmarried daughter or the son after the age of eighteen years, of any Black mentioned in paragraph (a) or (b) of this subsection and, after lawful entry into such prescribed area, ordinarily resides with that Black in such area; or*

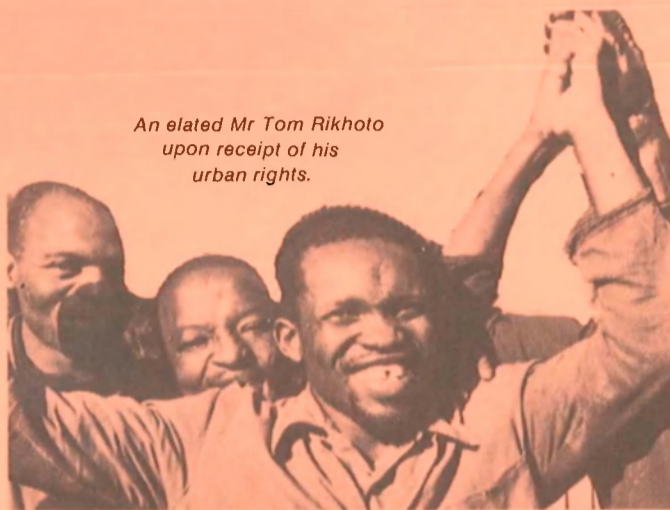
(d) *in the case of any other Black, permission to so remain has been granted by an officer appointed to manage a labour bureau... due regard being had to the availability of accommodation in a Black residential area.*

husband or parent in terms of Section 10(1)(c).

While on the one hand the Government has endorsed the Rikhoto judgement, it immediately introduced the Laws on Co-operation and Development Amendment Bill on the other hand, to curb the influx of the families of qualified people into the cities. Many of these families are already urban dwellers, albeit illegally. This Bill, published at the end of June 1983, will circumvent the Komani judgement by severely limiting the right to family life of newly qualified migrants. As pointed out in the Financial Mail, "it denies residential rights to the families of workers who do not own or rent homes in urban areas — thus disqualifying the families of hostel dwellers".

It specifies "approved accommodation", under Clause 4, sub-section (1a), for the "new" Section 10(1)(b) workers and their families will be:

- in any building erected on any site in respect of which a right of leasehold for residential purposes has been granted or disposed of to that black in terms of Section 6a; or
- in any dwelling erected, for the purposes of occupation by himself and his dependants, by that black on any residential site allocated to that black for such purposes of occupation in terms of the provisions of



An elated Mr Tom Rikhoto upon receipt of his urban rights.

this Act or any regulation, or in any dwelling on any such site let to that black for such purposes in terms of such provisions; or

- in any dwelling allocated or let as a whole to that black for the purposes of occupation by himself and his dependants in terms of such provisions; or
- in any married quarters referred to in Section 9(2)(f) made available by his employer to that black for purposes of occupation by himself and his dependants.

Commenting on the Rikhoto ruling, Dr P Koornhof said, "It is my duty to avoid at all costs the creation of unrealistic expectations of instant accommodation in urban areas in the minds of migrant workers and their families".⁶

According to a government

spokesperson, there is a shortage of approximately 170 000 houses for urban blacks alone. Less than 9 000 houses are being built a year and at this rate the present official backlog will not be eliminated this century.

This problem would not be insurmountable if:

- so-called squatter areas were up-graded instead of demolished
- hostels were converted from bachelor quarters into family dwelling units
- plans were drawn up to intensify land use within the existing townships by increasing densities. This would involve a far more cost-effective development as existing services and infra-structures could be upgraded at minimum cost.

While the State has accepted some forms of self-help, it still has a long way to go in changing Government policy to meet the housing demand for blacks.

Commenting on the Government's decision to accept the Rikhoto judgement, the Urban Foundation said it hoped this "may be the starting point for a positive urbanisation strategy which, together with an economically viable decentralisation effort, will direct us into a more rational and stable future". Workers who qualify in terms of Rikhoto "have shown to a high degree that they can adapt to an urban environment and by length of service that they are both stable and loyal", but that the "approved accommodation" stipulation could create an unnecessarily negative impression if enacted at this time.

Dr P Koornhof has said recently that the Government's decision on Rikhoto gave employers a

"good opportunity" to help their workers. However, he also said that townships like Soweto will not get more land, and new townships being built by the Government are outside the "prescribed areas" where workers have to live to retain city rights.⁷

Employer bodies like the Federated Chamber of Industries and ASSOCOM who have welcomed the Government's stand on Rikhoto should give attention to the full implications involved with the added introduction of sub-section (1a) of the Laws on Co-operation and Development Amendment Bill, restricting the rights of migrants who qualify in terms of Rikhoto, to live with their families.

Worker and emerging union concern about tougher influx control is growing and much of it is centred around opposition to Dr Koornhof's planned Orderly Movement and Settlement of Black Persons Bill. The proposal to link families' city rights to "approved accommodation" duplicates a key measure in the Bill. If workers and unions decide that employers approve of this measure, it could become a labour relations issue.⁹

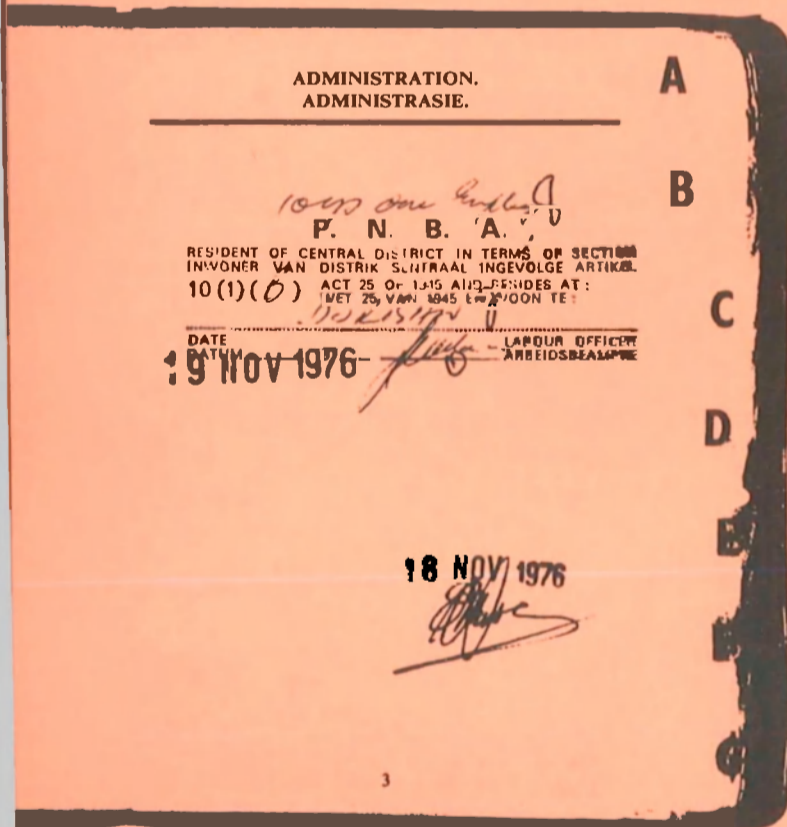
So while some migrants will enjoy greater security, it seems only a few will enjoy a family life.

STOP PRESS

The West Rand Administration Board has subsequently issued a statement that it will not accept any cases of workers from Transkei, Ciskei, Bophuthatswana and Venda who qualified for urban rights after these territories became independent. There are more than 500 000 migrant workers from these four "homelands" working in SA and some tens of thousands of these people could qualify in terms of Rikhoto — it would appear to be a further attempt to circumvent the law.

FOOTNOTES

- 1 This Act will be repealed by the promulgation of the Black Communities Development Bill — due to be gazetted sometime this year
- 2 Sheena Duncan *Rand Daily Mail* 10 June 1983
- 3 These Boards are to become Development Boards under the Black Communities Development Bill
- 4 *The Star* 4 June 1983
- 5 *Financial Mail* 29 July 1983
- 6 *The Star* 24 June 1983
- 7 *The Rand Daily Mail* 24 June 1983
- 8 *Ibid*
- 9 *The Rand Daily Mail* 27 June 1983



Garth Seneque

FROM KTC TO KHAYELITSHA

The Ancient Hallmark of Sound Government

Have any shelters been demolished during this period? (at KTC squatter camp since 15th February 1983).

Three thousand four hundred and forty eight.

With what results?

The ancient hall mark of sound government namely maintenance of law and order had been upheld under extreme provocation and the most difficult circumstances.*

**Dr P Koornhof, the Minister of Co-operation and Development (Hansard 25 May 1983 Q13 col 1393)*

South African Government policy is that the Western Cape is a "coloured" labour preference area, ie persons classified "coloured" should gain access to employment ahead of black Africans. In the Western Cape there are no "homeland" areas adjacent to metropolitan Cape Town from which African workers can commute. Policy has been that blacks — primarily from the Ciskei and Transkei "homelands" — should only have access to the Western Cape as contract workers.

For historical reasons, a number of blacks have gained permanent urban status — Section 10 rights in terms of the Urban (Black) Areas Act 25 of 1945. [See article on Rikhoto pp5-6] They live mainly in the prescribed areas of Nyanga, Langa and Guguletu.

The Government has, since the late 1960s, reduced its housing provision programme within the prescribed areas to an absolute minimum. Within the townships natural population growth has led to severe overcrowding with an average of more than ten persons per house in Nyanga, Guguletu and Langa. This situation has been exacerbated by contract workers bringing their families to be with them as "illegal residents". Others have left the "homelands" to avoid starvation and try to survive in the urban centres.

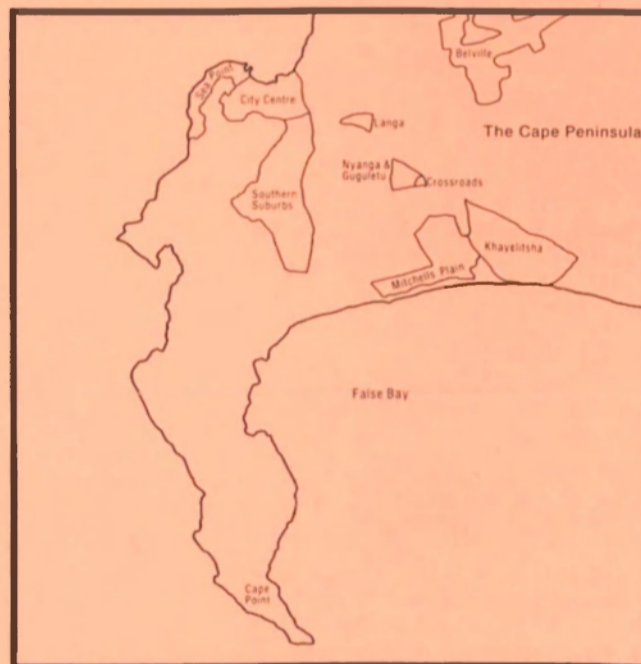
Faced with a virtually static housing supply, the homeless have had to build their own homes and communities. Hence the growth of squatter settlements in the 70's, of which Crossroads is possibly the most well known.

Throughout the 80's the Government has made consistent attempts to expel the "illegal" blacks from the Western Cape and remove the squatter settlements.

However, squatter camps have continued to spring up. One main focus at present is the KTC camp, established by some 200 families on an empty site near the KTC bazaar in January 1983. The Western Cape Administration Board (WCAB)

numbered the shacks in February. The families were "legals" who had been lodging in the overcrowded townships.

This action attracted a further 400 families who believed that it meant official housing might become available. On February 16, however, all shelters were demolished by WCAB. The Chief Commissioner of Western Cape, Mr Timo Bezuidenhout announced that a site-and-service scheme for 200 "legal" families would be established at KTC when the site was cleared. On February 18 it was announced that 2 500 sites would be



LEADING ARTICLE

made available.

Crossroads has also been in the news. In April, a Department of Community Development spokesman said that Phase 2 of New Crossroads¹ was to be reconsidered because of a proposed new "high density black township".² Mr Timo Bezuidenhout finally announced in June that Phase 2 was to be scrapped but refused to confirm whether the 20 000 remaining Crossroads residents would be moved to a proposed new black township.³

Whilst the Crossroads people faced uncertain Government officials, the KTC people were left in no doubt as to their status. Continuous raids on the KTC squatters were mounted by WCAB officials and the SA police.

On May 13 the Minister, Dr P Koornhof issued a statement that about 1 000 black families, including KTC families, would be allocated serviced sites at a planned new black township at Drift Sands, near Mitchells Plain — the "coloured" township. It was to be called "Khayelitsha" (New Home).⁴ Yet just over three days later, Government officials took drastic action against the KTC people — just as construction work began on the new township.⁵ On May 16 the officials moved in to clear the camp and ensure that no further squatting took place.

Khayelitsha would appear to have been planned for some time, but it seems that the KTC confrontation forced the Government to speed up implementation of the plan. It appears that the first phase will absorb about 1 000 families including 200 KTC families. The 400 "bed people", 900 "Nyanga bush people", 20 000 old Crossroads residents and blacks on official waiting lists are also expected to be allocated sites.⁶

Speaking in the Appropriation Bill debate on his Department, Minister Koornhof made further details on Khayelitsha public.

DR P KOORNHOF'S STATEMENT ON KHAYELITSHA

- o Total area ± 3 000 ha.
- o Area for urban development ± 2 500 ha.
- o Planned population 200 — 300 000 people
- o All "necessary" services and infrastructure including a railway line and community facilities will be provided
- o It is about 30 kms from Cape Town
- o 1 Phase — 1 000 plots
- o Services — gravel streets
 - one "pillar-tap" for every four plots
 - toilets
 - street lights
 - rubbish removal services
- o Permanent services such as sewerage and water supply will at a later stage be provided on each plot
- o Total estimated cost of Phase 1 — ± R2,5 million
(Hansard 6 June 1983 col 8632 — 3)
- o Khayelitsha is a prescribed area — as defined in the Blacks (Urban Areas) Consolidation Act No 25/1945 — within the Divisional Council of the Cape
- o Rights acquired by persons under Section 10 of this Act will not be affected by their moving into Khayelitsha
(Hansard 8 June 1983 O9 col 1481)

However, the most extraordinary aspect of Khayelitsha is that it is the Government's intention to house all blacks in the Peninsula in this single township. When questioned in Parliament on May 25 as to whether the residents in Langa, Guguletu, Nyanga and other black townships under the WCAB were to be moved to Khayelitsha, Minister Koornhof replied that: "It is intended to provide at Swartklip/Drift Sands (Khayelitsha) for the consolidated needs of members of black communities in the metropolitan area of the Cape . . . the view is held that members of the black community will move voluntarily from existing black residential areas to the proposed township . . . From a regional planning point of view it is desirable to have members of black communities accommodated in one residential area only."⁷

It is highly questionable that a single black residential area makes sense from a "regional planning point of view". On the contrary, widely dispersed residential areas adjacent to existing employment opportunities, services and facilities would be consistent with regional planning ideas. As it is, black townships are already too far from these. Concentration in Khayelitsha will merely exacerbate high transport costs to the generally lower income black population.

THE COST of travelling from the new black township of Khayelitsha to Cape Town and back will be R1,46, according to details of the service announced by City Tramways.

A spokesman for the bus company said a number of services were in operation. Subsidised "double ride" 10-journey clipcard fares for these routes had also been established.

CLIPCARD HOLDERS

The costs of the "double ride" 10-journey clipcards are:

Cape Town to Khayelitsha	R7,30
Bellville to Khayelitsha	R2,80
Blake's Bricks to Khayelitsha	R4,50
Killarney to Khayelitsha	R4,70
Langa to Khayelitsha	R2,00
Mutual to Khayelitsha	R3,40
Parow Industria station/Tygerberg Hospital to Khayelitsha	R2,80
Sacks Circle/Peninsula Quarries to Khayelitsha	R4,50
Escom, Bellville to Khayelitsha	R3,20
Claremont to Khayelitsha	R3,40
Elsies River to Khayelitsha	R2,70
Mowbray to Khayelitsha	R3,20

Source: Argus 10 June 1983

That blacks would move "voluntarily" is wishful thinking on the part of the Government. There are over 200 000 people in the townships of Langa, Nyanga and Guguletu.⁸ The cost of rehousing them by conventional public housing means would be very high.⁹ Hence the adoption of the site-and-service approach.

One possibility is that for security purposes the authorities wish to concentrate blacks in a single more easily controllable area. During the urban unrest of the late 70's and early 80's blacks from the main townships disrupted the adjacent transport routes, stoning and fire-bombing passing vehicles. The State presumably perceived their location next to these routes and the relative ease of access to Cape Town, as a potential security threat.

The Government has attempted to get the "homelands" to accept deported squatters in return for financial aid grants. The Deputy Minister of Foreign Affairs has stated that "an understanding had been reached between the Republic of South Africa and the Republic of Transkei in terms of which a special employment programme has been launched in Transkei with a view to creating approximately 4 000 new job opportunities. While the programme is mainly aimed at unemployed persons within Transkei, it also provides for the employment of persons who are presently in the Western Cape and who do not have employment opportunities and/or housing."¹⁰

This is aimed primarily at the KTC squatters. However, it is interesting to note that the Deputy Minister does not use the legal/illegal criterion, ie those who are to be returned are not distinguished in terms of Section 10 rights. Thus if the Government does not provide housing, blacks — who might have urban rights — become liable for forced removal to "homelands". However, it was reported in March that the Transkei Prime Minister, Chief George Matanzima had rejected such a linkage.¹¹

Conclusion

Khayelitsha is the latest in a series of attempts to resolve the urban crisis in the Western Cape within the rigid policies of influx control and settlement control. Its intention to resettle blacks from the existing townships of Langa, Nyanga and Guguletu will probably fail. Its attempts to keep out "illegals" — whose only alternative is starvation in the "homelands" — is also likely to fail. The chances are that Khayelitsha will become a large isolated under-serviced ghetto. As such it will demand of future governments massive capital to improve and upgrade the physical environment, in order to alleviate the social costs which such an environment is likely to engender. **IPUA**

FOOTNOTES

- 1 Phase 1 had been completed and thousands of former residents of Crossroads squatter camp had taken occupation of their new homes.
- 2 *Citizen* 13 April 1983
- 3 *Argus* 2 June 1983
- 4 *Daily News* 14 May 1983
- 5 *Hansard* 6 June 1983: 8633
- 6 *Argus* 25 May 1983
- 7 *Hansard* 25 May 1983 col 1389-91q 11
- 8 *Argus* 25 June 1983
- 9 There already exists a housing backlog of ± 10 000 units. These are well established townships and many of these residents have spent considerable amounts on improving and upgrading their homes.
- 10 *Hansard* 25 May 1983 col 1373-4q 5
- 11 *Daily Dispatch* 12 March 1983



ACKNOWLEDGEMENT TO THE DAILY NEWS

FOR SALE 500 000 HOUSES

A Brick in the Wall?

Toni Lamont, Professor of Sociology at the University of South Africa.

ISSUE IN FOCUS

BACKGROUND

Early in 1983, the South African Government (SAG) announced that it was to embark on a massive real estate exercise. Over a period of twelve months commencing in July 1983, it intended to release approximately half a million houses for sale to the general public.

The offer includes all race groups, but mainly affects blacks who in the past have been constrained from private property ownership in "white" urban areas. As a consequence almost all black housing is Government owned. By contrast, a major percentage of Asian, "coloured" and white housing is privately owned.

“
The proposed house sale scheme enables blacks to "buy" property in prescribed areas on a 99 year leasehold basis
”

The proposed house sale scheme, by special dispensation will enable blacks to "buy" property in

prescribed areas on a 99 year leasehold basis. This clearly is a less attractive option than the freehold ownership available to other population groups. Nevertheless the proponents of the scheme regard the dispensation to be an advance of free market principles, and a direct outcome of negotiation between representatives of the public and private sectors resulting from the Carlton (1980) and Goedehoop Conferences (1982).

Initiated by Prime Minister Botha, the conferences had the declared aim of developing and extending a free market system in SA. In return for increased private sector co-operation, the Prime Minister offered the possibility of decreased Government intervention and control.

Not all the Government houses are to be offered for sale. A percentage of the houses is to be retained for people unwilling or unable to purchase a home.

The present housing policy in SA is a direct outcome of apartheid politics. In the separate development context, blacks have not been regarded as permanent inhabitants of so-called white towns and

“
In return for increased private sector co-operation, the Prime Minister offered the possibility of decreased Government intervention and control
”

cities. The State believed that a reversal of the rural-urban migration pattern would eventually reduce the number of blacks in the cities. This assumption led to the development of "temporary" towns and urban facilities of very poor quality.

Presently blacks are granted the right to occupation in a township in terms of Section 10(1)(a) or (b) of the Black (Urban Areas) Consolidation Act No 25 of 1945. With this right a residential permit is issued.

TOWARDS A NEW STRATEGY

The increased demand and expanding cost of low income housing has left the

Government unable to keep pace with the needs, or to provide the necessary finance. It has been estimated that between the period 1980 and 2000, 113 000 houses will have to be erected each year to meet the needs of the black community alone (Lamont, pp 81-88). In 1980, 9 500 houses were built or eight percent of the required 113 000.

The new housing strategy for low-income groups in SA is an attempt to correct the critical housing shortage. It differs from previous approaches in the following ways:

- the provision of serviced stands by the Government for self-help development of prospective occupants
- a shift from Government responsibility to owner-employer responsibility as far as construction and financing are concerned

“
The increased demand and expanding cost of low income housing has left the Government unable to keep pace with the needs
”

- a reliance on the private sector for financial and other assistance to their workers to acquire dwellings.

Now the Government proposes directing its resources to providing land and services, with special emphasis on expanding the availability of vacant serviced stands. (In the case of low-cost housing, a serviced stand costs about the same as a standard house)

Methods of streamlining the current procedures for the establishment of new townships are under investigation. In the private sector, co-operation is being sought from three groups: employers, building societies and potential home-owners. Employers are now expected to play a more active role in their employees' housing needs by offering financial subsidisation and a building and financial procedure advisory service to employees.

In turn, building societies have been urged to direct more funds to low-cost housing and where necessary, to relax rigid building standards. (One building society has already decided to accept an unimproved standard 51/6 township house as sufficient security for a mortgage bond)

Potential home-owners may be confronted with a few uncomfortable economic realities. Although rents have generally increased substantially over the last few years, they are still relatively low. If bond repayments are considerably higher than current rentals, buyer

resistance could be expected. The purchase prices of the houses are calculated in terms of the formula worked out by the Department of Co-operation and Development: as a basis, the average of the original cost of the house and an estimate of its present value is used. Certain deductions are allowed under certain conditions. In practice a standard 51/6 house that is about 20 years old may sell for about R1 500, but for some houses, the price could be as low as R500.

“
The unexpected announcement to sell the houses could alienate potential buyers and has caused confusion regarding the implementation in the public and private sector
 ”

EVALUATION

In offering the bulk of its housing stock for sale, the SAG would seem to have two primary motives:

- economic
- political.

It could be argued that the Government is trying to rid itself of its responsibility for housing. It should be noted however that the financial problems experienced by SA in this regard are universal, especially in developing countries.

The Government's decision to sell the houses was taken

virtually with no prior consultation with the affected groups. The announcement was unexpected, giving rise to two major disadvantages:

- a possible alienation of the potential buyers
- a lack of co-ordination between the public and private sectors.

There is still considerable confusion and ignorance in both sectors regarding the implementation of the programme.

In response, the SA Institute for Housing has undertaken an extensive information programme on the nature and implications of the proposed scheme. Currently both the private and public sectors are being invited to one-day seminars in various centres throughout SA. The good attendance might be interpreted both as a measure of the extent of the confusion, and as an acknowledgement of the seriousness of the housing crisis. Financial institutions appear geared for the new programme. Potential mortgage assistance, coupled with an attractive sale price structure, should minimise buyer resistance.

A further point of relevance is the popular approach to development problems in developing countries, which strongly emphasises community and group "self-reliance". The Government's new housing strategy is an attempt to develop this concept. A crucial question that arises in this regard is whether the funds obtained from the sale of the houses will be allocated entirely to the promotion of the low-cost housing industry in terms of the self-help policy. This would be the only way in which the policy could help poor people on anywhere near a meaningful scale.

The sale of the houses therefore needs to be evaluated not in isolation, but as part of a comprehensive programme aimed at alleviating the housing crisis which affects such a large segment of the SA population.

The smooth and sympathetic implementation of self-help housing projects is integral to the acceptance and success of the scheme. The provision of a serviced site is the least of the problems. Essential also is an effective advisory service for potential home owners which deals with the vexing

administrative and legal procedures that are an inevitable element of home purchase.

More challenging is the encouragement of community involvement to ensure the evolution of self-reliance principles. The importance of community interaction dictates that community contact and development programmes need to be initiated at the earliest planning stages of proposed physical development schemes. The question arises whether a government has the image, flexibility or ability to encourage community interaction, or whether an intermediate organisation is necessary for liaison.

“
A crucial question is whether the funds obtained from the house sale will be used entirely to promote the low-cost housing industry in terms of the self-help policy
 ”

In conclusion, it can be said that the actual sale of the 500 000 houses may take place, but that in itself does not necessarily point to success. Success should be measured in terms of the total implementation of the new housing strategy, which is aimed at the elimination, or at least the alleviation of the low-cost housing crisis. *UNDA*



The urbanisation process will result in massive growth in South African urban population by the year 2000. Between 15 and 20 million additional black people are expected to be resident in urban areas. Of these 75 percent are likely to be in the metropolitan areas. There is already a massive housing backlog in the urban areas. Estimates indicate that it is in excess of 600000 units. Estimates of the need for housing for all race groups over the next 18 years, are upward of 2.3 million units.

There is widespread agreement in the public and private sectors, and among academics and community leaders that the problem is approaching crisis proportions. There is also agreement that the process of housing provision and self-provision has been inadequate. However, there is disagreement or confusion as to the causes and nature of the problem about methods for its solution.

What follows is an attempt to highlight the crucial issues in the housing question, which will be monitored and analysed in future reports.

DWELLING UNIT OR HOME?

It would seem that substantial research effort has been expended on determining the magnitude of the housing backlog and future housing need. The figures produced are daunting. However, because the problem has very often been described or perceived at this simple level, proposed solutions have all too often been over-simple.

The problem is not simply a lack of dwelling units. Housing is more than the simple provision of a shelter to a particular set of standards. Housing provision is merely a component in the development of communities, and therefore entails the provision of the full range of infrastructure services and facilities. Focussing simply on the provision of dwelling units can only lead to severe community problems.

THE STATE'S NEW POLICY

Faced with growing pressure to deal with the housing problem, the State has adopted a fundamentally different policy with respect to the provision of low cost housing. It has shifted from a position where the public sector was responsible for the full provision of such housing and other community services and facilities, to a self-help policy. Here it sees its role as being primarily concerned with the provision of sites with basic services. Thereafter, the private sector is meant to provide the actual housing and the social amenities. The State will only consider providing for the "welfare group" ie those with a monthly income of less than R150.

It has opted to do this when an increasing number of households are unable to provide for themselves. The increasing costs of

The Housing Question

Garth Senéque

Solving the housing problem is more than merely providing dwelling units. It also involves the full range of services and facilities that a community needs. The State's new housing policy relies on the private sector playing a leading role. However, it is limited in its capacity to provide for the lower income groups, where the need is greatest. Self-help programmes require skilled and sensitive management, and are not simply a cheap solution to an expensive problem. There is the danger of sprawling slums developing around the metropolitan areas. The solution lies in raising people's capacity to obtain access to housing: namely by improving their incomes.

housing have put home ownership beyond the reach of the lower-middle and lower-income groups. Rented housing is in short supply and rentals are increasing. Overcrowding in the townships is reaching dangerous levels.

STANDARDS

Overcrowding means that certain social and health standards are being exceeded. Yet at the same time the thrust of the new policy will result in a lowering of standards of housing and provision for community needs. If the poor are to provide their own shelter on serviced sites, this must inevitably mean that very low standards must be accepted.

The problem that needs to be addressed is which standards can be lowered, and which cannot. For example, certain high standard infrastructural elements can be reduced. But standards relating to health and social welfare are less flexible. Even if finance – via building societies or other agencies – were to be available, there are still large numbers of households which will be unable to afford sufficient credit to build even a modest low-cost house.

SELF-HELP

The concept of self-help has very quickly become fashionable. However, it has been largely misunderstood. It would seem that the concept has been interpreted as a cheap solution to the housing problem. Self-help programmes require complex and sensitive management and genuine involvement and control by the participants. This has been the experience of self-help community projects world-wide as well as in this country. Self-help does not simply mean people building their own houses, thus saving the public sector money.

The State is already faced with heavy demands on its fiscal resources from, for example, the security apparatuses – the military, police and prisons. At the same time resolution of the housing problem will require a substantial

allocation of financial resources.

If the State believes self-help is a "cheap solution", it should be alerted to the fact that it will only be cheap in the short term. In the longer term the metropolitan areas will have vast areas of valuable land covered with sprawling low density, low standard housing. Communities will have the most basic of services and facilities. In short, all the ingredients of slum and ghetto life, with all the attendant consequent social and economic costs.

THE PRIVATE SECTOR

The private sector is seen by the State as playing the leading role in dealing with the housing problem. This sector can be divided into three broad categories: individuals employers and housing developers or financing agencies.

We have already mentioned that many individuals have a very limited capability of providing for their housing needs. As far as housing provided by private sector is concerned, it is limited to middle and upper income groups. The major backlog and future need is in the low-income group.

One solution is 'employer owned' housing. However, this is a dangerous concept. It makes the employee totally dependent on the employer. The low-income group is particularly vulnerable. During downturns in the economy workers from this group are most likely to be retrenched. If they are in employer-tied housing, retrenchment would lead to homelessness and insecurity. Some employers have already expressed themselves against this concept.

The role of the third category is also limited when applied to the low-income group. The survival of property developers in our economy is dependent on profit. With increasing building and finance costs, housing is already beyond the reach of the low-income group. When profit is added to these costs, the group which the private sector can provide for is relatively small.

The private sector therefore has a limited role to play in solving the problem of housing provision for the lower income groups.

HOME OWNERSHIP

A prevailing notion is that the market mechanism should be allowed to dominate the economy. It is argued that this is the best way of balancing supply and demand. Therefore, it is argued that the State should disengage itself from direct provision of housing. Such a perspective sees the State's new housing policy as a positive development. However, it ignores a simple point: demand does not equal need, as need is often not backed up by the necessary income. One should not be too hasty to judge the present moves to create a housing market in black areas through home-ownership and the 99 year leasehold system as successful.

The current supply of housing and land is so limited that demand is exaggerated. The real need is mostly among the lower income groups. Thus there is a strong likelihood of the development of a housing market which puts housing beyond the reach of the poor, who are then unable to translate need into demand.

CONCLUSIONS

The primary constraint is that the lower-income groups cannot afford housing – whether they build it themselves, or buy or rent at unsubsidised rates. In the longer term, the solution is to enable people to afford housing, namely by increasing their incomes. However, in the short term some success could be achieved through subsidisation.

Given the present policies and constraints, it is highly unlikely that the housing problem – the provision of dwelling units and community services and facilities – will be solved in the foreseeable future. Certainly, the needs of the poorest segments of the urban communities will not be met by the transference of housing from public to private ownership. *IPA*

SELF-HELP HOUSING: A *Redefinition*

A summary by Garth Seneque of David Dewar's paper: "Self-help Housing in South Africa: A Re-definition of the Problem" presented to a conference of the Institute of South African Architects April 1983.

Much of the response to the State's new policies on housing — particularly the alleged adoption of a "self-help" approach — has been favourable. Political parties, the media sections of the private sector and local government have seen these policies as part of an enlightened reform thrust by the South African Government.

Dewar's paper challenges such a perspective and attempts to redefine the self-help approach to the housing question in South Africa. He notes four major policy changes:

- self-help is now the solution to the housing problem
- a reduction in the provision of rented accommodation
- the move to increased home ownership
- a move towards market determined rental levels.

These in turn imply:

- increasing emphasis on the middle income groups, rather than on the lower income groups
- the Government is increasingly distancing itself from its responsibility for low-income housing
- a move from private and public

housing markets to one dominated by market forces

- that people will still have no choice in meeting their housing needs.

Dewar argues that the consequences of such policy shifts are:

- increased exploitation of the poor (here Dewar perhaps means deliberate neglect)
- an increase in the 'social control' dimension of housing — housing only for those with urban rights and a job, nothing for those unemployed and unskilled
- an increase in overcrowding and therefore lower health levels and increased pressure on health and other social services.

The new policy directions are likely to impose a particular solution and inhibit the ability of the poor to gain access to housing. Instead the approach should be one which "allows the use of the largest possible range of delivery and tenure systems and which directly assists . . . freedom of choice".

Dewar sets out to redefine the contribution of self-help housing in

solving the housing problem, by outlining four perspectives:

- the real housing problem is not the provision of shelter, but the creation of qualitatively rich and viable total environments
- the problem of self-help housing is not simply one of stimulating private initiative, but is one of managing the relationship between public and private actions in the making of environments
- the question of cost reduction, which dominates thinking in the housing field today, requires re-orientation. There must be a shift away from an exclusive concern with short-term capital costs towards longer term maintenance and environmental costs
- you can't play the new game according to the old rules. Large-scale implementation of the self-help system demands massive and effective decentralization of decision-making and financial networks down to local level. If it is monolithically centralized — and there is every indication that this is how it is being seen — the approach is likely to fail dramatically. *UPA*

THE PUBLIC FACE OF BLACK SELF-HELP HOUSING

POLICY & PRACTICE POST SOWETO 1976

A Summary by Garth Seneque

At the 1983 South African Geographical Society conference, T Hart presented a preliminary survey of self-help housing projects initiated since 1976.*

The paper noted that a diversity of self-help practice characterises this period, and that many schemes serve simply to replace condemned housing rather than to create new housing. He cautions that present broad acceptance of self-help principles could be used to legitimise the controversial relocation policy.

*T Hart, *The Public Face of Self-Help Housing: Policy and Practice Post Soweto 1976*



Hart describes the "growing advocacy" of various forms of self-help housing that has emerged in South Africa since the 1976 urban riots, and suggests that recent State acceptance of self-help is not unqualified. He examines available case-study material for 18 self-help schemes and draws the following broad conclusions:

- Most self-help schemes are subject to

the centralised control implicit in the administration board system. Most self-help schemes have administrative boards as local authorities, and in most cases the boards have initiated and managed their own self-help schemes.

- Beneath the "pervasive overlay of State involvement in self-help" a wide spectrum of self-help practice has emerged. Most existing self-help schemes are small by the standards of formal black townships. The establishment of many has been accompanied by the "demolition or the threatened demolition of existing housing, albeit in the form of shacks". These schemes thus replace rather than create housing.

- Varying circumstances of establishment have a significant influence on the physical form of self-help schemes. Squatter relocations are typically poorly serviced, while relocation-based schemes close to urban areas are often provided with intermediate levels of service infrastructure and housing assistance. Demonstration schemes consistently display high service standards.

T Hart concludes by suggesting that contemporary self-help practice "portends developments under the new black housing policy", showing that many new self-help schemes based on existing blueprints are already planned. He expresses the fear that self-help and relocation will be increasingly associated.

This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 Licence.

To view a copy of the licence please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>