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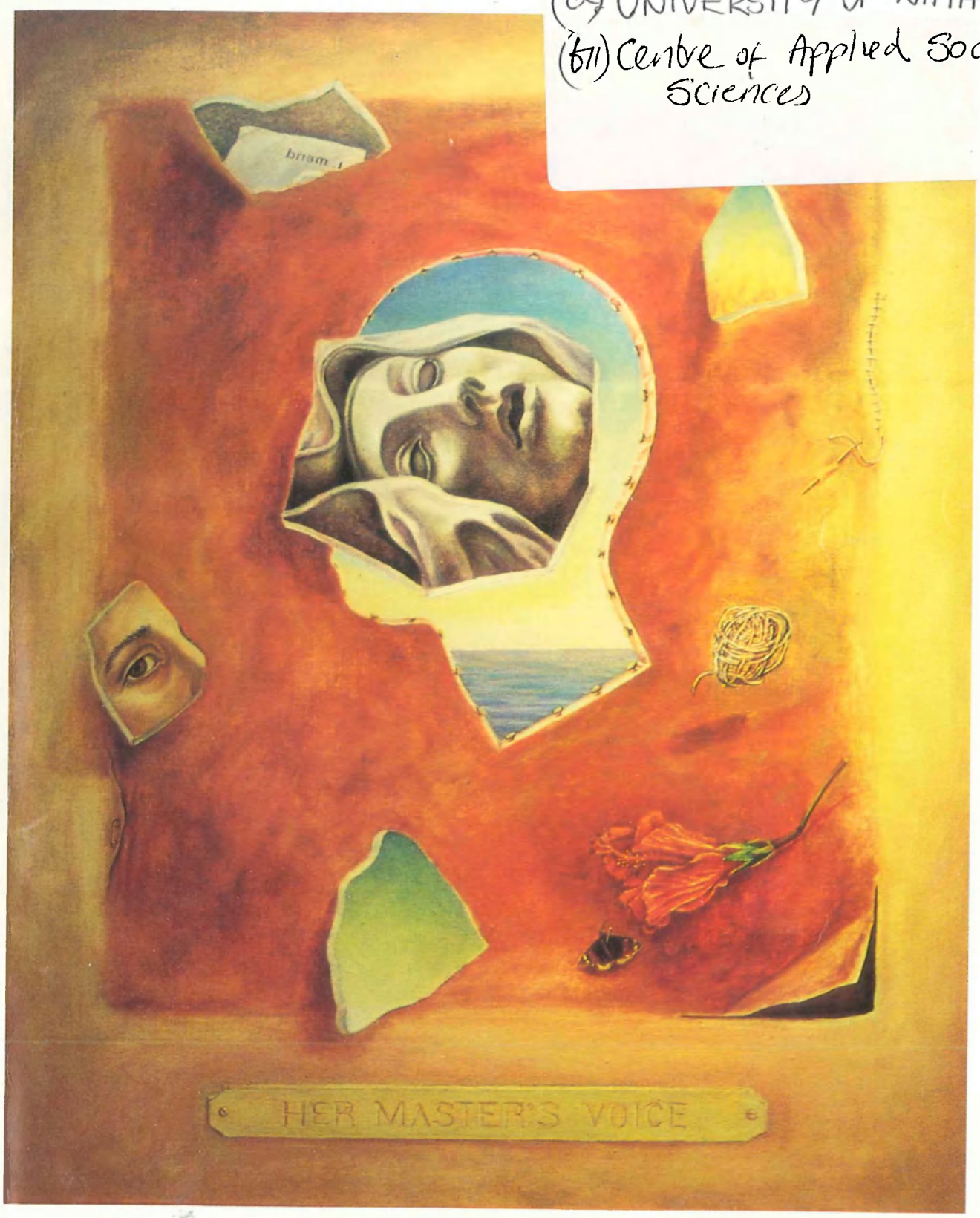

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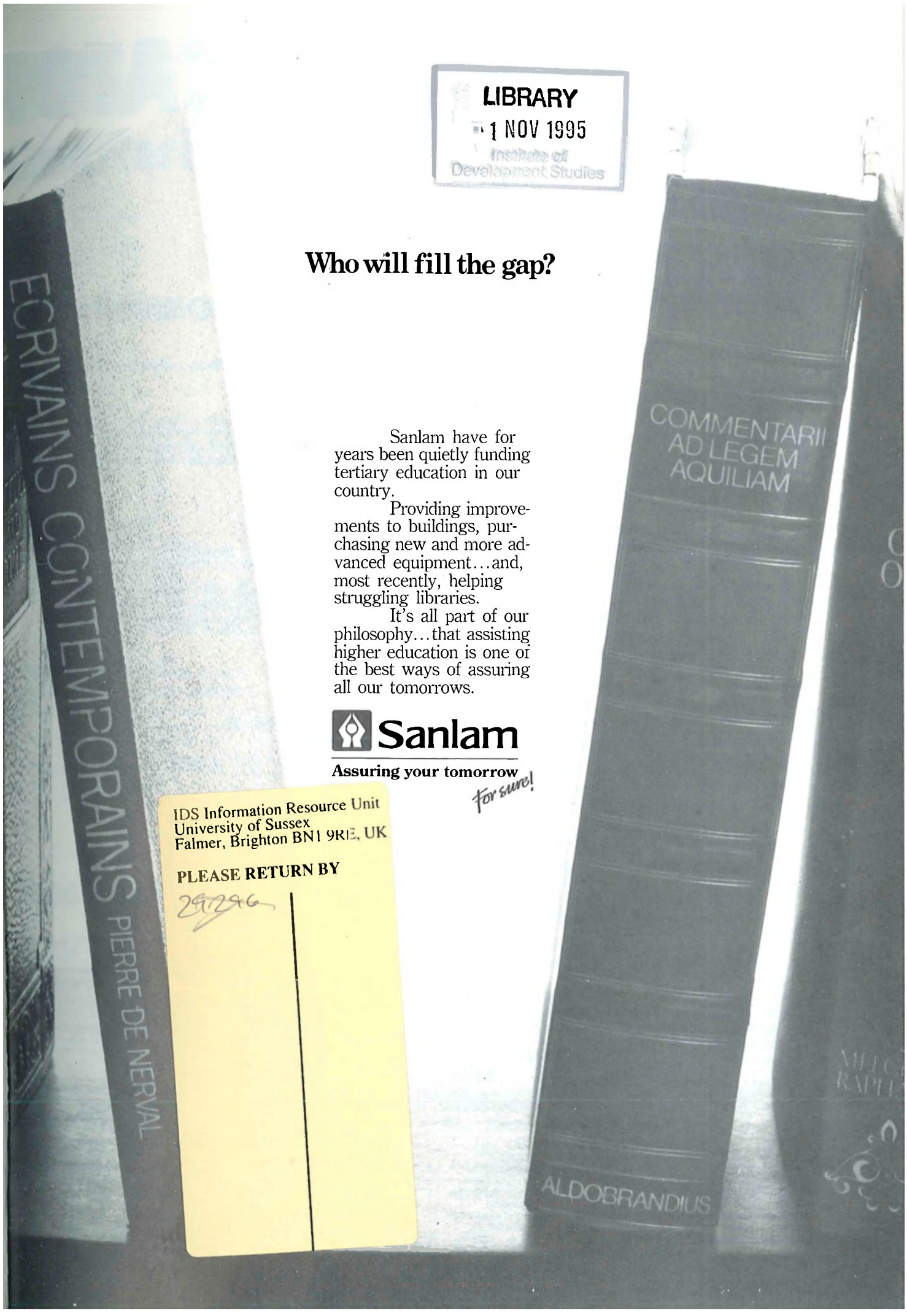

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EDITORIAL

Eighteen months ago, when South African democracy was born, the future seemed fragile and problems facing the country so vast it was hard to know where to begin. The major problems remain - inequality, expectations, unemployment, public sector inefficiency, crime, and political conflict in KwaZulu-Natal - but the future is beginning to take form.

After a slow start, a great deal of progress has been made and many more changes can be expected in 1996: a final Constitution, new local governments, a liberalising economy, and land, educational, health and other reform.

South Africa's political transition has been successful. We have consensual democracy with strong, (mostly) pragmatic leaders in the central and provincial governments. Legislation going through Parliament reflects compromises and appears sound.

Our democracy is underpinned by a strong Interim Constitution and a Bill of Rights, and a Constitutional Court is in place to protect them. Local governments will soon be in place across most of the country, and the rest will be elected in the first half of next year.

Building strong local authorities - currently the weakest link in the three tiers of government - presents South Africa with a serious challenge. Good local government is crucial to democracy: it is the government closest to the people and most able to respond to their needs. It is critical to delivery of the services and infrastructure needed to meet people's expectations, and to the country's development.

South Africa also needs a growing economy to tackle inequalities and unemployment, and to fuel development. The economy is growing. It is being well managed, inflation is under control, and business is confident and investing in itself. Educational reform - essential to the skilling of South Africa - is proceeding slowly. But that is not a bad thing if it is to be done correctly.

Perhaps the most serious challenge of all is tackling crime. Reforms to the justice system and the police are essential. South Africa has the highest violent crime rate in the world and among the lowest ratios of police to people. We need more and better police, and the involvement of all people, if crime is be effectively fought. KwaZulu-Natal needs help - from the outside - to resolve ongoing conflict between the ANC and IFP at all levels.

Without safety, peace and political tolerance - as well as development and social upliftment - our new democracy could all too easily be undone.

Karen Mac Gregor
Editor

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POLITICAL MONITOR

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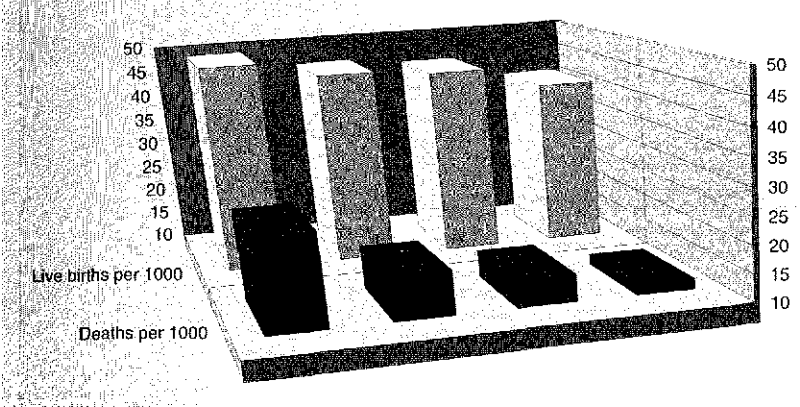


GLOBAL POPULATION GROWTH

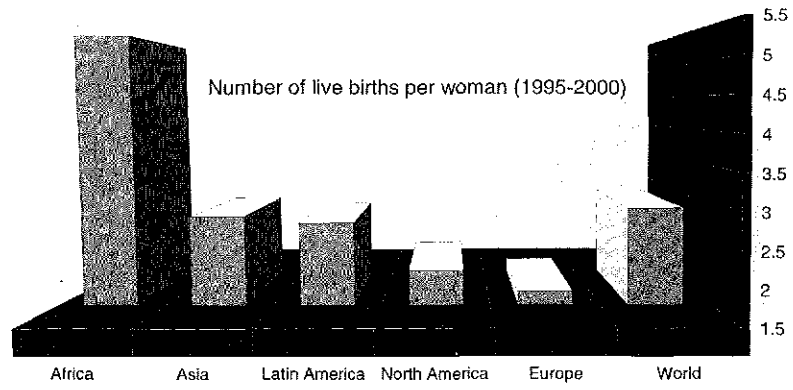
Rapidly increasing population growth rates caused a doubling of the world's population, from about 1,5 billion in 1990, to 3 billion in 1960.

From 1960 to 2000, the global population will again have doubled, this time to just over 6 billion

The highest population growth rates of the 20th Century occurred in the developing continents, Africa in particular. Whereas growth rates peaked in Asia and Latin America during the 1960s, Africa took another 25 years to register peak population growth, reaching about 3% in the late 1980s.

Stationary populations are projected for Africa (3 billion), Asia (6,8 billion), Latin America (940 million) and the world (12 billion) by the middle of the 22nd century.

High fertility levels in Africa compared with other parts of the world



Source for all material on this page: Africa at a Glance: Facts & Figures 1995/6. Africa Institute of South Africa, Pretoria: 1995.

Global Population Growth

Region	Total population 1960 mn	2000 mn	2050 mn	2150 mn	Annual growth 1960-1970 %	1990-2000 %	2020-2030 %
WORLD	3 026	6 170	10 040	12 060	2,0	1,7	1,0
Africa	280	830	2 100	2 950	2,6	2,9	1,8
Asia	1 670	3 650	5 800	6 800	2,3	1,.8	1,0
Latin America	220	530	840	940	2,7	1,8	0,9
Europe and CIS	640	825	900	954	1,0	0,4	0,2
North America	200	305	360	370	1,3	0,7	0,4
Oceania	16	30	40	46	2,0	1,3	0,6

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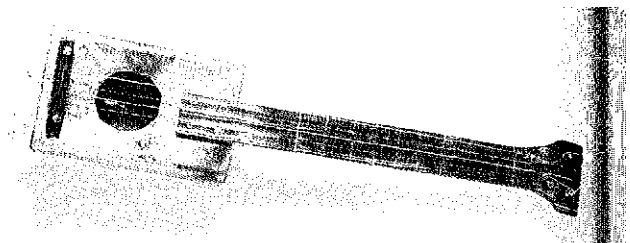

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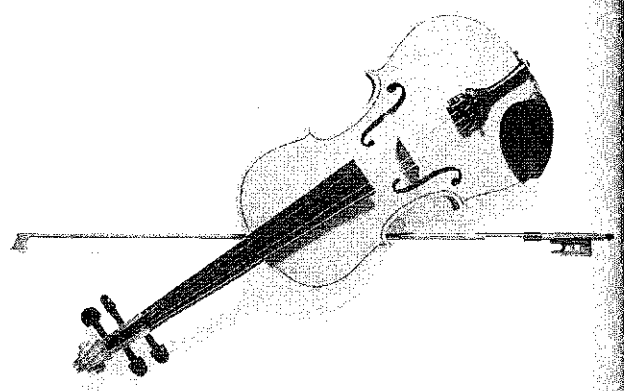

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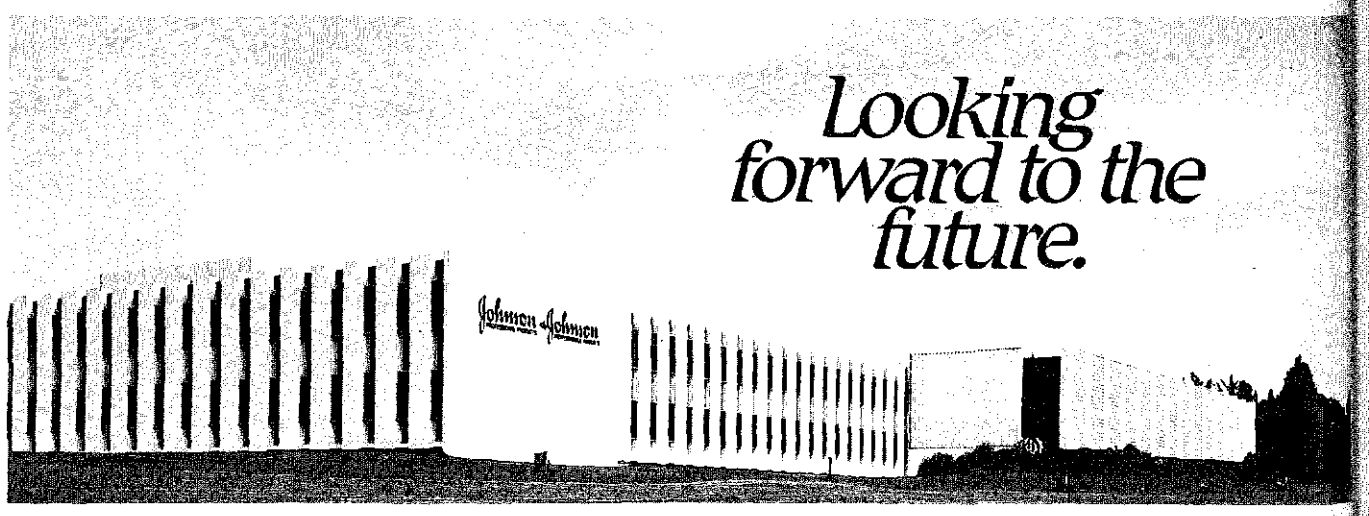

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Truth and Reconciliation

Realising the Ideals

Gareth Newham
Centre for the Study of Violence and Reconciliation

One of the biggest dangers facing the Truth and Reconciliation Commission is high expectations. It is crucial people understand that the Commission is just one mechanism through which to facilitate reconciliation, and that it goes as far as possible in delivering justice and compensation to people who have suffered. If so, the Commission could make an important contribution to building a human rights culture in South Africa.

The signing of the Promotion of National Unity and Reconciliation Bill into an Act during July this year paved the way for the establishment of the much vaunted Truth and Reconciliation Commission. Burdened with the monumental task of revealing the extent of human rights abuses committed over the past three decades, the Commission is bound to become a highly sensitive political issue.

Under no illusions as to the difficulty of the task facing the Commission, Justice Minister Dullah Omar has announced that it will only start conducting hearings in the latter half of 1996. Although significantly later than expected, the Minister has indicated that the delay is necessary for the careful planning and forethought that needs to go into the process of selecting commissioners and establishing the relevant structures (*Mail and Guardian* September 2 to 8, 1995).

Considering the tendency for commissions of this type to fall short of what is expected from them, it is commendable that the setting up of the Truth and Reconciliation Commission is not being rushed.

Indeed, the examples of truth commissions in Latin America, from which proponents of South Africa's Commission have liberally cited, have been regarded as 'primarily examples of failure rather than success of such a reconciliation process' (Simpson 1994). South Africa, however, is generally perceived as unique and may avoid the pitfalls that other countries have experienced.

Any discussion of the Commission can lead to a myriad of complex debates and arguments. At this stage it is impossible to know exactly how it will operate and what strategy will be adopted. These issues will have to be determined by the yet to be appointed truth commissioners.

Although the objectives and powers of the Truth and Reconciliation Commission have been clearly articulated through the Promotion of National Unity and Reconciliation Act, it will find itself operating within certain constraints and having to make difficult choices.

Punish or pardon?

Truth commissions can play a critical role in helping a country come to terms with a history of human rights abuse. If successful, commissions may have a cathartic affect on society through the formal acknowledgement of a previously silent past (Hayner 1994). Several sources have highlighted how the truth recovery process plays an important role in reconciliation.

It is good that the Truth and Reconciliation Commission is not being rushed

The Commission will operate within certain constraints and have to make difficult choices

South Africa is unique in that it has attempted to circumvent the opposing positions of pardon or punish

As all truth commissions are concerned with establishing the facts surrounding past human rights violations, they commonly face a crucial dilemma that impacts heavily on the terms of reference of the specific commission. The decision is whether to punish those implicated in the atrocities that are revealed, or to grant them amnesty.

This decision is contingent on two conflicting imperatives - the need to promote stability and national unity against the need to achieve justice through the prosecution of perpetrators. This choice is never made in a vacuum, but is determined by political constraints within which the truth commission will have to operate.

Where a regime which has committed human rights violations is succeeded by an outright victor, as in the case of Germany after World War II and more recently Ethiopia, there are few limitations and perpetrators generally are punished.

Although amnesty will be granted, it will not be automatic

In most of the Latin American cases, however, the perpetrators of the crimes continued to hold significant power in the security forces and threatened to destabilise the emerging democracy if prosecutions were sought. Chile is a prime example: former dictator Augusto Pinochet managed to remain in control of the military and effectively block attempts at prosecution.

In such cases choices are limited and blanket amnesty is usually granted, often with negative consequences. In Chile, among other countries, human rights abuses have continued and victims groups have emerged to voice dissatisfaction at what they see as commissions established to serve narrow ruling class interests.

The middle ground

South Africa is unique in this crucial aspect, as it has attempted to circumvent the opposing positions of pardon or punish and establish a 'middle path'. In order to understand how the Commission plans to navigate this path, it is imperative to have insight into the political context within which it arose.

Coupling amnesty with the recovery of truth brings perpetrators directly into the process of reconciliation

During the multi-party negotiations it was agreed to insert into the Interim Constitution the provision that 'amnesty shall be granted' to those who had committed offences during past conflicts (Interim Constitution 1993). Ostensibly the granting of amnesty was a compromise on the part of the African National Congress, as the National Party had categorically refused to agree to democratic elections unless amnesty was constitutionally guaranteed.

Nevertheless, it was acknowledged by all parties that because South Africa's past was conflictual and divided, amnesty would promote reconciliation and unity while prosecutions might undermine the stability needed to support the country's fragile democracy (Simpson and Van Zyl 1995).

This highlights how South Africa differs from many of the Latin American countries: the transition was one in which there was a negotiated settlement without one side being able to totally dominate the other.

The negotiated settlement approach demanded compromise and consensus to obtain the loyalty and cooperation of the security forces. That this was done meant that the blanket amnesties which characterised the period before the elections could be repealed, thereby opening the way for a more flexible approach to amnesty.

The final result is that although amnesty will be granted, it will not be automatic. For those implicated in past human rights abuses, it will only be granted with full disclosure to the Commission about the political crimes committed.

In this way, the Government has decided to couple amnesty with the recovery of truth, which in effect brings the perpetrators directly into the process of reconciliation. By doing so perpetrators can be held accountable for their crimes, thereby contributing a symbolic commitment to a new era based on the rule of law (Simpson and Van Zyl 1995).

How it will work

Essentially the Truth and Reconciliation Commission will be the mechanism through which the Government can fulfil its constitutional obligation to grant amnesty. The architects of the Commission have also incorporated the issues of human rights and reparations into the process.

The Commission will be managed and given direction by 11 to 17 broadly respected and impartial commissioners. They will be saddled with the task of achieving the objectives of the Commission, which can be summarised as follows:

- To establish as complete a picture as possible of the causes, nature and extent of gross violations of human rights which occurred between March 1, 1960 and December 6, 1994.

- To grant amnesty to people who disclose in full, acts which they have committed which are associated with political objectives.

- To establish the fate or whereabouts of victims of gross violations of human rights and to assist in restoring their human and civil dignity by giving them an opportunity to testify as to their experiences, and by recommending various measures aimed at providing reparation and rehabilitation to victims.

- To write a report which publicises the work and findings of the Commission and contains a set of recommendations of measures aimed at preventing future violations of human rights.

In order for the commissioners to achieve these objectives they will preside over three sub-committees to be established to deal with the relevant areas:

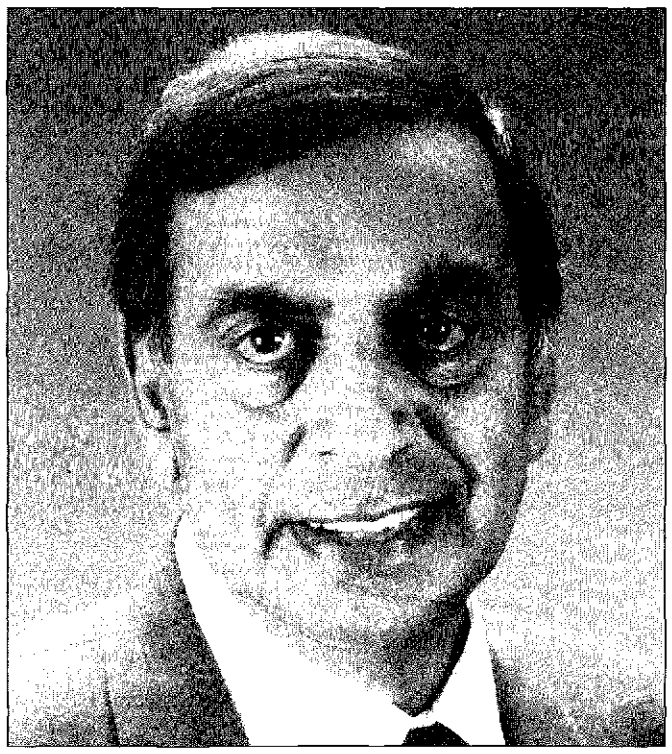
- **The Committee on Human Rights Violations**

This committee will have two functions. Firstly, it will conduct open hearings around the country where victims will be afforded the opportunity to testify about the human rights abuses that they have suffered. In providing an official space for victims to tell their stories, this committee hopes to facilitate a process in which victims can confront the past and lay the trauma associated with it to rest.

Secondly, the committee will conduct research and investigations into political offences that occurred. This will allow the Commission to collect information with which it will compile its final report on the extent and nature of the abuses that took place. Information uncovered may also be used as evidence to facilitate the tasks of the other two committees.

- **The Committee on Amnesty**

This committee will grant amnesty to people who come forward and make full disclosure about the offences they committed. If the perpetrator discloses the facts surrounding one offence but fails to give information regarding any other offences which he or she may have committed, amnesty will only be given in regards to that which is disclosed. The perpetrator will still be open to prosecution for offences not disclosed.



Minister of Justice, Dullah Omar

Picture courtesy of Natal Newspapers

The perpetrator will still be open to prosecution for offences not disclosed

Amnesty will also only be granted for offences which meet the definition of political crimes as given in the act. This means that those liable for particularly heinous human rights violations will not be granted amnesty, and therefore will still be open for prosecution.

- **The Committee on Reparation and Rehabilitation**

People who were victims of gross human rights violations, or close relatives of people who were killed, may apply for compensation from this committee. Its function will be to come up with a set of recommendations to the Government on how to implement a reparations policy.

Those liable for particularly heinous human rights violations will not be granted amnesty

Assessment

Given the complexity of the task of the Truth and Reconciliation Commission, it is imperative to establish beforehand the limitations of the endeavour. It must be acknowledged that the concepts of 'truth and reconciliation' are ideals which cannot be objectively measured.

Many victims will not feel reconciled by seeing those who committed crimes against them going free

It will be almost impossible to uncover all the facts surrounding human rights abuses committed during the 30 year mandate of the Commission. In trying to tread the middle ground on the amnesty issue, many victims will not feel reconciled by seeing those who committed crimes against them going free or escaping the net of the Commission due to lack of evidence.

In many cases the survivors and relatives of victims of human rights violations are eager to see justice done. Groups such as the Association of Victims of Unsolved Apartheid Atrocities reflect this sentiment clearly (*Sowetan* June 14, 1995).

Although reconciliation through amnesty may be easier for the ruling elite to accept, for those living in the shadow of economic injustice, the frustration of being denied criminal justice could be severe. Experienced Chilean truth commissioner, Jose Zalaquett, warns:

> *"...leaders should never forget that the lack of political pressure to put these issues on the agenda does not mean they are not boiling underground, waiting to erupt. They will always come back to haunt you." (Boraine et al 1994).*

For reparation to fulfil its reconciliatory function, it cannot be imposed on those who have suffered

It is because of the implausibility of establishing whether or not sufficient truth and reconciliation has been achieved, that realisable alternatives have to be envisaged. Simpson and Van Zyl (1995) note that most commissions concerned with the public disclosure of human rights abuse attempt to benefit two distinct objectives.

Firstly, they are inspired by a predominantly retrospective consideration which not only entails documenting abuses that occurred under the previous regime, but also providing victims of abuses with some form of rehabilitation or reparation. Secondly, there is a motivation to serve a pro-active function which aims to prevent abuses suffered in the past from happening again.

It is unlikely that reparations will be driven by money for the simple reason that there is not enough money available

Depending on the circumstances of the particular commission, these goals can be achieved to a greater or lesser extent. But the objectives do provide the Commission with viable criteria to determine its usefulness to South African society.

Firstly, the Commission has to provide survivors and the relatives of victims of serious human rights abuse suffered during apartheid with some form of compensation. The issues involved in this endeavour are complex and must not be taken lightly.

The Commission will have to negotiate with victims the form of compensation that they may be willing to receive. For reparation to fulfil its reconciliatory function, it cannot be imposed on those who have suffered. Similarly, there should not be a standard form of reparation: it should differ from victim to victim.

Compensation should not only be seen in monetary terms, as experience from other countries shows that victims often feel resentment at what is perceived as the government trying to 'buy' their forgiveness.

Willie Hofmeyer, an African National Congress Member of Parliament, has revealed that it is unlikely that reparations will be driven by money for the simple reason that there is not enough money available to adequately compensate all victims of abuse (*Mail and Guardian* July 28 to August 3, 1995).

It is impossible to quantify the suffering that a victim of human rights abuse experiences, so creative ways will have to be found to facilitate the forgiveness and reconciliation of victims and their families.

Secondly, the Commission should instigate measures that attempt to build a culture of human rights. This should take place in the context of transforming the various institutions and organisations of the state that were involved in abuses.

The nature of South Africa's transition to democracy has meant that many individuals who committed acts of human rights abuse still remain in, or have entered, the state. If they are not held accountable for their past actions, there is little to ensure that they will not be party similar deeds in the future.

There needs to be a careful and critical evaluation of the organs of the state, particularly the security forces and the judiciary. Identifying people responsible for abuses will not in itself ensure prevention.

The Commission will have to make recommendations as to what structures and mechanisms will need to be put in place to act as checks and balances for the future. In some cases the Commission could provide impetus to already conceptualised designs,

such as the Independent Complaints Directorate mentioned in the recent Safety and Security Bill.

Imperatives

The ability of the Truth and Reconciliation Commission to achieve its objectives will depend on the following two factors.

- **The quality of the final report**

Once the Commission has terminated its operations it will have to present the State President with a final and comprehensive report which not only documents the nature and extent of human rights abuses that took place in the country during the years in question, but also recommends measures needed to prevent future occurrences.

One of the inherent weaknesses of commissions of inquiry, however, is the inability to ensure that their recommendations are implemented and publicly known.

Judge Richard Goldstone of the Goldstone Commission, which conducted inquiries into public violence and intimidation, was perturbed that many recommendations forwarded were 'ignored', and that diminished the Commission's credibility (*Citizen* July 7, 1992). Further analysis has revealed that recommendations that were implemented were 'fairly specific or technical in nature with clear parameters' (Shaw 1993).

For the Truth and Reconciliation Commission to be seen to work, it must be careful to make specific recommendations which are both workable and able to be implemented. But such recommendations can only be made if the Commission has the full and necessary facts at its disposal.

- **The accountability of perpetrators**

Once a perpetrator has made full disclosure before the Amnesty Committee, and the crime is accepted as political, the person concerned will receive full immunity from criminal and civil claims.

The person granted amnesty will also have the deed expunged from official records. The individual's name and circumstances around which they were granted amnesty will, however, be published in the final report of the Commission.

Although this falls far short of prosecution, it may act as a form of punishment as it could limit the possibility or extent of the perpetrator being able to hold public office or a position of social responsibility.

But there is bound to be tension around people who do not come forward and give disclosure. There will be many perpetrators who will adopt a strategic 'wait and see' approach to the Commission in the hope that they will escape detection. At the same time there will be people who - because of the culture of impunity that existed - committed criminal acts which will not be considered by the Commission to be political offences, and who will thus be open for prosecution.

Also, many people who will not come forward will be implicated in human rights abuses, and it will be up to the Commission to investigate allegations made against them. In many cases this will entail the person being subpoenaed before the Commission to give evidence and answer questions.

The Commission needs to be able to encourage perpetrators to come forward and disclose. Although amnesty may act as the 'carrot' in encouraging people to come forward, in itself it will not be enough. There also needs to be a 'stick' to make the offer of amnesty more attractive. The threat of prosecution if amnesty is not applied for will have to act as that incentive.

Investigation units

The capacity of the Commission to establish the facts about the nature and extent of human rights abuses committed during apartheid, and its ability to provide the threat of prosecution for people who do not come forward, will depend on the investigation units of the Commission. Under Sections 28 and 29 of the Promotion of National Unity and Reconciliation Bill, the Commission is able to establish investigation units with extensive powers of search and seizure.

Although the necessary powers are provided for, it is crucial that the Commission takes note of previous attempts by commissions to investigate political violence. The Goldstone Commission provides a valuable example of how investigation teams can enhance the effectiveness of a commission of inquiry, and the weaknesses of the units provide lessons about the planning and structures needed for investigations to be effectively conducted.

The Truth Commission must make specific recommendations which are both workable and able to be implemented

Many perpetrators will adopt a strategic 'wait and see' approach in the hope that they will escape detection

The Commission is able to establish investigation units with extensive powers of search and seizure

Lessons from the Goldstone Commission highlight the difficulties and expenses involved in a witness protection programme

The Goldstone investigations allowed a significant amount of information to be uncovered that would have otherwise remained hidden. A notable success was the investigation that led to the trial of Vlakplaas commander Eugene De Kock. On the other hand, by the time the Goldstone Commission terminated its operations, it had only instituted 16 prosecutions (*Independent Board of Inquiry* 1994).

It is thus clear from the start that the investigation units of the Truth and Reconciliation Commission need to establish a particular doctrine. Whereas the Goldstone investigation teams were to serve as the 'eyes and ears' of the commission - predominantly an intelligence function - the Commission units will need to be geared towards gathering evidence that can be handed to the Attorney General in cases where perpetrators refuse to come forward.

The Commission is really only one of the mechanisms through which to facilitate reconciliation

In tandem with the investigation units of the Commission is the provision for a limited witness protection programme. Lessons from the Goldstone Commission highlight the difficulties and expenses involved. So much so that in fact the official final report of the Goldstone Commission highlighted the need for a well structured national witness protection programme.

It is imperative that the Truth and Reconciliation Commission heeds the lessons of Goldstone, which for all intents and purposes was involved in a similar quest for facts about political violence in South Africa - which led to much of the human rights abuse. Where the Commission is limited by political contingencies, it may be able to strengthen its position through effective structures.

Conclusion

It is important that the Commission is not merely established by the Government, but includes the cooperation of civil society

One of the biggest dangers facing the Truth and Reconciliation Commission is high expectations. It is crucial people understand that the Commission is involved in a narrow aspect of apartheid rule. Because apartheid has left the country with gross inequality and widespread poverty, it is important that the Commission goes as far as it can in delivering what justice and compensation it can to those who have suffered.

It must be realised that the Commission is really only one of the mechanisms through which to facilitate reconciliation. Nevertheless, it might make an important contribution to building a culture of human rights in South Africa.

For this reason it is important that the Commission is not merely established by the Government, but includes the cooperation of civil society. To this end the Commission has also stood apart from other initiatives. So far the non-governmental organisation sector has proven itself a bulwark against political compromises attempted during the drafting of the legislation.

Unyielding on the values of transparency and accountability in human rights, NGOs were able to overturn a compromised secrecy clause and ensure that the process of appointing commissioners is open and fair.

NGOs have also been responsible for instigating human rights violations documentation projects, conducting research and helping to form survivor support groups. This will be invaluable to the Commission. It will help ensure the Commission does not become a political football at the expense of human rights, and will help temper unrealistic expectations at grass roots level.

Through careful examination of the virtues and failures of other truth commissions, and of the specific problems facing South Africa, the work done by civil society groups will enhance the ability of the Truth and Reconciliation Commission to provide a realisable truth and reconciliation process.

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The Dangers of Demobilisation

By Tsepe Motumi
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Dealing with thousands of former liberation movement soldiers and members of self defence and self protection units who may not find places in the military or police is a major challenge facing South Africa. After years in highly charged, politically aligned military formations, these people have the potential to pose a real threat to security.

There is irony in the uncertainty about security that often follows the ending of a war of liberation or political conflict in a country. South Africa is no exception, and finds itself having to deal with internecine violence and political conflict in KwaZulu-Natal, as well as high levels of crime in many parts of the country.

Concerns about the security situation may be caused by individuals or groups previously involved in the conflict. Soldiers to be demobilised from the South African National Defence Force (SANDF), for example, may find access to weapons relatively easy. Former combatants may use the experience and contacts established during the armed struggle waged by the African National Congress (ANC) and Pan Africanist Congress (PAC) as a source of weapons supply.

These factors bring into sharp focus a security dimension to demobilisation.

In South Africa's case, the demobilisation of soldiers who were involved in political conflict occurred after the cessation of hostilities and attainment of a political settlement, culminating in the election of a democratic government on April 27, 1994.

Background

The official announcement on demobilisation was made by Minister of Defence, Jo Modise, at a media briefing on August 21, 1995. But in fact the demobilisation of former combatants had been underway in South Africa for some time, having begun informally with the return in late 1990 of cadres of the liberation armies of the ANC and PAC: Umkhonto we Sizwe (MK) and the Azanian People's Liberation Army (Apla) respectively.

Unlike elsewhere, in South Africa demobilisation refers to the release, voluntary or otherwise, of members of the former non-statutory forces - MK and Apla - into civil society. They are members who are constitutionally part of the SANDF but may not wish to follow a career in the full time force, or are unable to do so for reasons of age, ill health or simply because they cannot meet the minimum requirements for service in the defence force.

Demobilisation affects only MK and Apla. It is inevitably a painful and emotional process, as well as a politically charged one (Motumi and Hudson 1995). This is particularly so in areas where peace is still difficult to achieve, such as KwaZulu- Natal.

Prior to the integration of the armed forces and official demobilisation, which started in September 1995, minimum requirements for service in the SANDF were determined by the Joint Military Coordinating Committee (JMCC), comprising the commanders of all armed formations in the negotiations.

Included were 'statutory forces' - the former South African Defence Force (SADF) and the bantustan armies of the Transkei, Bophuthatswana, Venda and Ciskei - and the 'non-statutory' MK and Apla forces.

Concerns about security may be caused by individuals or groups previously involved in conflict

Demobilisation is inevitably a painful and emotional process

Although subjected to a similar selection procedure as MK, Apla's status was different to all other integrating forces

The terms statutory and non-statutory serve only to make a legal distinction between the forces. Administratively there are many differences between them: each had its own system of administration.

A number of Sub Councils were created in terms of the Transitional Executive Council (TEC) Act of 1993, one of which was the Sub Council of Defence - under which the JMCC fell. The Sub Council of Defence's task was to oversee military transition at the political level, from planning the integration of all armed forces represented at the negotiations to designing a military in South Africa which would be affordable, representative and in line with the requirements of a democratic state. The details of integration were the domain of the JMCC.

The JMCC workings were a unique joint planning exercise involving previously implacable enemies (Kemp 1995). Two chairs were elected: General George Meiring, former Chief of the SADF and incumbent Chief of the SANDF, as well as former MK Chief of Staff and incumbent Chief of Defence Force Staff, Lieutenant General Siphiwe Nyanda.

The demobilisation affects no more than 10 000 members of MK and Apla

Apla did not form part of the JMCC process from the onset, but entered the negotiations towards their conclusion. It thus found itself technically excluded from the SANDF in terms of the TEC Act.

Lists

The Act stipulated that all participating armed formations submit a Certified Personnel Register (CPR) of all their members by midnight on April 26, 1994, prior to the Interim Constitution coming into effect on April 27, 1994.

This presented a problem and it was only by special presidential concession and submission of a name list after the April 1994 elections, that Apla was included in the integration process. Although they were subjected to a similar selection procedure as MK, their status was different to all other integrating forces.

Gratuities were calculated to reflect the duration of service rendered in the non-statutory forces

The SANDF subsequently insisted that its only commitment to Apla was that 'it presented a case of preferential recruitment'. In addition, the daily allowances for Apla members were less than those given to MK members at the assembly points.

These were not the only problems to plague the integration process. MK's Certified Personnel Register was incomplete and kept changing as administrators working on the list discovered mistakes or duplications. This may have been a result of lack of detailed records kept by MK, which was a primarily guerrilla army.

The list, which grew with each adjustment, stood at 28 000 people by the time Modisa made his official August 21 announcement of demobilisation. There was also a 'non-formal CPR' - an addition of 1 000 names of people omitted from the original CPR. It was accepted for inclusion before the official demobilisation announcement. Cabinet approval was only obtained 14 months after the elections.

The demobilisation as announced by the Minister affects no more than 10 000 members of MK and Apla, all of whom are either based at the Wallmansthal assembly area (for MK), and at De Brug outside Bloemfontein (for Apla), or are still at home.

Hard choices

After agreement by all negotiating armed formations, the British Military Advisory Training Team was brought in to provide impartial assistance to the integration process. It serves to certify to all parties in the integration process that the procedures and standards applied in individual cases, and to the process as a whole, are fair. To achieve this, the British team also has to evaluate the SANDF's training curricula and selection standards.

Individuals integrating into the SANDF are required to submit proof of educational and/or military qualifications for eligibility as members of the force. Where this does not exist, they undergo a potential assessment test, designed in collaboration with all the integrating forces.

The tests measure potential on a scale of 10 categories. Members in categories one, two and three do not qualify for acceptance into the SANDF. Members in categories four, five and six are acceptable and exhibit the potential to become non-commissioned officers, while categories seven to 10 could be accepted as officers.

Those to be affected by demobilisation fall into categories one, two and three, while the rest are either too old or in poor health. In

addition to the categories are those who are not yet integrated but who may qualify at a later stage should they wish to be integrated.

All these different categories qualify for financial gratuities as announced by Modise at a media briefing on August 16, 1995. The gratuities were calculated to reflect the duration of service rendered in the non-statutory forces, ranging from people who joined on January 1, 1961 (they will receive R42 058) to people who joined on March 26, 1995 (who will receive R12 734).

Their dependants will also be eligible for benefits prescribed in terms of the Special Pensions Act, in line with Special Pensions Section 189 of the Interim Constitution.

Possible solutions

The SANDF launched a Service Corps in January 1995, whose primary task is to provide vocational skills training for people who leave the SANDF because of demobilisation. Its role is defined as:

"...to train volunteers (ex-servicemen as well as youth) in a variety of practical skills in order to equip them for civilian life, or to provide selected members with a career in the Service Corps." (Service Corps brochure 1995)

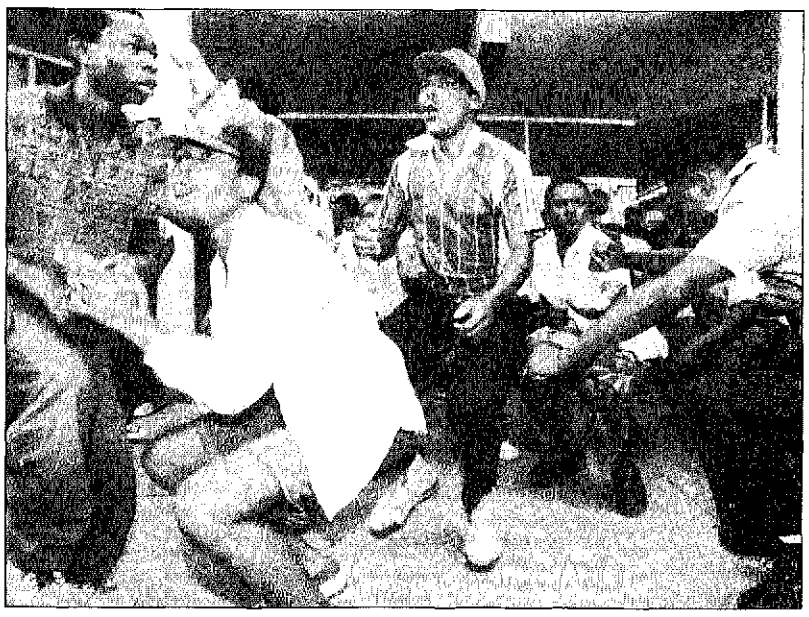
It is unclear at this stage if people to be rationalised from the SANDF will also be eligible for the Service Corps, once rationalisation gets underway in 1996.

Members of the Service Corps will serve for up to 18 months, after which they will be obliged to leave. This is a step towards social reintegration and an attempt to sweeten the bitter pill of eventual exit from the military into civilian life. People earmarked for demobilisation will have the choice of entering the Corps or returning directly to civilian life.

No further social reintegration or training assistance is planned for people to be demobilised. The military would like to get demobilised members out as soon as possible. But former combatants are deeply concerned about their future.

Security threat

On September 12, 1995, in a written reply to a question in the National Assembly, Modise expressed confidence that



Picture courtesy of Natal Newspapers

Protesting MK soldiers toyi-toyi outside the ANC's Southern Natal regional offices in Durban

disgruntled former MK and Apla members posed no threat to South Africa's security and stability.

Several organised themselves into groups, including the MK Elected Committee, the South African Total Liberation Force established by 46 former MK members in November 1994, MKAPLA, an acronym for a group of former MK and Apla members, the Concerned Citizens on Integration and Rehabilitation, the Commanding Structure and the Committee of Four, established by disgruntled KwaZulu-Natal MK members.

Modise said in Parliament that former combatants had attracted limited support. Their lack of support, he went on, was due to the inclusiveness of the military integration process, poor organisation capabilities and limited popular and financial backing.

Ten days later, under a headline 'Pretoria fiddles while KwaZulu-Natal Burns', the *Mail and Guardian* reported that in August alone nearly 100 people were killed in political violence in the province and more than 200 houses were burned down.

The Human Rights Committee placed much of the blame for the deaths on 'sdoos' - ANC aligned self defence units, some of whose members have formed renegade gangs who terrorise people in areas once considered ANC strongholds - and 'spoos', which are self protection units aligned to the

No further social reintegration or training assistance is planned for people to be demobilised

Modise is confident that disgruntled former MK and Apla members pose no threat to South Africa's security

Little effort has been put into the demobilisation of SDUs and SPUs

Inkatha Freedom Party (IFP). The article continued:

> *"...there is a band of thugs who operate in KwaMashu and Umlazi near Durban, and call themselves the 'Akaplas'. They are Umkhonto we Sizwe and Azanian People's Liberation Army dissidents who last year deserted from the national army base in Wallmansthal." (Mail and Guardian* September 22 to 28, 1995*)*

It also alleged that a senior self protection unit commander stated his men were 'sick and tired' of the 'militant' IFP national leadership blocking a scheme for them to be integrated into the national defence force.

Against this background, it seems evident that demobilised soldiers and members of SDUs and SPUs may pose a serious security threat, especially in volatile KwaZulu-Natal. Some people in these categories, however, opted for informal demobilisation well ahead of the announcement by the Minister.

The military are happy to leave the less formal organised groups to the police

They are former MK and Apla soldiers who qualified for integration but did not enter into a contract with the SANDF. They found other avenues to earn their living. Some managed to acquire financial assistance to start small or medium enterprises, while others established private companies - particularly security companies in the previously volatile East Rand and Alexandra areas, near Johannesburg.

The phenomenon of former guerrillas establishing security companies should come as no surprise, as most people in private security have military, intelligence or police training backgrounds (Shaw 1995).

The greatest concern is over people who are not employed, formally or informally. While much attention has been paid to soldiers to be demobilised, little effort has been put into the demobilisation of SDUs and SPUs.

Some former MK and Apla soldiers have established private security companies in the East Rand and Alexandra

Difficulties with demobilising this category of militarised youth may be due to the manner in which these organs are structured. Some, especially SDUs with MK links, managed to find their way into the now disbanded National Peacekeeping Force, established at the end of 1993. Some later integrated into the SANDF.

The same cannot be said of IFP SPUs. The IFP was not part of the Transitional Executive Council's Sub Council of Defence, because the party had walked out of the negotiations process at the time.

Possible solutions

However, there are moves afoot to find a solution. Several workshops have been held in KwaZulu-Natal comprising members of SDUs, SPUs, several non-governmental organisations and the South African Police Services (SAPS). Similar initiatives have occurred in Gauteng and the Western Cape.

Following a workshop in KwaZulu-Natal in June 1995, a Task Team has been formed with representatives of SDUs, SPUs and provincial government.

One of the key proposals to emerge from the workshop, contained in a document titled *Where to KwaZulu-Natal's SDUs and SPUs*, was for a 'coordinated process of enabling SPUs and SDUs to be integrated into the SAPS', to be 'undertaken together with a comprehensive training programme'.

The military, with its experience of integrating, demobilising and rationalising members on the CPR, are happy to leave the less formal organised groups to the police.

There was a further proposal for SDU and SPU members to be appointed police reservists, trained and paid on an hourly basis. Evidently taking a leaf from the military negotiations prior, it was suggested that there be a Certified Personnel Register (CPR) of all SPU and SDU members, outlining in detail members' names, addresses, qualifications, experience, age, training and area of operation.

Another important proposal was that avenues be sought for using the skills of SPU and SDU members who may not be integrated full-time into the police. Two options were suggested:

- providing security to government buildings and private companies
- negotiating with local government over their employment as security guards and personnel.

It is difficult to quantify the number of former MK and Apla soldiers, and defence unit members, who are already in the private security industry, apart from those who have their own companies or hold senior positions in established companies.

But the major problem remains finding sufficient funds to accommodate all the people needing assistance. The Reconstruction and Development Programme (RDP) office in KwaZulu-Natal has reportedly pledged R100 000 to the Task Team to conduct a feasibility study into using SDUs and SPUs in projects such as road and school building.

According to a business plan produced for the RDP office, the feasibility study will also investigate the possibility of integrating members into the private security industry and the SAPS. Funds are being raised with a view to establishing a trust account to act as a source of remuneration for unit members involved in reservists duties.

It is hoped that once the project is running, the private security industry and police will recruit from this reservist pool over a two year period.

Numbers

It is difficult to ascertain the exact numbers of people whose names are on the defence force CPR but did not report for integration. But the following figures, published in the SANDF bulletin *Take Note*, give some idea of the integration and demobilisation process as at September 18, 1995:

- Already demobilised: 414 people
- In the process of being demobilised: 518 people
- Receiving counselling: about 900 people
- Joined the Service Corps from Wallmansthal: about 420 people
- Joined the Service Corps from commands: about 188 people
- Waiting to join the Service Corps: six people
- Amount spent to date on demobilisation: R21 million.

It is even more difficult to quantify members of SPUs and SDUs. IFP aligned SPUs have compiled a CPR with all relevant information, listing around 5 000 people. SDUs, however, have yet to draw up a CPR - although they claim to know all their members and say they will have no problem drawing up lists. This problem may be resolved by the Task Team, which has been charged with compiling an elementary CPR.

Conclusion

With the political transition well under way, a major challenge facing South Africans is how to deal with the thousands of former liberation movement soldiers and SDU and SPU members who may not find any means of livelihood after years in highly charged, politically aligned military formations.

Attempts are being made to reintegrate these people into society, especially those demobilised from the SANDF. This is being done through the Service Corps, as well as through gratuities and special pensions. But these measures do not apply to SDU and SPU members. For them, measures being initiated include retraining and integration into the SAPS, but for very limited numbers. Some have returned to school to complete their studies. Some of the more enterprising members have been selected for training as tour guides and provided with other forms of training in the townships.

It is too early to know whether these solutions will last. But what is significant is the formation of private security companies and joining of existing companies by people formerly engaged in armed struggle. These are promising steps in the conversion of human resource skills acquired in a context characterised by political conflict.

But the formal sector's ability to absorb large numbers of these groups must not be overestimated. Furthermore, training costs are high - especially given the high levels of illiteracy and poor or no skills prevalent among members of SDUs and SPUs.

Extreme caution needs to be exercised in moves to integrate demobilised soldiers and SDU and SPU members into the private security industry. There must be strong control mechanisms, in addition to the existing Security Officers' Board. The industry must not become a 'dumping ground' for former security force members.

Controls should be tight since there is a real danger of disruptions if political tensions rise. And assistance for former soldiers and unit members will have to be tangible - and filter through in violence torn KwaZulu-Natal - especially as political temperatures rise in the run up to local government elections.

The formal sector's ability to absorb large numbers of demobilised people must not be overestimated

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Swaziland

The Winds of Change

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Pressure for political change in Swaziland has intensified. There have been bombings, strikes and increasing activity by the underground People's United Democratic Movement. King Mswati III and the state have responded by passing repressive laws, bolstering the security forces and sending royal emisseries around the country asking people their views on government. But it seems only real democratic reform will save the country from instability - and possibly civil war.

King Mswati III told President Mandela that his people do not want political parties

For many years Swaziland was conspicuously ignored in international affairs and was of interest mainly to social anthropologists. But a unique combination of internal and external factors have altered the political landscape in the country. The last bastion of absolute monarchist rule in sub-Saharan Africa is finally feeling the sneeze of change brought about by the political blizzard that has swept the continent.

The momentum for political change has shocked the royal household and impelled Swaziland's King Mswati III to visit South Africa to assure President Nelson Mandela that things are still under control in the mountain kingdom.

The upsurge in resistance began with the 1990 high treason trial

Mswati, during his visit in August 1995, told Mandela that his people do not want political parties and are content with the *Tinkhundla* - traditional councils - system of government, which makes no provision for opposition politics. However, during the past five years Swaziland has witnessed a number of political earthquakes which have shaken both socio-political reality and thinking in the kingdom.

The upsurge in mass politicisation and resistance began with the 1990 high treason trial in which 12 political activists - comprising trade unionists, academics, lawyers, women's leaders, student and youth leaders - were accused of conspiring to violently overthrow the state.

In February this year the parliament buildings at Lobamba were petrol bombed and damage of at least R500 000 was inflicted. The bombing seemed to be well planned as it coincided with the visit to Swaziland of Baroness Lynda Chalker, the British Overseas Development minister.

The underground People's United Democratic Movement (Pudemo) categorically dis-associated itself from the action, despite widespread suspicion to the contrary. Other targets which were petrol bombed included a magistrate court in Mbabane, state vehicles, and the homes of ministers and other influential figures.

A clandestine military organisation called the Mashekeshe Liberation Army (MLA), which claims to identify with Pudemo's political perspective and policies, declared

responsibility for the attacks. An MLA spokesman urged the government to unban political parties, lift the state of emergency and meet other demands of the people if it wanted to see an end to military operations of this kind.

Pudemo and ordinary citizens warned that the government's intransigence would push people to opt for 'desperate means' to make their voices and concerns heard. They put the blame for unrest squarely at the government's door.

To date it is not clear who was responsible for the attacks. The state has always been at pains to portray Pudemo as a terrorist militaristic organisation. Pudemo has responded with a counter attempt to carve a good civilian image by disassociating itself with anything militaristic.

State involvement in these operations as a strategy to discredit Pudemo cannot be ruled out: the state has always had an interest in discrediting anyone opposed to its autocratic rule. Likewise, the involvement of Pudemo's radical wing - represented by the MLA, albeit not sanctioned by the executive committee - cannot be ruled out.

Strikes

The country has also had massive national strikes. The demands made by workers have transcended narrow bread and butter issues: workers in Swaziland have started to link workplace grievances, demands and concerns to national political questions.

The secretary general of the Swaziland Federation of Trade Unions, Jan Sithole, has said that the union movement has a role - and a profound interest - in bringing about far reaching social transformation that would ensure accountable and democratic governance. The success of worker action nationally has deepened militancy in the workplace. This has emerged as a cause for concern not just for employers but for Mswati's government.

The regime has responded by passing more draconian laws banning strikes called by union federations. In terms of the new Industrial Relations Bill of 1995, organising a national strike is now a criminal offence in Swaziland, with a penalty of 10 years in prison and/or a R10 000 fine. Mswati's government has also responded by questioning Sithole's citizenship and attempting to deport him to Mozambique. They did the same with the president of Pudemo, Kislon Shongwe.

The political crises have prompted the Federation of Swaziland Employers (FSE), on several occasions, to express concern about the government's inability to deliver industrial stability, maintain law and order and ensure a disciplined, cheap and respectful workforce. It has jammed a wedge between the state and capital, causing business to review its long marriage of convenience to government.

The government has continued to blame Pudemo for the ferment. In pursuit of its own agenda for a democratic transformation, Pudemo is said to have infiltrated the unions and students' formations which have engaged the regime head-on. It is also said to be clandestinely behind the formation of several social movements which have emerged in Swaziland to agitate vociferously for real political transformation.

Anti-colonial struggle

As in most of sub-Saharan Africa, the independence movement in Swaziland gained momentum after World War II. The Ngwane National Liberatory Congress (NNLC), a radical African nationalist party formed in 1962 and led by Dr Ambrose Zwane, called for independence on the basis of universal adult suffrage and demanded a constitutional monarchy.

Owing to the increasingly radical political programmes advocated by the NNLC and growing worker militancy, royalist interests in alliance with sections of white capital formed the Imbokodvo National Movement (INM). The INM emerged as a pro-monarchist party and advocated free market policies.

Pre-independence elections were held in April 1967, and the INM won all 24 seats in the new house of assembly. The NNLC secured 20% of the votes, owing to strong support in urban areas, but failed to gain seats because the electoral system favoured rural areas.

Swaziland became independent on September 6, 1968, and adopted a constitution which vested legislative authority in a bicameral parliament which, to appease the monarchy, provided for a

Government targets, including the parliament buildings, have been petrol bombed

The country has also had massive national strikes

The regime has responded by passing laws banning strikes called by union federations

King Sobhuza II overturned Swaziland's post-colonial democracy in 1973 - just a year after elections

large proportion of members to be appointees of the King. It also entrenched a bill of rights.

Democracy collapses

The first democratic elections in post-colonial Swaziland were held in 1972, and the capture of three seats by the opposition reflected its growing popularity and the increasing political maturity of voters who refused to succumb to intimidation by chiefs, especially in rural areas. The results of the elections precipitated a 'constitutional *coup d'etat*' by the monarchy.

The INM attempted to deport an opposition MP, leading to a dispute with the courts. On April 12, 1973, King Sobhuza II declared a state of emergency, suspended the constitution, dissolved parliament, and banned political parties and trade unions. A national army was formed to consolidate the ruling elite's control. Several leaders of the banned opposition, including Zwane, were incarcerated and others forced into exile.

Sobhuza's death in 1982 precipitated a protracted power struggle in the royal family

From 1973 onwards, the authority of the Swazi monarchy became absolute and Sobhuza started an appeal to tradition as a solution to constitutional and other political problems. A traditionalist ideology revolving around a notion of 'Swaziness' was propagated and became central to the regime's continued dominance. Sobhuza's main argument, when repealing the constitution, was that it was not in line with the culture and traditions of Swazi people.

But the repeal was unconstitutional. The constitution made provision for a joint sitting of both houses of parliament - assembly and senate - to deliberate on the issue of repeal should it arise. This was not followed. The constitution also provided for a national referendum to be conducted prior to its repeal. Again this was not done. More importantly, the NNLC was not given a chance to voice its opinions on the issue.

Pudemo was formed in 1983 to coordinate the struggle for democracy

The country was governed without a parliament from 1973 to 1978, and the King's dominance over political affairs became increasingly personal and conservative. The revival of parliament in 1978 in a non-party electoral system did not in any way temper royal control of executive and legislative decisions. It also did not result in an impartial and independent judiciary.

The new parliament was widely perceived as the King's rubber stamp, as its successors have been.

Dawn of a new era

The death of Sobhuza - Africa's longest reigning monarch - in August 1982, precipitated a protracted power struggle in the royal family. The young crown prince Makhosetive Dlamini - now King Mswati III - was only 14 years old and still at school in the United Kingdom. The queen mother, Dzeliwe, appointed the 15 members of the Traditional Advisory Council, called the *Liqoqo*, which Sobhuza had sought to establish as the supreme council of state.

A confrontation took place between prime minister, Prince Mabandla Dlamini, and members of the *Liqoqo* led by Prince Mfanasibili Dlamini. This conflict should be seen in the light of sharp differences between sections of the ruling royal clique, including over questions of how best to maintain absolute royal power and all the land and financial benefits that go with it.

It was not so much a left wing versus right wing split but rather one between those sections of the ruling clique who adhered to constitutional and legal processes and those who believed in a prominent role for the aristocracy, which controls the powerful traditional financial and business institution called *Tibiyo Taka Ngwane*.

The confrontation led to a 'palace coup' and the downfall of prime minister Mabandla Dlamini, who belonged to the former camp. The queen mother and regent Dzeliwe, who opposed the move to fire the prime minister, was also deposed and replaced by Ntombi Tfwala, mother of the young king.

Resistance emerges

The palace intrigue which engulfed Swazi political life after the death of Sobhuza created an environment which encouraged the emergence of a radical underground political movement opposed to monarchical rule. Pudemo was formed in 1983 to coordinate the struggle for democracy.

It organised campaigns against the *Liqoqo* regime and demanded a review of the role of the monarchy. It opposed the Swazi regime's collusion with the apartheid government in South Africa in the numerous abductions and killings of African National

Congress cadres in Swaziland by members of the South African security forces.

Pudemo condemned widespread corruption, nepotism and what it calls 'mismanagement of the country's resources' by the royalist elite and its allies. More significantly, it called for multi-party democracy and demanded a constitutional monarchy. It mobilised workers and students at the country's university and colleges.

The organisation's strategy involved, among other things, distributing propaganda material in main towns around the country. Pudemo wrote letters to leaders of major organs of civil society and invited them to join. It held secret meetings and operated through underground cells.

Pudemo's membership thus comprised people of varying ideological orientations. Former leader of the youth wing of the NNLC during the anti-colonial struggle, Kislon Shongwe, is its president. Dominic Mngomezulu, a former law lecturer at the University of Swaziland and now a practicing attorney, is the general secretary. Pudemo's manifesto makes a commitment to:

> *"...return our country to democratic governance which shall guarantee, ensure and protect majority participation in the political, social, economic and cultural affairs of the country."*

Pudemo also declares its commitment to restorating and maintaining a constitutional multi-party democracy through maximum popular participation and respect of the majority will.

The organisation's major challenge is to make inroads into rural areas, which are virtually under the control of mainly conservative chiefs. Traditional authorities, as in South Africa, derive their power from the fact that they allocate land to people.

The brief from the royal kraal for chiefs is to maintain law and order in their areas and promote loyalty to the King. In practice this means keeping an eye on the activities of each and every subject, and ensuring that those involved in political activities are dealt with. People's access to 'Swazi Nation Land' is dependent on loyalty to their chief and the King. This state of affairs has vital implications for free and fair elections in rural areas in the future.

Apart from its grand demands for multi-party democracy and a constitutional monarchy, Pudemo still faces the challenge of formulating coherent policy positions on various issues. It needs to go beyond its draft policy documents if it is determined to contest and win democratic elections in the future. Pudemo's draft policy document on the economy seem to suggest that it favours a mixed economy, but it does not spell out explicitly what this means.

In the early to mid-1980s resistance politics in Swaziland were severely suppressed and Pudemo had little space to manouevre. Underground political activity was the only option and activists worked in and with trade unions, the university and other structures which had legal recognition.

This situation prevailed until Mswati - then 18 and not finished his schooling - was crowned on April 25, 1986. His coronation had not been expected for at least another two years but was brought forward to still the palace intrigues. A period of quiescence followed. Mswati moved to try and restore popularity to a throne tarnished by quarrelsome members of the royal family.

He fired prime minister Prince Bhekimpi Dlamini and replaced him with a rather obscure ex-police chief, Sotsha Dlamini. The appointment was a reward to Sotsha for his loyalty to the deposed queen mother Dzeliwe, which had cost him his position as assistant police commissioner in 1983. Mswati also dissolved the *Liqoqo*, which had fallen into disrepute during the regency when it became known that some members were drawing double salaries.

In 1988 Pudemo burst back into the political theatre, declaring that "the honeymoon" they have given to the new King was over. Pudemo knew the King was aware that the country had undergone a severe political crisis during the regency, and seemed to assume that Mswati would appreciate the need for real reform. But all that Mswati did after his coronation was recycle the ruling class. Some people were fired and others were rehired. Hopes that the new King might herald a new era of more open and democratic politics proved to be futile.

Mswati failed to come to terms with opposition to continuation of the King's Proclamation of 1973, which banned political parties and other forms of political dissent. The Proclamation is the focus of the

Pudemo's membership comprises people of varying ideological orientations

Pudemo still faces the challenge of formulating coherent policy positions

A period of quiescence followed Mswati's crowning in 1986

In 1988 Pudemo burst back into the political theatre, declaring "the honeymoon" over

current struggles in Swaziland. Workers, students and the broader democratic movement have been vociferous in their call for real democratic transformation.

State response

The Swazi state's response to calls for change has been a two pronged strategy of repression and reform.

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The state has promulgated draconian new laws such as the Non-Bailable Offences Act of 1994, which classifies sedition, subversive activities and demonstrations as non-bailable. The Sedition Act of 1995, as amended, prohibits publication, uttering and/or dissemination of any 'negative' information or reports against members of the royal family.

Military spending has increased in the last three years and more officers - 800 this year alone - recruited to the army. An Operations Services Support Unit in the police force - similar to South Africa's Internal Stability Unit - has been established to deal with riots.

At the same time, the state has embarked on a controversial reform process to appease the international community. This process, famously called *Vusela* - greet - has involved committees appointed by the King and headed by princes going around the country to greet people on the King's behalf and ask their views on how the *Tinkhundla* system of government can best be improved to suit the needs and culture of Swazis.

But many people are calling for the abolition, not reform, of the system. People in different urban and rural communities have argued that the system allows for corruption and abuse of power by authorities to go unchecked.

If there is no change, Swaziland is likely to be plunged into instability which may create conditions for a coup d'etat or civil war

Contrary to what Mswati told Mandela - that Swazis do not want political parties - many people in both urban and rural areas have called for multi-party democracy and a constitutional monarchy. There are many in Swaziland who feel that multi-party politics could work effectively and without the ethnic distortions that engulf it elsewhere in Africa, since Swaziland has neither tribal nor ethnic divisions.

This grassroots mood that has made possible the successful campaigns of the past few years by workers, students, young people and the democratic movement.

International relations

Swaziland's diplomatic ties have always with anti-communist states, with the exception of Mozambique, where economic necessity forced mutual relations. Apart from Banda's Malawi, Swaziland was the only country in southern Africa that had diplomatic relations with apartheid South Africa during the sanctions era. On major issues in the United Nations, Swaziland consistently sides with the United States.

After the Yom Kippur war, Swaziland was the only African state not to break diplomatic tics with Israel. It was also the only country at the 1986 Commonwealth Summit to vote with Margaret Thatcher against imposing sanctions on South Africa.

Swaziland accorded a degree of recognition to the former homelands and states as Swazi princesses married leaders in the Transkei and KwaZulu. Marriage is seen as a major diplomatic tool in Swazi politics. Mswati was quoted on BBC as saying that because his brother is married to Mandela's daughter, Swaziland will have good relations with South Africa.

Conclusion

Pressure for change is likely to intensify. Diplomatic sources close to the palace suggest that the King might call a national referendum in which he hopes Swazis will say they do not want political parties.

Pudemo's president has said the Swazi government would have to meet certain conditions before his organisation would participate. Among them are questions of a time frame, a level political playing field and repeal of all draconian laws.

The alternative scenario would be a bold move to unban political parties. Members of the ruling classes have been trying behind the scenes to constitute themselves into a political party which - as the Inkatha Freedom Party has tried to do - would use the King's name, the chiefs and Swazi culture and tradition to rally people around its political agenda.

If the regime does not move quickly with an irreversible process of change, the country is likely to be plunged into perpetual instability which may create conditions amenable to a *coup d'etat* or civil war - both of which have long been rumoured in Swaziland. IPOA

A METRO OR NOT:
Politicking on the East Rand

By Ivor Chipkin
Centre for Policy Studies

Attempts by the Eastern Services Council to create a regional metropolitan government for the 'East Rand' failed, perhaps because it did not take seriously enough the strength of local identities. But there is evidence that the ESC is positioning itself for a renewed struggle for a metro structure, this time in alliance with Local Development Forums. If successful, the ESC would gain significant influence over local authority plans.

The introduction of the East Rand Regional Services Council (RSC) in 1987 granted temporary consensus on the identity of the 'East Rand' as a geographic expression. However, the transformation of apartheid local government - originally associated with numerous and often transmuted local negotiating forums, and then with the Local Government Transition Act - has injected a new ambiguity into the term.

So whereas most local authorities had by 1992 agreed that the East Rand was largely synonymous with the boundaries of the RSC (Humphries 1992), its transformation into the now Eastern Services Council (ESC) - and the associated redefinition of the ESC's functional area - has destabilised this precarious understanding.

Before 1987 no regionally constituted body had the symbolic authority to exhaust the definition of 'East Rand'. The establishment of the RSC represented the arrival of a more powerful regional organisation and, therefore, also of a more durable regional definition.

At the time, this solidified the meaning of the area around the following municipalities: Alberton, Tokoza, Boksburg, Vosloorus, Benoni, Wattville, Daveytown, Brakpan, Tsakane, Germiston, Katlehong, Kempton Park, Edenvale, Bedfordview, Nigel, Duduza, Springs and Kwa-Thema. In total 18 local authorities.

The more recent questioning of the place and role of a services type council has also disrupted the territorial definition that the old RSC partly steadied, and the identity of the term is once again available for contestation.

This article will attempt a preliminary, and tentative, exploration of what is at stake in the struggle to define the 'East Rand' - which, along with the term 'region', will refer in this paper to the area of jurisdiction of the former East Rand Regional Services council.

Because the region, although in (possibly temporary) decline, constitutes the largest concentration of manufacturing activity in the country. This article suggests that the apparent technocratic disputes about demarcation obscure competing notions of the function of the urban form and, therefore, of the political identity of the area.

A fight for position

Since 1993, negotiations about the future configuration of local government have taken their cue from the legislative options available under the Local Government Transition Act. Controversy has raged over the metropolitan or non-metropolitan character of the East Rand. The resolution of this issue has profound implications not just for the nature and shape of existing local authorities, but for the very existence of the Eastern Services Council.

The East Rand constitutes the largest concentration of manufacturing activity in the country

Controversy has raged over the metropolitan or non-metropolitan character of the East Rand

The LGT Act talked of new councils to service non-metropolitan local government areas

In the vague legalese of the Act, provisions were made for the 'disestablishment' of RSCs and their replacement with a Service Council 'for non-metropolitan' local government areas. These bodies would be granted the power to raise and claim the regional services levy and the regional establishment levy referred to in the original Regional Services Council Act.

Apart from these few details, the Local Government Transition Act was silent on substantive issues relating to the character and form of the new Councils. All that was clear, according to the brochure issued at the signing of the Act, was that 'a transitional metropolitan council (could not) co-exist with RSCs in the same area'.

The same brochure continued that, where a Transitional Metropolitan Council was established, 'that area (would) have to be excised from the area of any RSC because the powers and duties of metropolitan councils and RSCs (were) essentially the same'. In other words, were the 'East Rand' to be defined as either a single or multiple metro area, the Eastern Services Council would theoretically be 'disestablished'.

The Regional Services Council could try to become the heart of an East Rand metropolitan chamber

This suggested two strategic options to the then Regional Services Council: it could either constitute itself as the administrative heart of an East Rand metropolitan chamber, or mutate into a vaguely defined Services Council responsible for bulk services and planning for distinct and autonomous Transitional Local Councils (TLCs).

Apart from a degree of political expedience that would see the Council choose the option most likely to see it into the future, the choice of action would also depend on the RSC's own reading of the nature of the urban form.

In terms of the Local Government Transition Act, a 'metropolitan area' displays the following characteristics:

Or it could mutate into a vaguely defined Services Council

- ❑ It comprises the areas of jurisdiction of multiple local governments
- ❑ It is densely populated and has an intensive movement of people, goods and services within the area
- ❑ It is extensively developed or urbanised and has more than one central business district, industrial area and concentration of employment, and
- ❑ Economically it forms a functional unit comprising various units which are interdependent economically and in respect of services.

While the 'East Rand' could comfortably be said to fulfill the first three requirements, the fourth has proved hotly contested.

Interviews conducted by Richard Humphries with the Council in late 1994 depict the sub-region as a 'conurbation of urban areas' with an embryonic metropolitan character tending towards an integrated metropolitan whole. Yet the March 1992 strategic plan, developed by the RSC's consultants Wagner Nel, suggests instead that:

> *"The East Rand has developed over the years into a unique metropolitan area which distinguishes itself from its neighbouring areas with regard to cultural value systems, socio- economic conditions, industrial activity, local authority coordinating mechanisms, demographic forces, physical phenomena" and so on.*

There is an important difference in these definitions that is worth dwelling on briefly. What the RSC's more recent thinking implies is that the metropolitan form of the East Rand is currently tentative, and although it is moving in that direction, there exist strong and important local identities that needed to be addressed. The political accomplice of such an analysis is a 'soft' metropolitan option with strong local authorities reflecting the distinct histories of its municipal components.

This view was reflected in speeches by RSC spokesmen and consultants at its regional summit held in October 1994. Bill Cameron thought that the then PWV government should be requested to allow for a 'bottom-up' metropolitan services council to 'act as a decision making body on the East Rand'.

This is certainly not the implication of the earlier formulation. Indeed, the 1992 document refers to an already completed process of metro formation such that the region even had unique cultural values. What could this suggest, if not a robust metropolitan structure for the East Rand? This was reflected in proposals submitted by Wagner Nel on May 17, 1993.

The RSC had correctly interpreted the Central Witwatersrand Negotiating Chamber

as the precursor for local government negotiations nationally. As early as December 1992, therefore, the chair of the Council, at a meeting with East Rand councillors, raised the prospects of the Central Wits example.

After discussing the idea with the former government in January 1993, and apparently receiving approval for some type of East Rand negotiating forum, the RSC approached 'representatives from Vosloorus and Daveytown'. It seems that the RSC had recognised the imminent transformation of apartheid local government and resultant participation of what it called 'non-system' players. On February 19, 1993, the Council formally met a delegation from the Civic Association of Southern Transvaal.

This strategic intervention was apparently informed by several related worries. The first concerned the RSC's self image as a professional and effective provider of services. In this regard the Council was concerned that the transformation of local government might threaten its future position and therefore also the quality of services it could render.

The Wagner Nel report repeatedly measures the desirability of institutions against their ability to 'add to quality of life' or 'deliver the goods'. Indeed, one of its major criticisms of the Central Witwatersrand Negotiating Chamber was precisely the 'decrease' in the 'quality of life' that apparently resulted. (Although it is dangerous to confuse a firm of consultants with the RSC, in this case the report seems to be a distillation of meetings and discussions of and with the Council.)

The Council thus identified as a 'critical issue' the need to protect its future operations. 'Never', it remarked, 'destroy or substitute systems and structures that deliver'. In this regard the RSC management was particularly concerned at what it saw as a growing trend away from Regional Services Councils. The De Loor Commission, for example, favoured the replacement of RSCs with some form of metropolitan government. These sentiments also seemed to be favoured by the ANC.

Yet this occurred at a time when the Council had just resolved to extend its operations 'beyond those of the conventional engineering type services'. At a conference at Valley Lodge in 1991, the organisation had developed a strategic mission that saw itself as a major future political and developmental player.

The RSC was thus motivated not just by the desire to survive, but also to expand its powers and functions. In this regard the Council interpreted political trends at the time as moving towards metropolitan type institutions for local government, and imagined that such a structure for the East Rand would best ensure its survival into the new democratic age.

But the security of the RSC's future also rested on another change: the transformation of its blighted apartheid image. The Council had clearly recognised this fairly soon after the unbanning of the ANC. At a 'strategic summit' held at Valley Lodge in 1991, the RSC developed a 'total strategy' consisting of five strategic thrusts. They included:

- *"One safe city - one tax base"*
- *"One person - one job"*
- *"One family - one house"*
- *"Affordable services and infrastructure for all"*
- *"Social affirmative action for all"*

If these slogans sound today like bad parodies of the 1980s, their mimicry of the style and vocabulary of the 'liberation movement' was deliberate. It represented an attempt to recast their language and image in order to win the favour of the civics and the ANC, said John Wagner in an interview on September 6, 1995.

In a remarkable feat of historical myth making, the RSC reinvented itself as an agent of democratisation formed during the demise of the old regime and established for the laudable purpose of upgrading and improving deprived areas. This, of course, contrasted with the more respectable view that RSCs buttressed crisis ridden apartheid local government by throwing a lifeline to the much hated black local authorities.

Nonetheless, in terms of the new mythology the Council also argued that it had a proven track record of achieving 'commendable aims' and it was, therefore, best suited to continue rendering 'extremely valuable services in regional planning, the provision of urban infrastructure and the collection of regional levies'.

In this view a metro structure, formed around the RSC, could best fulfill the

There has been a contest over whether the East Rand forms an economically functional area

Research depicts the sub-region as a 'conurbation of urban areas'

The Council identified as a 'critical issue' the need to protect its future operations

RSC plans for a single regional negotiating forum were scrapped in 1994

Council's vision of development through long term regional planning. The Wagner Nel report, titled 'Proposals in Respect of the Need and Framework for the Establishment of the Proposed East Rand Metropolitan Forum' thus envisaged a single Local Government Forum for the entire region.

The Forum would have as its primary goal 'to assist with and monitor the implementation of the East Rand RSC's Total Strategy'. Curiously, this document was classified as confidential and even now - nearly three years later - was only released reluctantly. This suggests a peculiar degree of political sensitivity to its recommendations. The embarrassing nature of the report is almost certainly related to events that superceded it.

Strategic defeat

Local government councillors strongly opposed a regional metro structure

In early 1994, RSC minutes record that plans for a single regional negotiating forum were scrapped and an alternative strategic intervention adopted. What seems to have been the crucial turning point was a 'summit' convened for councillors and officials at Maccaauvlei in February 1994.

During an apparently tense and sometimes angry weekend it became readily apparent that delegates strongly opposed a regional metro structure. Instead, they preferred autonomous local authorities served by an RSC type establishment. This hostility was allegedly most acute among white officials fearing their job security in a transformed local government regime.

The only exception to this was from the former Norkok local authorities - Kempton Park, Edenvale and Bedfordview - who favoured an independent metropolitan structure formed around themselves. As a result the East Rand Regional Services Council commissioned a 'dynamic demarcation model' from consultants Wagner Nel to evaluate competing options for local government in the area.

The RSC decided to take the battle to individual local government negotiating forums

Interestingly, the report concluded that nine East Rand TLCs should be established - integrating formerly segregated white and black local authorities and also expanding the RSC's area of jurisdiction to include Kempton Park, Nigel and Heidelberg. These TLCs, it suggested, should be served by an East Rand Metropolitan Services Council that would retain the old RSC functions.

According to the consultants who devised the criteria, however, the findings reflected more the politics of the region than the 'science' it was intended to serve. Indeed, Johan Wagner laments the careerism of local officials who undermined the prospects for an East Rand metropolitan vision.

The new proposal thus represented a significant reversal from the earlier position. And yet the vision of metropolitan government seems only to have been postponed. For the shift in thinking represented merely a tactical consideration, a new strategic initiative.

A change in direction

If the RSC could not convene a single East Rand Local Government Forum due to well organised hostility, it would participate in the multitude of negotiating forums as a statutory participant. It is clear from RSC minutes, however, that this decision was never seen as anything more than pragmatic; they would pursue this course of action because of lack of distinctness concerning the 'practical implication' involved with a Transitional Metropolitan Council.

In other words, having lost the fight to establish itself as the heart of a metro chamber it would temporarily settle for a metropolitan services council and take the battle to individual local government negotiating forums. Yet this assumed that all local authorities in the area accepted the Transitional Local Council option. Otherwise a Services Council could be 'excised' from the territory declared metropolitan by any forums that chose the Transitional Metropolitan Council option.

As a safeguard, therefore, the RSC argued that all local government negotiating forums should collectively develop a joint East Rand stand point for the pre-interim period. A uniform approach, it continued, would not only avoid division but also minimise 'disruption and uncertainty'.

The Council proposed that local authorities only consider metropolitan options after the pre-interim phase: that is, after the first local government elections. This, it warned, would prevent opportunist councils that opted for a Transitional Metropolitan Council from applying to incorporate neighbouring TLCs into its domain. It would also deter policy makers from declaring the entire Gauteng region one metropolitan area.

A TLC option, moreover, would give local authorities time to 'educate' new participants in local management matters as well as to avoid making too many changes at the same time. Most of these arguments were spurious. Even at the time there was little serious talk of a single chamber for the then PWV. Moreover, there was nothing in the Local Government Transition Act to suggest that a metro council could unilaterally absorb neighbouring TLCs.

What worried the RSC, of course, was that independent moves to establish a metropolitan structure would reduce its jurisdictional area, if not eliminate it altogether. The new tactical drive, however, involved significant risks, for it meant trusting the RSC's future to the complex political processes in each forum. This was to prove even more hazardous than expected.

As Richard Humphries (1994) observed, the Regional Services Council hopelessly misinterpreted the Local Government Transition Act. Believing itself to be a 'local government body' as defined in the law, it imagined that it was legally entitled to sit on each statutory delegation in each local negotiating forum. This was quite simply wrong. As a result the RSC played a limited, virtually non-existent role in the East Rand Local Government Negotiating Forums.

The results of this legal oversight were costly. Apart from the failure to generate a uniform position, most damaging to the RSC was the loss of Kempton Park to a North East Rand Transitional Metropolitan Council consisting of Modderfontein, Edenvale, Tembisa and eventually Midrand.

And in line with Local Government Transition Act provisions, this area was subsequently exempted from the Regional Services Council's area of jurisdiction. While Germiston, Alberton and Boksburg finally chose to be Transitional Local Councils the idea of a metro chamber was strongly favoured by many. Most worrying to the RSC, however, was the curtailing of its urban jurisdiction and the independent tendency towards metro formation.

By the finalisation of negotiated agreements in late 1994 and their promulgation by the Gauteng premier, the 'East Rand' looked considerably different. There now existed seven separate Transitional Local Councils: Greater Alberton, Germiston, Boksburg, Benoni, Brakpan, Springs and Nigel. And also a Metropolitan chamber with Kempton Park, Edenvale, Modderfontein and Tembisa.

In other words the urban core of the 'sub-region' now consists of politically independent local authorities linked only through their degree of functional integration. In this regard the single 'metropolitan' character of the entire region has been disputed and lost. Indeed, if the RSC boundaries constituted an intelligible definition of the term, the 'sub-region' has ceased to exist as a political entity. For not only has the North East Rand asserted an independent metropolitan identity but the RSC itself has been transformed.

The urban core of the 'sub-region' now consists of politically independent local authorities

On January 1, 1995, Premier's Proclamation No 4 disestablished the East Rand RSC and established in its place an Eastern Services Council (ESC), which included the former territory of the old RSC: Alberton, Germiston, Boksburg, Benoni, Brakpan, Springs, Nigel and Heidelberg - excluding Kempton Park, Edenvale, Modderfontein and Tembisa.

Yet the proclamation also ordered the TLCs of Devon, Bronkhorspruit and Cullinan to fall within the ESC's jurisdiction, as well as the rural Transitional Councils of Elands River, Pienaars River and Suikerbosrand. So too were the Local Area Committees of Hammanskraal, Nestpark, Roodeplaat and Vischkuil placed under its authority.

On January 1, 1995, the RSC became the Eastern Services Council

The new Council has thus been entrusted large rural areas over and above the urban conurbation formerly associated with the 'East Rand'. In addition to the former powers of the old Regional Services Council, the ESC is now also a local government charged with administration of many of these rural areas. As a result it may undertake certain functions, such as housing, that the old Regional Service Council never could.

If the former RSC thus constituted the definitional centre of the 'East Rand', its substitution for a Services Council has once again rendered the term unstable. There no longer remains any institution around which an 'East Rand' metropolitan identity can reasonably be said to exist. An urban regional identity has just recently been further disabled.

The new Council has been entrusted large rural areas over and above the urban conurbation

A new metro?

On Saturday, July 29, the Mayor of Boksburg announced that his council together with Germiston and Alberton, were

Boksburg, Germiston and Alberton applied to become a Transitional Metropolitan Council

applying to the Member of the Executive Committee for Local Government and Housing to be reconstituted as a Transitional Metropolitan Council in terms of the Local Government Transition Act.

Given that these three municipalities contribute more than 50% of all income generated from levies to the Eastern Services Council, this amounts to a significant challenge. Indeed, in the 1995/96 budget Boksburg, Alberton and Germiston - the so-called BAG authorities - contributed more than 30% of the total ESC income. Their withdrawal from the jurisdiction of the Council thus represents a major curtailment of its tax base and, therefore, also a real threat to development plans for the region it now serves.

This is made even worse given the decline of ESC revenue, associated with the general deterioration of the 'East Rand' economy since last year and the additional territory it must now also service.

Regional metropolitan proposals fail to take seriously the strength of local identities

Yet it is precisely the redistributive function of the ESC that the BAG municipalities object to. Local Authority officials begrudge the siphoning off of their funds to subsidise less viable municipalities elsewhere. This has been further compounded by the new boundaries of the ESC. Revenue generated in Germiston, Alberton and Boksburg will now be spent in far away rural areas like Bronkhorspruit, Hammanskraal and Suikerbosrand. This money, the officials argue, should remain within their municipalities and be spent locally.

The drive for a BAG metro may simply be motivated by an economic interest in retaining locally generated income. But what is interesting is that it contests a regional identity by asserting a 'naturally' contained unit with certain common qualities. These include proximate industrial areas, strong industrial bases and a largely middle income Afrikaans speaking population.

If forums can be won over to the ESC position, it would gain significant powers to influence local authority plans

In this view, said Germiston's town clerk in an interview on September 2, 1995, an image of industrial strength and modernity is invoked against a more distant and economically weaker hinterland. A certain industrial ruggedness, growth and strength are contrasted with decline in the rest of the region. The town thus proudly boasted that a Boksburg-Alberton-Germiston metro would probably have the most powerful economic base in the country.

This is not the developmental city - a metropolitan region premised on redistribution and equality - implied in the ESC vision. Its emphasis lies, rather, with growth and progress. With - in the words of the mission statement of the former Alberton town council - the 'provision of effective and affordable and innovative municipal services to all our entrepreneurs, residents, investors and other participants'.

Final remarks

What this suggests is that within 'East Rand' local authorities there exist certain and often only partial identities associated with that spatial form. These are only tentative suggestions which require far more research. This article does not address the content of these identities: their complex and uncertain form, or their implicit understanding of the function of the city. This is perhaps a challenge for future research.

This suggestion may tentatively explain, however, the failure of a regional metropolitan identity to be constructed in the area. For regional metropolitan proposals fail to take seriously the strength of local identities to disrupt a logic of integration.

It may also indicate a certain political logic that will prefigure future demarcation disputes. For there is evidence that the ESC is once again positioning itself for a renewed struggle for a metropolitan structure, this time in alliance with the Local Development Forums. In this regard it favours granting the latter statutory powers to force local authorities to seek consensus from their associate LDF.

If forums can be won over to the ESC position it would gain significant powers to influence local authority plans, and perhaps even launch a successful bid for a regional metro structure. As a result, the ESC has appointed a Reconstruction and Development Programme officer - with more expected soon - to liaise with forums and 'help build their capacity'.

The success of these initiatives, however, will depend on the degree to which local township activists have absorbed or developed a political identity associated with the municipal boundaries in which they live and operate. This is an open question, and will probably constitute the terrain on which renewed political manoeuvering will take place. IPA

Land-ing in Trouble

Gavin Williams,
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Bills affecting land reform have been written, pilot land reform programmes are underway, and restitution and redistribution initiatives have been launched. But land reform still has a long way to go, and it could be headed in the wrong direction. This article is based on a paper delivered by Williams to a recent workshop on Land Reform and Agricultural Policies in the Western Cape, organised by the Department of Sociology at the University of Stellenbosch.

Five fundamental questions need to be asked regarding land reform in South Africa. They concern what land reform is for; the forms of tenure under which land will be held; whether the government has the capacity to implement reforms; what the lessons are that can be learned about past and recent experiences of land reform; and how the outcome of reforms will be shaped by changing market conditions and forms of state administration.

Land reform is expected - or feared - to realise a number of different purposes which are reflected in different policies and legislative enactments which may well, in a variety of cases, come into conflict with one another. These purposes include:

- The redistribution of land to the landless poor and women who have been denied access to land and decent living conditions, and to the 'historically disadvantaged', who may or may not be the same sort of people
- Promoting the emergence of commercial farmers previously denied opportunities to farm
- The restitution of land to individuals and communities who were dispossessed
- Securing tenure rights for labour tenants, farm workers and others with claims to occupy or use land.

Tenure

The different justifications advanced for land reform all raise the further question: who is to decide which people get access to what land on what terms for which purposes?

Who is to decide which people get access to what land on what terms for which purposes?

The simplest justification is that land belongs to the people and should be restored to them. This may be true but it does not answer the question of who is to decide which land is restored to which people.

The second, more limited, claim appears easier to meet: people who have been dispossessed since June 19, 1913 - as a direct result of discriminatory laws - of land to which they had rights, should have their land and rights restored to them. The scope of the Commission on the Restitution of Land Rights and the Land Claims Court has sensibly been reduced to dealing with these claims.

People who have been dispossessed should have their land and rights restored to them

They are clearest in the case of those who held title and had it taken away. But it still leaves open the question as to who may make claims: individual title holders, their

It is not always easy to draw a line between those who were removed and those who removed themselves

children, female and male, their tenants and the children of their tenants?

It also remains unclear, in cases where communities recover access to land, who will exercise their collective rights and allocate land to members. And what of people who do not wish to return to rural life but rightly claim compensation for their dispossession?

Again, the political question arises: who is to decide which people get access to what land on what terms for which purposes?

Numerous people who lacked provable title or 'any formal right in land' were removed from white owned farms and from rural and urban settlements. It is not always easy to draw a line between those who were removed and those who removed themselves.

Government is committed to providing alternative remedies, including 'preferential status in the land reform programme', to such groups as farm workers, labour tenants, landless tribes, people affected by betterment schemes and cases where provisos in title deeds were cancelled. Who is to decide who is entitled to what remedies?

The Draft Land Policy Principles envisage offering state grants to 'emergent' commercial farmers

A broader concern is the redistribution of land to members of 'historically disadvantaged communities' It is not clear which members, or which historically disadvantaged communities. Those with the money to allow them to buy land and to stock and farm it - or perhaps with the political connections to obtain it? Those with farming skills but without money? Those with a need for income or simply somewhere to live? Rural women, married as well as not married?

Support

An alternative way of stimulating commercial production is the initiation of contract farming arrangements

A more ambitious objective, which was central to the 1993 Options for Land Reform and Rural Reconstruction put forward by the World Bank, is to transform the agrarian structure of the countryside from one dominated by large scale, capitalist enterprises to one in which small scale family farmers - who according to some international evidence are likely to use resources more efficiently - would be numerically dominant.

How are these different and possibly conflicting aims to be realised? Can the Land Bank and the Agricultural Credit Board, duly reformed, do for African farmers what they did for Afrikaners? Can affirmative strategies by commercial banks facilitate the entry of African entrepreneurs into farming? Surely we can expect African entry into the large farm sector. Should they be given subsidies or favoured treatment to allow them to do so?

The Draft Land Policy Principles issued by the Department of Land Affairs certainly envisage offering state grants to 'emergent' commercial farmers who can then add their own financial contribution and leverage loan finances on favourable terms through commercial lenders.

The concept of emergent farmers has in the past been associated with policies of supervision and support to selected farmers, working full-time on 'economically viable holdings' according to modern farming methods and in line with cultivation and stock management practices prescribed by departments of agriculture.

This concept is favoured by ministries of agriculture since it enables them to direct the process and concentrate resources on a limited number of accessible farmers. This approach has a long history in South Africa and in colonial and post-colonial Africa, and a poor track record.

An alternative way of stimulating commercial production is the initiation of contract farming arrangements, with or without attachment to a neighbouring farm or nucleus estate.

This relies generally not on the actions of government, but on the interests of private business to access land - which may be under communal or state control - secure or expand supplies of crops from outgrowers, assure their markets and supply them with inputs as well as advice.

Contract farming has been successful in different African countries for the production of processed crops such as tea, sugar, tobacco and cotton, under specific conditions. They must offer growers a better return than locally available alternatives, and markets must be restricted to monopsonistic processing firms.

The best known South African examples are small cane growers in Kwazulu-Natal, many of them women, and not so small and usually male cane growers in former

KaNgwane. The various policies to enable African farmers to engage in commercial production are generally designed to provide opportunities for relatively better off men to get access to land, credit and markets. Is this what land reform is for?

If, by contrast, the object is to provide resources to the rural poor, it is very possible that they would prefer jobs, piped water, electricity, schools and housing to access to land, and that the limited resources of the Reconstruction and Development Programme (RDP) should be directed to providing these.

One answer is to give poor people money to use as they wish. The second is to give men and women access to land which can be used for residential purposes, to grow vegetables, to keep a few stock and, perhaps, to supplement other family income and provide some security, rather than as a farming enterprise. People who have residential sites and farming plots will want to improve their houses or acquire land for grazing.

This seems to lie behind the proposal for a Settlement and Land Acquisition Subsidy of R15 000 per household, which can be drawn upon for 'land acquisition, the provision of basic needs on the acquired land' and other approved uses which provide for basic needs.

These grants will have to be locally administered, perhaps by non-governmental organisations, and nationally registered. Only some households will be able to benefit from this largesse, raising the question of means tests and the selection of beneficiaries. We return yet again to the question of who will decide who gets access to these grants, on what terms and for which purposes.

The alternative is to try to implement a more modest version of the World Bank's vision of transferring 30% of the country's medium to high quality land to some 600 000 farming households to create two million farm livelihoods within five years.

The first of these two approaches separates land reform from industrial production, which would be left largely in the hands of existing commercial farmers and those who gain entry to their ranks. It is not necessarily about land at all. What will most rural people want to do with a windfall of R15 000? Use it to raise another R35 000 to go into farming, or find ways of using it to extend the house or pay school fees for their children?

This approach treats land reform as a cost and not as an opportunity, and therefore a cost to be minimised. This view may already be reflected in the very limited funds allocated to land reform under the RDP, which are a fraction of the 'surprisingly small' cost identified by the World Bank's Options for Land Reform.

The second approach sees smallholders as the foundation of a more productive agricultural system. There are also problems with this more optimistic approach. In much if not all of the country, there are few productive smallholders demanding access to land to expand the production of crops for the market.

Claims for transfer of land to new owners therefore focus on areas adjacent to areas of dense settlement rather than on the sparsely populated regions in which planners might more easily make land available. Significantly, the main political activities on the land question have arisen out of the claims of dispossessed communities for the return of their lands.

Land rights

Black people in South Africa have never been secure in their rights to land and other forms of property.

Not surprisingly, there are vocal demands for clear forms of individual title as well as concerns by community members that they should have access to communally controlled land for a variety of economic purposes. There are also often demands for their continued access to land to be protected from acquisition by outsiders.

The Draft Land Policy Principles seek to allow South Africans 'to hold land under various forms of individual, communal or group tenure in rural and urban areas' which 'give clear and well defined rights in land' and allow for the registration of title to be extended and tenancy agreements to be clearly defined.

Meanwhile, bills have been introduced to protect informal land rights and the existing rights of labour tenants, and to allow communities to acquire, hold and manage property under a written constitution.

One answer is to give poor people money to use as they wish

There are very limited funds allocated to land reform under the RDP

There are vocal demands for clear forms of individual title

One approach is to start with a limited number of projects, each arising from different circumstances

The concern to specify who holds property, whether under individual, communal or group tenure, may conflict with the aim of recognising the multiplicity of claims which different people may have to the use of particular pieces of land. Clear specification of title does not protect the claims of wives, widows and daughters to land which they can only access through their relations to men.

Common rights of conditional access to the use of property may not be accommodated adequately by provisions for group title or recognition of rights under communal tenure. The Draft Principles envisage modification and registration of 'tenure rules and administrative procedures' by communities. The rules themselves may be a source of sustained disagreements among members of communities.

It is never possible to turn back the clock and return to the *status quo ante*. We have to start where we are. Which may not be a good place from which to begin.

Previous experiences of land reform show that things rarely turn out as intended

One approach is to start with a limited number of projects, each arising from different circumstances. The Land Reform Pilot Programmes have generated interesting initiatives, and revealed important patterns of conflicting demands for land and the problems of allocating it and securing it for use.

In most cases, they have not been situated in the agriculturally most productive areas and have depended on intensive involvement by NGOs. They are therefore unlikely either to be easily replicated or generalised.

The alternative approach is to move forward along a broad front to establish large numbers of people on the land. This could only amount to a vast resettlement project, with all the dislocations and uncertainties this would bring for its beneficiaries.

Capacity

Many rural people will not want either land or wages but both, with more land and better wages

We cannot assume that governments - national, provincial or local - have the capacity to implement their chosen policies and bring about the outcomes they intend. Previous experiences of land reform show that, for good or ill, things rarely turn out as intended.

Consequently, the key issue may not be how to plan to change things but what processes of change are underway, and over what periods of time. And how we might expect those processes to be affected by specific policies.

There are several recent instances, in different parts of the highveld, of farmers with limited resources seeking out and finding new ways of making a living on their land or, for example, using second hand tractors to plough the land of others, rich and poor.

Urban and peri-urban areas provide niches for intensive cultivation of vegetables. Cattle and small stock are herded, legally or otherwise, in quite surprising places. A number of private initiatives seek to extend rights over land to workers through equity sharing, contract farming and new forms of tenancy.

Labour tenants survived almost a century of legislation designed to limit and then abolish them. They continued to seek sources of livelihood which would enable them to produce for themselves and keep a tenuous hold on the land while working for others.

The rights of labour tenants are to be protected under the 1995 Land Reform (Labour Tenants) Act. But it is not clear exactly what a labour tenant is. Not an ordinary 'farm worker' (DLA 1995). So what is an ordinary farm worker? Is it somebody who has merely a temporary right to rent his (or her) labour hire?

What about resident farm workers? Are they to have the same rights against eviction as labour tenants? What if they, too, cultivate a garden plot or keep some small stock? Or do you have to keep cattle and grow maize to count as a proper labour tenant? Farm workers too may wish to claim rights to their share of the farm.

Labour tenancy has long been regarded as an outmoded, semi-feudal and oppressive system, inappropriate to a modern farming economy. Ideally, tenants are to be assisted to acquire land so that they can become proper landholding peasants or be employed as 'ordinary' wage workers.

Many rural people will not want either land or wages but both, with more land, better wages - and decent housing, water, electricity and schools for their children as well. If they can get these things, they may well prefer to live on a farm than opt for the

independence of an 'agri-village' which might well turn into a rural slum.

Modern and 'progressive' forms of farm management have a long history in South Africa. They have not always been welcomed by workers, past and present, who have found themselves surplus to the needs of the farm enterprise or even morally uplifted in the cause of community development.

South Africa has a long history of land reforms. The transfer of land in the old South Africa was not limited to the acquisition of land by white people. The South African Development Trust was set up specifically to administer land acquired from whites for transfer to black people.

Who got it? Some people acquired farming and others merely residential plots on Trust land. Some land came into the hands of those with money and political contacts: when they acquired land, white farm owners were compensated and resident farm workers lost their jobs and their places to live.

Much Trust land was leased to white farmers for grazing. Where the Trust did settle people on farming and residential land they sought to separate residential, arable, grazing and woodland in accordance with the principles of agricultural 'betterment'. Very often Trust land was used for 'closer settlement' of people relocated from elsewhere.

Change

Things will, of course, be quite different under the new South Africa. Or so we believe. Colin Murray questions 'two strong rhetorical presumptions about a programme of land reform in South Africa'. One is that the beneficiaries of land reform should be very poor people.

The other, 'repeatedly expressed or taken for granted by officials who represent a long tradition of state intervention from above', is that beneficiaries should be full-time farmers who are committed to farming for a livelihood. He argues:

> *"Neither presumption is realistic. Nor are they mutually compatible."*

Murray draws on evidence of recent land transfers from areas adjacent to Botshabelo and Thaba Nchu in the Free State. Those who were able to access grazing land adjacent to Botshabelo during the period of political transition were small businessmen or relatively well off wage earners.

Under the former Bophutatswana administration, he continues, farms were allocated in the Excelsior block on individual leases, by an explicit criterion of commitment to full-time farming. Some committed full-time farmers emerged from the ranks, so to speak, after working lives of migrant labour.

However, other beneficiaries fitted a pattern by which, having built up resources with which to farm through means other than farming, they became, in effect, 'weekend farmers' with homes and working lives at a more or less comfortable distance from the

Workers have found themselves surplus to the needs of the farm enterprise or even morally uplifted in the cause of community development

The abolition of uniform pricing will bring about significant changes

land itself, with hired employees resident on their farms.

Murray suggests that businessmen and bureaucrats, whether drawn from the ranks of the old Bophutatswana elite or the new African National Congress elite, will win out every time. For they have the resources in the widest sense - the political and commercial contacts that are important, though not sufficient in themselves to ensure success.

In the new South Africa there are NGOs able to act as intermediaries between the state and communities seeking access to land. So things may well be different. In circumstances where NGOs will be involved in the administration of land reform, though, there will be questions around whom they are there to serve, where there funds will come from and, rather differently, where they get their legitimacy and to whom they will be accountable.

We should not separate questions of land affairs from matters of agriculture

Markets

Whereas the process of land reform is, not surprisingly, taking time to get under way, the deregulation of state direction of agricultural markets and tariffication of import controls is proceeding apace in the new South Africa. Discussion of land reform generally takes place without close attention to changing marketing policies and conditions. That tends, significantly, to be left to agriculture.

The management of public land will depend on decisions by local and provincial authorities. The focus of the forthcoming local government elections is on the restructuring of local representation in towns and townships, and not on rural areas.

What happens to the transfer of land and the conditions faced by those who receive it will depend on the nature and changes in the patterns of local and provincial administration, on local access to political resources and on the access people have to markets, local and distant, for what they produce.

The abolition of uniform pricing will bring about significant changes in the geographical structure of processing and sales of grains and meats, the transport costs which producers face, the prices they can expect to receive for their crops and therefore their choice of crops and the ways they produce them.

The separation between the responsible ministries and the public differences between the ministers and their respective constituencies should not allow us to separate questions of land affairs from matters of agriculture.

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High: More than US$12 000 (R40 000) Selected countries					
Switzerland	36 410	United States	24 750	Canada	20 670
Luxembourg	35 850	Germany	23 560	Italy	19 620
Japan	31 450	Kuwait	23 350	Singapore	19 310
Denmark	26 510	UAE	22 470	United Kingdom	17 970
Norway	26 340	France	22 360	Australia	17 510
Sweden	24 830	Netherlands	20 710	Israel	13 760
Medium: US$12 000 - $1 000 (R40 000 - R3 300) All African countries and selected other countries					
The Bahamas	11 500	Hungary	3 330	Turkey	2 120
Portugal	7 890	Malaysia	3 160	Thailand	2 040
Korea (South)	7 670	Chile	3 070	Tunisia	1 780
Greece	7 390	Brazil	3 020	Namibia	1 660
Argentina	7 290	Mauritius	2 980	Algeria	1 650
Seychelles	6 370	South Africa	2 900	Jamaica	1 390
Libya (1989)	5 310	Czech Republic	2 730	Bulgaria	1 160
WORLD	4 390	Botswana	2 590	Swaziland	1 050
Gabon	4 050	Russian Federation	2 350	Morocco	1 030
Mexico	3 750	Poland	2 270	Romania	1 020
Low: Less than US$1 000 (R3 300) All African countries and selected other countries					
Djibouti (1992)	970	China	490	Niger	270
Congo	920	Liberia (1989)	470	Madagascar	240
Cape Verde	870	Ghana	430	Guinea-Bissau	220
Cameroon	770	Pakistan	430	Malawi	220
Senegal	730	Benin	420	Zaire (1991)	210
Indonesia	730	CAR	390	Chad	200
Egypt	670	Sudan (1991)	390	Rwanda	200
Lesotho	660	Zambia	370	Uganda	190
AFRICA	640	Equatorial Guinea	360	Burundi	180
Côte d'Ivoire	630	The Gambia	360	Eritrea	150
Angola (1989)	620	São Tomé	330	Sierra Leone	140
Sri Lanka	600	Togo	330	Somalia (1990)	120
Zimbabwe	540	Nigeria	310	Ethiopia (1992)	110
Comoros	520	Burkina Faso	300	Tanzania	100
SSA	520	Mali	300	Mozambique	80
Guinea	510	India	290		
Mauritania	510	Kenya	270		

Source: Africa at a Glance: Facts & Figures 1995/6. Africa Institute of South Africa, Pretoria: 1995.

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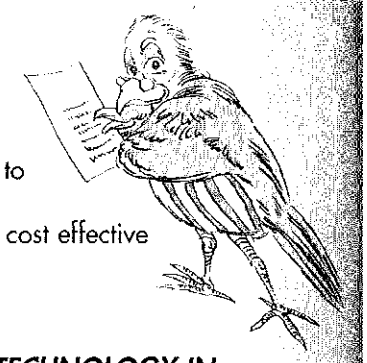

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An Reserve Bank Independence Agenda

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The debate around the independence of the South African Research Bank continues. Simson argues, among other things, that the Bank should be subjected to rules rather than given discretion, should be free from political influence and should operate at arm's length from the Cabinet, Treasury and Ministry of Finance.

These are frenetic times for new institutional changes, and debate about appropriate institutional forms recently focused on the South African Reserve Bank.

Regarding reserve bank independence, the Interim Constitution makes the South African Reserve Bank the central bank of the Republic with the aim of protecting the internal and external value of the currency, in the interest of balanced and sustainable economic growth.

Further, the powers and functions of the central bank are to be determined by an Act of Parliament. The constitution also establishes a Financial and Fiscal Commission, which has the role of advising the legislature on the financial and fiscal requirements of all levels of government.

Many macroeconomists attempting to understand those portions of the Interim Constitution pertaining to the Reserve Bank - especially Section 196 - have been in a quandary.

The phrase 'to protect the internal and external value of the currency' has many interpretations. An interest rate target is consistent with this objective. But most central bankers are likely to see this objective as being consistent with the goal of maintaining a stable price level.

Some economists interpret Section 196 using the monetary approach to the balance of payments. In this interpretation, low rates of growth of the money supply ultimately lead to low inflation rates and, more importantly, an appreciation of the exchange rate. A stable exchange rate is one of the consequences of price stability. There is no need for an explicit charge to protect the external value of the currency.

The problem is there are just too many ways to interpret Section 196, and each of the different interpretations cannot always be made consistent with all of its objectives. These difficulties arise even before one considers the reference to economic growth. Macroeconomists are sharply divided on the issue of whether any central bank can alter levels of income and unemployment.

Currently the Reserve Bank functions in terms of the South African Reserve Bank Act of 1989, or Act No 90 of 1989. Clause 196 does not alter, at face value, the existing relationship between the legislature and the Reserve Bank.

It is possible that the framers of the clause have in mind a new act very different in form and content from the existing one. This is difficult to determine and all that one can say, at this stage, is that the subject of Reserve Bank independence is open to vigorous debate.

Macroeconomists attempting to understand portions of the Constitution pertaining to the Reserve Bank have been in a quandary

There are just too many ways to interpret Section 196

The Reserve Bank has become more independent in the last two years

The Reserve Bank has undoubtedly become more independent in the last two years. Economic research indicates that over the years 1980 to 1989 the South African Reserve Bank did not have a great deal of independence. It has enjoyed greater autonomy since 1990.

Thus we have the anomalous situation in which the Bank has recently become more independent, while only subsequently has this issue become one of greater national importance.

Further, Section 196 points to the need for regular consultation between the Reserve Bank and the Minister of Finance. This, too, could mean many things. Through consultation there is always scope for influence. This may or may not be good for the macroeconomy.

In regular consultation between the Bank and the Minister of Finance, there is scope for influence

The section in the Interim Constitution concerning the powers and functions of the Reserve Bank does not lend itself to a specific interpretation, as what is custom in one central bank is certainly not currency in another.

Given our new political, social and economic environments, and the Interim Constitution, there is a need to examine the question of Reserve Bank autonomy afresh. Before we can do this it is necessary to understand that any reserve bank plays a special role in the macroeconomy through its ability to alter the money supply.

Economists can disagree about the exact definition of the money supply, but most agree the Reserve Bank is able to influence the level of the money supply through its unique ability to alter currency plus commercial bank reserves. Most monetary analysis today focuses not on the level of the money supply but rather on changes in the level of the money supply, or the growth rate of the money supply.

For many it is the government, not the central bank, standing behind the currency

One might think that the Government should direct the Reserve Bank to increase the rate of growth of the money supply, and that this would be better for the macroeconomy. But it is not clear that this is indeed the case.

In those countries that have high rates of growth of the money supply, such as Zimbabwe, inflation occurs very quickly. Inflation imposes hardships on individuals in the economy, not the least of which are the effects on borrowers and lenders in credit markets. It is these effects that are especially important in South Africa, given the need to finance investment in housing.

Independence

A central bank has many functions, and the most familiar of these are its role in issuing currency and determining monetary and exchange rate policy. However, the Reserve Bank cannot be seen separately from other institutions, such as Parliament, the Treasury and the Cabinet. Recognising that these institutions must interact with each other forces one to take a position on the autonomy of the Reserve Bank.

Central bank independence has been an issue ever since societies have used money. This is especially true of money which, by definition, requires an institution to proclaim 'let this be the medium of exchange' and be responsible for its issue.

Because of the need to ensure acceptability and to engender confidence in the emerging medium of exchange, the monetary authority may have to back up the newly issued currency, and this can take many forms.

In the past, devices such as the gold standard gave users of the medium of exchange confidence. However, once use is widespread and everyone is using the medium because everyone else is, these standards are no longer required.

For many it is the government, not the central bank, standing behind the currency. The government and the reserve bank are seen as one and the same institution. Politicians are quick to exploit this situation, which results in the lines of demarcation between government and the central bank becoming blurred. Some argue that this is what happened in the apartheid years.

Of course one could take the position that a democratic society elects a government and the government must respond to the wishes of its constituents. Some macroeconomists have led us to believe there is a measurable trade off between inflation and unemployment: the 'Phillips curve'.

According to them, when the economy is in recession and unemployment is rising, a country's central bank should increase the rate of growth of the money supply and unemployment will fall. But this will be at the expense of some inflation.

Now, if voters are convinced by these macroeconomic ideas and wish for higher rates of growth of the money supply then, it is argued, the elected government should force the Reserve Bank to pursue a monetary policy that raises the rate of growth of the money supply.

If the Reserve Bank has a great deal of autonomy it is going to be very difficult for the government to direct its activities. Thus, in order to achieve proper democratisation, society cannot - and indeed should not - have an autonomous central bank.

There are some macroeconomists who say that while it is possible to measure and thus observe a Phillips curve, it is not possible for any monetary authority to exploit its trade off, as the nature of the trade off is altered as individuals change their expectations of inflation and incorporate the monetary response of the central bank into their many economic decisions.

The result: the Phillips curve shifts and the current unemployment rate is associated with higher inflation. Thus, the problem of unemployment is not solved and there is no gain to set against the ill effects of the induced inflation. Without effective autonomy, but with high rates of growth of the money supply, substantial costs can be imposed on society, especially from the effects of inflation.

In contrast to the democratisation argument, those that focus on the possibility of inflation like to see autonomous central banks. The latter view is not without its own problems. With autonomy, the reserve bank is free to increase the rate of growth of the money supply and impose the burden of inflation on the economy.

There is currently a great deal of concern with price stability in central banking circles, and many central banks have adopted the position that this is all they can hope to achieve. Our current Governor, Chris Stals, has made statements supporting this view, although the Reserve Bank still announces targets for growth rates of the money supply.

Thus, granting independence to an inflation fighting reserve bank is the same as forcing a central bank to pursue a policy of price stability. Many proponents of independence for the South African Reserve Bank have in mind a situation where the central bank is free to do whatever it perceives to be the best course of action in the pursuit of one mission: price stability. It is therefore no surprise that the debate over Reserve Bank autonomy can be an acrimonious one.

Rules versus discretion

Macroeconomics, and especially its monetary aspects, can be complex. Often its policy prescriptions are not widely understood or appreciated, even by economists. In modern democracies, the conduct of monetary policy is often left in the hands of politicians. Politicians sometimes make decisions in their own interest without regard for the macroeconomy.

History is filled with examples of not only the monetary policy errors of appointed officials, but with many situations where politicians have used monetary policy to prolong their own survival in the legislature. This suggests that any reserve bank must be independent of politicians and appointed officials.

We have seen there is one problem with an independent Reserve Bank that those interested in economic policy making must consider. Any independent reserve bank could, if it wanted, increase the rate of growth of the money supply. In fact, some economists maintain independent central banks have strong incentives to do this.

These incentives are obvious when we clarify the distinction between a rule based monetary policy and the notion of monetary action left to the discretion of the central bank. Rule based policy refers to the implementation, in specific time periods, of a monetary response to a macroeconomic variable or variables chosen by economic theory and practical experience as describing the macroeconomy for all time periods.

The reserve bank still has substantial leeway in determining its actions for achieving the objectives of the rule. If a reserve bank does respond in this manner, it is described as engaging in activist monetary policy. Many such rules have been advocated: a target level of Gross Domestic Product, a target level of the money supply and, more recently in Canada and New Zealand, a price level target.

Discretionary monetary policy is a situation where the central bank determines its

There is currently a great deal of concern with price stability in central banking circles

Granting independence to an inflation fighting reserve bank is the same as forcing it to pursue a policy of price stability

Any reserve bank must be independent of politicians and appointed officials

Rule based policy refers to the implementation of a monetary response to a macroeconomic variable or variables

optimal response to the macrocconomy in each time period, and the optimal response can differ from time period to time period. Most monetary analysis favours an activist monetary policy as discretion allows a central bank to look after its own interests, to the detriment of the general public.

Any statement made by a central bank must be credible. A central bank can promise not to acquire government debt. But is this credible? Once economic agents commit resources to economic activities, the process is difficult to reverse. Given costly reversal, the central bank can renege on its initial promise. The result: reserve banks with discretion cannot make believable statements.

There is an alternative to the view that rules are better than discretion. If the reserve bank or its head has an extreme aversion to inflation, much more than their aversion to unemployment, then it turns out that discretion is as good as a rule. The reason: the reserve bank is never going to allow inflation, and economic agents come to expect this and make decisions based on the expectation.

Discretionary monetary policy is a situation where the central bank determines its optimal response to the macroeconomy

The inflation hating reserve bank will not likely change its aversion to inflation as its reputation and credibility will be called into question. In New Zealand, where monetary policy requires the Governor of the Reserve Bank to maintain price stability, it is possible for the Minister of Finance to dismiss the Governor if inflation targets are not met.

There is no question that the Reserve Bank of New Zealand has adopted a strong anti-inflation position. Thus it is possible to have the benefits of a rule based policy as long as the governor has a strong dislike for inflation.

Discretion allows a central bank to look after its own interests, to the detriment of the general public

Others have argued that the task of imposing a rule is fraught with difficulties, as the Reserve Bank itself may have reasons for avoiding the imposition of rules. Taking away discretion reduces the perceived power that some reserve bankers derive from their view that the reserve bank is one of the most important public institutions.

One possible reason that the clauses of the Interim Constitution are so vague, is because the framers recognise the need to ensure that there be no diminution in the public role the Reserve Bank sees itself playing. This view of the reserve bank clauses in the Interim Constitution is highly speculative and must remain a conjecture.

Many economists, when the question of a monetary rule is raised, think of Milton Friedman's approach to monetary policy. However, Friedman's monetary rule is very specific: the reserve bank cannot respond in any way to conditions in the economy.

The rule envisaged here is one where the reserve bank is given an overall mission - such as price stability - and its board then determines the appropriate set of actions it must implement in order to achieve the stated mission. A Friedman rule would also place limits on the actions of the central bank.

We must not focus our attention solely on the Reserve Bank's linkage to the legislature, but also keep in mind its links with the Treasury. Independence may be all too easily compromised if cooperation between the Treasury and the Reserve Bank reduces the resolve of the latter to keep to its goal of, say, price stability.

Important questions

Currently the Reserve Bank is managed by a board of directors headed by a Governor. There are 14 directors, including the Governor and three Deputy Governors. Since 1991 the Minister of Finance has been responsible for the government appointments.

On August 10, 1995, draft legislation was tabled in Parliament which would transfer power to the State President to make these appointments. As a general rule a treasury should not have any power over the central bank. As the legislation is expected to pass, I assume the power will revert back to the State President.

The appointments to the four governor positions are made by the State President, who also designates one deputy as Senior Deputy Governor. These appointments are for five years. Three of the remaining directors are also appointed by the State President, but only for three years.

The other seven directors are chosen by the shareholders of the Reserve Bank and also serve for three years. The three Deputy Governors work full-time on Reserve Bank activities.

The following is a list identifying areas where Reserve Bank independence may be compromised:

- Who is responsible for government appointments to the Reserve Bank? The State President.

- Whose interests, apart from those of shareholders, do the seven elected directors represent? Four have to have experience in commerce or finance. Two must have come from industry. Finally, one must have had some experience in agriculture.

- Does the Reserve Bank involve itself in the issue of government borrowing instruments? The Bank does administer the weekly tender for Treasury and Land Bank Bills.

- Does the government hold any shares in the Reserve Bank? The South African Reserve Bank has the unusual feature that its shares can in principle be held by members of the general public. No individual can hold more than 10 000 shares in the Bank.

  In March 1994 there were 671 shareholders. At least as of February 1993, the Government did not hold any shares in the Bank.

- Is there any obligation by the Bank to hold government securities? In other words, is there any pressure on the Bank to monetise Treasury deficits? It has done so in the past and may do so in the future, but it appears the Bank is under no obligation to acquire debt.

  In any event, it cannot acquire securities directly from the Treasury in excess of the sum of its paid up capital, reserves and a third of its liabilities to the public.

- Does the Treasury have any representation on the Reserve Bank's board of directors? No - but this does not mean there are no links between the Treasury and the Reserve Bank. Monetary policy often has to be carried out keeping in mind activities of the Treasury. Thus there has to be some coordination of Reserve Bank and Treasury activities.

  The need for coordination is going to increase, given the new and greater use of government accounts as a monetary policy instrument. However, the possibility of coordination between the two institutions becoming one of influence must be prevented.

Courtesy of Natal Newspapers

Chris Stals

Of the seven directors, four represent commerce or finance, two industry and one agriculture

The possibility of coordination between the Bank and the Treasury becoming one of influence must be prevented

- Does the Government have any representation on the board of the Reserve Bank? The State President appoints three directors, in addition to the four governors. It is not inconceivable these directors may influence Reserve Bank actions on the basis of political considerations and to some extent limit independence.

  Clearly the appointment of governors by the State President limits independence, but there are seven shareholder appointed directors to provide balance.

  At the moment the Governor has a casting vote and a deciding vote at board meetings. This may shift the balance of power marginally in the Government's favour, but it is unlikely to compromise Bank independence.

- Can the Cabinet or the Financial and Fiscal Commission direct Reserve Bank activities? Obviously, such a situation would make it very difficult for the Reserve Bank to pursue an independent monetary policy if Cabinet objectives

Rules are better than discretion

The Reserve Bank should announce specific targets for inflation

were different from those laid down for the Bank. This situation does not exist in South Africa. Canada is one country where the reserve bank - the Bank of Canada - faces such a possibility.

The way ahead

Given the responses to the above questions, developments in monetary theory as regards rules versus discretion and its practical expression in other countries, it is possible to make some recommendations concerning the independence of the Reserve Bank in South Africa. The following suggestions could be included in the Constitution or in legislation affecting the Reserve Bank.

Rules are better than discretion. However, if the Reserve Bank is to be given discretion it is possible to have all the benefits of a reserve bank subject to rules if the governor can influence monetary policy and has a strong dislike for inflation.

The role of the State President's office must be reduced

The present Governor, Chris Stals, has gone on record saying price stability should be sought by central bankers. If this means the Governor dislikes inflation and interprets Clause 196 of the Interim Constitution concerning the protection of our currency's internal value as best achieved by a policy of price stability, then we already have all the benefits of a rule based policy.

However, there is room for improvement. The Reserve Bank should announce specific targets for inflation, and the circumstances to which they apply.

As a general rule the Treasury should not be too involved in the affairs of the Reserve Bank.

Although it is highly unlikely that the State President would appoint representatives sympathetic to monetising government debt, the manner in which these appointments are made should be changed.

Although the appointment of governors and directors has reverted back to the State President, that office's role must be reduced. It is strongly recommended that the shareholders and directors appoint the Governor, with only the approval of the State President.

Current legislation and procedures regarding Reserve Bank involvement in the issue and holding of government securities appears to be adequate.

The central government and any of its institutions should not be able to hold shares in the Reserve Bank. Further, there should be no Treasury representation on the board of the Reserve Bank.

One hopes the regular consultation between the Reserve Bank and the Minister of Finance, required by the Interim Constitution, does not mean the Reserve Bank is responsible to the Minister of Finance.

The Reserve Bank cannot operate in isolation, and currently there is regular contact with the Department of Finance. However, this interaction should be open and subject to scrutiny. One way to do this is to have the Governor make more frequent presentations to the joint parliamentary committee on finance.

The Reserve Bank should be free from political influence. This is best achieved by having an express provision preventing the Cabinet and Financial and Fiscal Commission from forcing the Reserve Bank to pursue any policy other than one consistent with its objectives in the envisaged Constitution or legislation.

The elected directors should still be drawn from industry, commerce and agriculture.

But consideration should be given to having only three directors, instead of the current four, from commerce and finance. In order to keep the number of elected directors at seven, a person with considerable labour experience would be a good substitute.

Legislators can easily make these changes. By doing so they will create a stable economic environment, in which meaningful and appropriate economic choices can be made by all South Africans.

Many other problems also need our urgent attention, but if monetary arrangements are structured correctly, we will have greater scope within which to change things for the better. IPA

SA and Europe: Free Trade Options

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South Africa and the European Union are engaged in trade negotiations. The main options are to be inside Lomé with exclusions, or outside with concessions, or to opt for a bilateral free trade treaty. This article argues that a free trade treaty would be welfare enhancing, that Lomé is of limited value, that the world trend is towards free trade accords, that the credibility of sound domestic economic policies would be improved, and that the region might benefit in the long run.

South Africa has applied for Lomé membership. An offer of Lomé status was, in fact, put to South Africa, but it had no substance: all trade and aid provisions were excluded - although the latter was not a problem, since South Africa's current European Union aid is higher than it would receive under Lomé.

The Government is now trying to negotiate a better deal, but observers are very pessimistic about its chances.

Zimbabwe, for example, had real difficulties with its most sensitive exports - beef and sugar - when it applied for Lomé membership. South African agricultural exports, especially fruit and wine, are perceived as a threat to European producers as well as to African, Caribbean and Pacific (ACP) countries currently exporting to the European Union under Lomé.

Lomé provides for the exclusion of any imports that would damage European producers, so that South Africa - being larger than any of the ACP countries - would probably have this clause used against it for virtually every export of significance.

A free trade agreement has been offered to South Africa by the European Union (EU). This is easiest to get agreement on in the EU, since a *quid pro quo* can be demonstrated and similar arrangements between, for example, Latin American countries and the North Atlantic Free Trade Association (Nafta) have not been challenged under the General Agreement on Trade and Tariffs (Gatt).

Free trade agreements may vary and, since South Africa is weaker politically in Europe than other countries with European free trade agreements - like Israel - it may find it difficult to get a similarly beneficial deal. Nevertheless, it would seem that the agreement proposed by the EU offers a higher degree of preference than Lomé.

Finally, a customs union agreement, possibly like the 1995 EU pact with Turkey, would eventually be the best option for South Africa. In addition to the benefits of a free trade agreement, it would offer protection from anti-dumping suits, no positive list (of goods covered by the agreement) and more favourable rules of origin. It would, however, require a standardisation of external tariffs.

Aims of trade deals

Analyses of trade relations between Europe and South Africa tend to focus on the opportunities for immediate trade between the two regions. However, the longer term gains from trade relations with Europe are not likely to be static, given the development of the international financial and trading systems, but rather dynamic, changing the environment in which producers and consumers operate and encouraging diversification by providing opportunities for innovation, invention and new activities (Romer 1994).

In this regard, a narrow focus on short term export promotion is myopic, and valuable opportunities might be missed - particularly that of securing investment. So far, South Africa's experience with long term foreign

The free trade agreement offered South Africa gives a higher degree of preference than Lomé

Observers are very pessimistic about chances for Lomé membership

A narrow focus on short term export promotion is myopic

investment has been disappointing: during 1993 there was a net capital outflow of around R15 billion, while the small net inflow from the third quarter of 1994 has been mainly short term capital. Preliminary figures for the first year after the April 1994 elections show a small inflow of approximately R2 billion (US$700 million).

South Africa shares Africa's fate in the sense that the continent as a whole has so far failed to attract significant foreign direct investment from industrialised countries, which increased from US$55 billion over the period 1981 to 1986 to more than US$200 billion over the period 1989 to 1992. During the latter period only US$1 to US$2 billion went to Africa as a whole.

Despite assurances and incentives by the South African Government, it seems foreign investors are not convinced that a policy environment conducive to investment will be maintained, and remain hesitant. How can trade relations with Europe help to overcome this hesitancy?

The continent as a whole has so far failed to attract significant foreign direct investment

Political credibility

South Africa's growth and development strategy is based on the premise that an outward oriented economy is preferable to inward looking import substitution industrialisation, and the country has therefore embarked on trade reform. This is entirely appropriate, as international empirical evidence suggests that outward oriented developing economies grow faster (Dollar 1992).

The purpose of trade liberalisation is to get relative prices right in the tradables sector, in order to improve the efficient allocation and utilisation of resources for exports. The incentives thus created are expected to lead to greater investment in the exportables sector of the economy.

Empirical evidence suggests that outward oriented developing economies grow faster

Despite the empirical evidence in favour of trade liberalisation, as well as the burgeoning theoretical literature advocating its benefits, not all intended liberalisations are implemented - and many which are, are subsequently reversed.

If foreign (or domestic) investors do not believe that trade policy is irreversible, they will delay investment. If the liberalisation fails, it may be more damaging than no liberalisation at all (Collier, Gunning and Greenaway 1993).

Even a well constructed package of policies will fail if the public believes that they are incredible. In such a case, fixed investment will be deterred because potential investors will prefer to remain liquid while they are uncertain which sector - nontradable or tradable - will eventually be favoured by trade policy (Dixit 1989).

Given the inadequate level of domestic investment in South Africa in the past, it is legitimate to ask whether or not the policies are considered credible or not.

The necessary conditions for policies to be credible are that they should be compatible and time consistent. A compatible set of policies is a configuration of trade, monetary, fiscal, exchange rate and aid policies which result in external balance.

The external constraints which forced the previous government into a configuration of policies which ensured a balance of payments surplus fell away following the elections in 1994. Then South Africa's balance of payments position turned from positive to negative, although the balance of payments is not yet in disequilibrium, as the deficits are sustainable in light of greater access to foreign borrowing.

Import quotas have been lifted and import surcharges scrapped. Also, tariffs are being lowered. Given that foreign exchange reserves are rather low - about equal to six weeks' of imports - and a growing South African economy has always in the past demanded greater imports, especially of intermediate and capital goods, the current compatibility of policy measures are balanced on a knife edge.

A growing economy would demand more credit, especially in the export sector, where lags between outlays and receipts are longer than for other businesses.

Given the high level of current Government debt, unless careful fiscal control is maintained, export oriented activities risk being crowded out by Government borrowing. It should also be noted that the most substantial part of Government expenditure is on nontradable goods. This will inevitably shift the internal terms of trade in favour of nontradable production, by increasing its profitability. The Government faces the risk of its fiscal policy becoming incompatible with the needed export drive.

The second requirement for policy credibility is that it should be time consistent (Kydland and Prescott 1977). The essence is that any government economic policy is incredible if maintaining that policy would be against the government's own interests.

There are two important reasons why trade liberalisations may be perceived as being time inconsistent: if a country's trade policy is endogenous, and if monetary and fiscal policies - which ensure a compatible policy set - become time inconsistent themselves.

Trade policy endogeneity occurs because governments do not set and manage economic policy in an *ad hoc* fashion but rather according to some systematic criteria, described as 'policy rules' - like 'if x occurs, policy will be y'. For example, if the balance of payments deteriorates, the government will impose import quotas.

If economic policy, including trade policy, has in the past followed a policy rule as described above, then trade liberalisation itself can be a response - say to a favourable balance of payments position - and can be predicted to be reversed when the balance of payments becomes unfavourable. It will thus be incredible.

As far as South Africa is concerned, the question is whether its current trade liberalisation is a genuine policy rule change, or just an endogenous response to the change in external circumstances affecting the country. Certainly from within the country, South Africa's trade liberalisation is perceived as a genuine policy rule change - notwithstanding that it was implemented when the balance of payments was in surplus and net foreign debt relatively low - and passes the first time consistency test.

The liberalisation measures have been designed domestically, in response to domestic needs and in consultation with business, and the Government has been committed to each change. The organ of protection, the Board of Trade and Industries, has resisted lobbying pressures from the private sector for the last seven years.

Fears that a new government, with strong trade union links, would reverse the reforms proved unfounded: in fact the new Government deepened the liberalisation by signing a Gatt agreement.

In addition to determining whether trade liberalisation is perceived from the outside as a fundamental rule change, South Africa needs to convince foreign investors that its monetary and fiscal policies are time consistent - the second criterion. This might not be the case.

As had been pointed out, a rule of thumb is that monetary and fiscal policies will be time inconsistent if maintaining them would be against the interest of the politicians and government in power. In South Africa this will be the case when expectations become too strong to be contained or addressed through the Reconstruction and Development Programme (RDP).

A conservative estimate is that the RDP will cost R35 billion (US$10 billion) over the transition period. The question is whether this is realisable without reversing the current commitment to fiscal and monetary caution. This depends on the revenue constraints faced by the Government.

The impression might justifiably be that the South African Government will ultimately have to resort to monetisation (the inflation tax), creating balance of payments problems which are sufficiently severe to tempt the authorities to impose import taxes or re-impose exchange controls. In other words, should trade liberalisation become inconsistent with fiscal policy, will the Gatt agreement hold or will there be special pleading for a temporary suspension?

This explains, at least in part, why South Africa is not attracting long term direct foreign investment. The Government's commitment to prudence is perceived to rest on the reputations of the State President and the Governor of the Reserve Bank. Whether or not this is a correct perception, it exists.

The Government therefore needs some form of pre-commitment - in essence to limit its discretion with respect to industrial/trade policy - so that reneging would be unacceptably costly. There is a concern that the Gatt agreement is insufficiently binding, in the sense that there may be no penalty for non-compliance if extensions are granted in response to special pleading. Until this is put to the test, the uncertainty will remain.

Collier and Gunning (1995) argue that a reciprocal discriminatory trade association - for example, in the form of a free trade agreement - might be a mechanism to

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sustain trade liberalisation. Its advantage is that it might ensure credibility both for trade liberalisation and domestic policy stance by raising the penalties for a reversal of policy.

South Africa can establish credibility through a reciprocal free trade agreement which introduces penalties on policy reversal in the form of loss of preferential access to the larger market. This gain in credibility is not achieved by either unilateral reform or by a non-reciprocated agreement with the larger partner, and is not offered by multilateral trade liberalisation.

At present the country is already embarked on a course of liberalisation. Signing a free trade agreement with Europe will not change the course, but it will change the pace.

It may be that South African firms are not ready for exposure to European competition, and that a phased liberalisation might be less of a negative shock. It may be possible to negotiate an asymmetrically phased reduction of trade barriers with the EU, but this should begin immediately, before producers also need to face the removal of export incentives.

South Africa can establish credibility through a reciprocal free trade agreement

There are further reasons for preferring a free trade agreement to membership of the Lomé Convention: the Lomé preferences are limited in terms of both extent and duration, and there is a world trend towards forming trading blocs from which African countries are currently excluded.

Lomé's limitations

Lomé's rules exclude imports into Europe at preferential rates, if the imports are 'disruptive' - sufficiently competitive to pose a threat - to European producers or to existing members.

Many traditional African exports to Europe would enter free of restrictions anyway, while Lomé does not override the restrictions on temperate agricultural products of the Common Agricultural Policy - although it does certainly contain the most extensive set of exemptions from this policy. Lomé does override restrictions on textiles and clothing of the Multi-Fibre Arrangement, but it is being phased out.

The Lomé' Convention expires in 2000, making it a strange time to consider entry

The Uruguay round will mean the further reduction of these barriers, eroding the preferential treatment of African countries by lowering tariffs with respect of competing developing countries. At any rate, many of the commodities which South Africa would most like to gain access to Europe would be specifically excluded in a non-reciprocal Lomé type agreement, even if an extended offer could be negotiated.

Finally, the Convention expires in 2000, and there are strong pressures for a fundamental reconsideration of the relationship between the EU and developing countries. It is not only a strange time to consider entry - especially given the expected time to be taken up by negotiations - but greater concessions might be negotiated for South Africa if they were not being considered for all ACP countries at once.

Lomé is therefore limited both in value and duration. Even if South Africa were successful in obtaining membership, it would only have two years to run under the agreement before Lomé expired, and a new round of negotiations commenced.

This would prolong the uncertainty for producers, and delay even longer the hoped for inflows of long term direct investment from abroad. Industrial restructuring is hardly likely to occur when producers - and potential exporters - do not know whether the current trade regime is temporary or not.

It also mitigates against a too flexible approach, where an indefinite period of time is given to South Africa to reciprocate, or where products are included in the agreement on a sector by sector, or even product by product, basis. This would no doubt lead to lobbying and rent seeking behaviour in South Africa, which would not only be welfare reducing but would obfuscate the real issues and would increase uncertainty.

These considerations also suggest that a strategy of 'Lomé now, free trade agreement later' should not be an option.

Trading blocs

Not only is there a movement away from special and differential treatment for developing countries, but there is a world trend towards bilateral and multilateral free trade accords. The EU and Nafta arrangements are well documented.

Recently the United States launched the 'enterprise of the Americas initiative' to form bilateral free trade arrangements with

Latin American countries with the aim of eventually creating an all embracing American free trade agreement (Langhammer 1992).

In Latin America itself, more than 30 deals had been struck by the end of 1994. Exports in Latin America have increased 50% a year since 1990, although it is difficult to know whether this would have happened anyway (*Financial Times* September 2, 1994).

It has been argued that nations on the margins of free trade pacts - like the Caribbean states in the case of Nafta - are likely to lose out in terms of both trade and investment. In other words, Lomé status is no substitute.

Free trade areas (FTAs) are permitted under current Gatt rules only if duties set by the members are no more restrictive than they were before. It is reported that 11 new regional trading arrangements, all in Europe, were notified to Gatt between April 1993 and November 1994, bringing to 40 the number notified since 1989.

Furthermore, multiple free trade deals are possible, which implies that membership of the Southern African Customs Union (SACU) or Southern African Development Community (SADC) does not preclude South Africa's entering into a deal with the EU and/or Nafta.

The suggestion has been made that larger organisations should standardise their trade agreements, using Gatt rules as a starting point and broadening the range of goods covered by the pacts. The South African case could become a model for European deals with other African countries on the expiry of Lomé.

Southern Africa

Trade within the SACU is heavily oriented towards South Africa - although less so in the case of Botswana's exports. The main concern of the smaller members is that a reciprocal free trade agreement between the SACU and the EU will expose their small manufacturing sectors to unrestrained competition from European producers.

That there will be a net loss is, however, not as obvious as it is felt to be. The smaller members of SACU stand to gain from a free trade agreement in four ways. First, to the extent that a free trade agreement with the EU provides the smaller members of SACU with access to better quality or cheaper imports - that is, to the extent that the SACU currently diverts trade from European to South African suppliers - they will in fact grain from the agreement.

Second, preferential access under Lomé has effectively applied to only a limited range of exports, subject to a quota. A free trade agreement would give free access to all SACU exports. Third, rules of origin would of necessity include South African firms, enabling greater integration of production in SACU countries. Fourth, the movement towards free trade would reallocate some of the producer surplus in these countries towards consumers, leaving net welfare unchanged in a static sense.

The problems with trade liberalisation are political, rather than economic: governments are concerned about short run adjustment costs, which they see as being more certain than the dynamic longer run benefits.

Furthermore, the losses which would accrue to manufacturing firms unable to withstand competition from Europe may be less than imagined. There is no reason to believe that the smaller SACU countries are less able to adjust than are South African producers. At any rate, the advantages of proximity to the South African market, which reduces delivery time, will still apply.

One could further argue that the loss of investment in the SACU countries with preferential access to Europe under Lomé, currently denied to South Africa, would be small, since most foreign direct investment in SACU is country specific - for example, Botswana's mines - while the other members have had relatively little foreign direct investment in any case.

Finally, the argument that SACU countries would benefit from South African outward investment if the latter obtains Lomé status, because of accompanying changes in the rules of cumulation, misses the point emphasised in this article: that investors will rather postpone investment while the trade regime is uncertain - in Lomé's case because it expires in 2000.

An implication of the political transition in South Africa is the new role seen for the country in the development of the Southern African sub-region. In this area, as with domestic restructuring, expectations may be

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The smaller members of SACU stand to gain from a free trade agreement

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unrealistic. However, South Africa clearly is important in the sub-region.

South Africa's domestic policies inevitably have consequences for the economies of the other SADC members, whose combined Gross Domestic Product is around one fifth of that of South Africa. Since South Africa is reducing its trade barriers anyway, its neighbours should support a free trade agreement with Europe as providing at least some offsetting benefits in the form of increased investment and two way trade.

There would, therefore, also be longer term benefits to the wider region, although these may be more indirect. The smaller economies will certainly be better off with a strong, fast growing neighbour, just as Holland does well being close to Germany, and Mexico benefits from its proximity to the United States.

There is no reason to believe that the smaller SACU countries are less able to adjust than are South African producers

The recent Mexican experience has lessons for South Africa, but these are positive as well as negative. A currency crisis is not inevitable, particularly if the currency is not allowed to overvalue so severely. It is significant that the Nafta agreement gave so much credibility to Mexico that all the other signs of things about to go wrong were ignored by foreign investors.

It should be noted that an agreement with the EU does not preclude South Africa's negotiating agreements with other countries.

Obtaining a good agreement

There is consensus that freer trade is welfare improving. Yet no single tenet of theory is more disbelieved

There is consensus in the economic literature that freer trade - resulting in a more neutral trade regime - is welfare improving. Yet no single tenet of theory is more disbelieved.

This is primarily because small numbers of people, usually well organised, are made substantially worse off while large numbers of people, usually poorly organised, are made only slightly better off, so that the former have much greater political influence.

From South Africa's point of view, there may be costs associated with a free trade agreement with Europe. Some South African producers will not be able to compete with European firms once all their protection is gone.

A gradual liberalisation may be called for to expose South African producers more slowly to higher competition. Eventually, though, they would have to face the risks of international trade just as they face other economic risks - without consumers paying the insurance.

An intermediate step could be to export more towards regional markets, or to negotiate a phased reduction of tariffs for European exports, or to make use of voluntary export restraints. A definite time period would have to be stipulated, in order to send a clear message to producers as to the trade regime in which they will have to operate.

Of concern, if the free trade agreement is based on a positive list of goods, is the risk that as South African manufacturing diversifies a larger number of commodities will be excluded. A negative list would need to be negotiated - or no list at all.

Also, permission to enter a free trade deal with Europe would need to be sought from other SACU members which have Lomé status. These countries may be unconvinced about the advantages of exposure to Europe.

It needs to be remembered, however, that they face full exposure to South Africa, something even Zimbabwean producers fear, and yet all have higher per capita incomes than other countries in the region.

Furthermore, as Davenport (1992) stresses, successive Lomé Conventions have re-enforced the colonial African trade dependency on Europe as well as the complementary structure of production between Europe and Africa, with the result that the complementarity between African countries needed for successful regional integration never developed.

An elimination of preferences, the acceptance of reciprocity and the resulting exposure to greater competition, according to Davenport (1992) 'would help to break a certain psychological dependency' on the EU market and 'make them more aggressive in searching for new markets.'

Effort should also be expended on negotiating protection from anti-dumping suits. The Uruguay Round saw the end of certain types of protection, like quantitative restrictions on imports and voluntary export restraints, but this was bought at a price: it is now easier to bring anti-dumping suits (so-called contingent protection).

Anti-dumping suits are brought mainly by industrialised countries already participating in powerful trading blocs. The United States is the 'leader', followed by the EU (*Financial Times* December 16, 1994). Of suits brought by European companies, 95% are successful and 80% are terminated by the imposition of tariffs ranging from 20% to 97% (*Financial Times* September 20, 1994).

One of the major successes of the EU-Iceland agreement was the specific prohibition of anti-dumping suits. In other words, Iceland is inside the ring as far as that is concerned, and is therefore free of contingent protection. Iceland is now attracting foreign investment, eager to benefit from access to Europe, which is free of the threat of anti-dumping suits.

If South Africa can achieve such a clause in a reciprocal free-trade deal with Europe, it will have an advantage that even South East Asia does not have in attracting foreign direct investment.

Strictly speaking, such an exemption might be possible to obtain even without a free trade deal, but it is unlikely because Europe does have something to lose on that score: contingent protection from South African producers. Nevertheless, there is precedent, and Europe will have to make some concessions for free access to the South (and thereby Southern) African market.

If a free trade agreement makes provision for an eventual customs union, where anti-dumping suits are no more possible than they are possible within a single country, then there is a strong case for including an exemption clause as a European concession in return for South Africa's agreeing to phase in competition and subsidy harmonisation.

Conclusion

While the opportunity for a free trade deal exists, South Africa should make every effort to make use of it.

Perceptions of the outcome of the current negotiations will send a signal about Europe's likely attitude towards Africa in the future and, diplomatically at least, the EU might attach importance to it. Economically, although the South African market is small it is not negligible, and the business opportunities for Europeans in South Africa afforded by a free trade agreement are important.

The strategic arguments for a free trade agreement are therefore strong. The short and medium term net effects are uncertain. The net benefits would definitely be greater if an agreement includes the following points:

- A negative instead of a positive list, if the agreement is to be selective
- Immunity against anti-dumping suits
- Provision for an eventual customs union, in order to prevent rules of origin provisions from being used as protection against South African goods
- Provisions to extend some temporary protection for domestic industries while the agreement is phased in, for example voluntary export restraints or the maintenance of the General Export Incentive Scheme for the period agreed under Gatt
- The inclusion of SACU as a whole in the agreement.

A trade treaty could lend credibility to and sustain trade liberalisation in order to stimulate investment, especially in the exportable production sectors of the economy. More specifically, such a treaty should be used initially to lock in trade policy more effectively than is done by being a member of the World Trade Organisation.

The sooner a final deal on trade is struck with Europe the better, and the most preferable form would be a customs union agreement.

It would be folly to play for time by negotiating for Lomé status, because South Africa's bargaining power will be significantly eroded in a few years. Moreover, given the world trend towards free trade accords, South Africa increases the likelihood of marginalisation if it excludes itself.

In a world of increasing reciprocity, and the end of special and differential status, 'preferences smack of a bygone age' (Davenport 1992). IPA

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Tourism in Southern Africa
A Catalyst for Development

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The tourist potential of Southern Africa is unlimited. Through careful planning and development, tourism could help realise the objectives of the Reconstruction and Development Programme. But policy makers must beware of pitfalls and consider the objectives of sustainable development if the region is to benefit from tourism in the long term.

Modernisation techniques that stress industrialisation have only benefited the rich in less developed countries

South Africa and other Southern African countries are endowed with resources that are attractions for tourists from all over the world. It is within the paradigm of sustainable development - whether the tourism industry can benefit the majority of people in the region in the long term - that this article analyses the potential of tourism as a leading sector for development.

The ability of societies to achieve sustainable development in terms of maintaining natural resources has not received much attention from economists. Rather, it has been regarded as the preserve of environmentalists and conservationists.

But it is one aspect of development that needs to gain greater prominence in economic analysis and decision making as we move away from the classical viewpoints and determinants of development.

Sustainability focuses primarily on the need to preserve the earth's capacity to conserve human life through the continued availability of food and other resources. Yet it can also imply the assurance that the natural and cultural resources of a country are maintained for future generations.

Development advisers have begun to promote the establishment of investment projects among the poor

Among the common characteristics of developing countries are low levels of living, low levels of productivity, high rates of population growth and dependency burdens, and high and rising levels of unemployment and under employment. In many instances it can be argued that the modernisation techniques that stress industrialisation have only benefited the rich in less developed countries, whereas the poor have been trapped in a future of poverty.

Modernisation projects have also been accompanied by ecological problems such as the loss of tropical rain forests and the transformation of subsistence land into desert. These negative effects of modernisation do not leave much scope for sustainable development in either developed or developing countries.

In an attempt to address the developmental issues faced by less developed countries, development advisers have begun to promote the establishment of investment projects among the poor, to enable them to become involved in and benefit from these investments directly. It is through the promotion of investments in tourism, especially in rural areas, that benefits can reach members of society who require them most desperately.

Tourism in perspective

Since the beginning of the 1980s the economic importance of tourism as a means of achieving economic development has gained greater prominence.

Although it is difficult to arrive at conclusive statements about the role of tourism in development, because a large number of factors influence its ability to achieve the goals of development, it has been viewed as a sector that has the potential to raise per capita incomes, improve the distribution of income and wealth, reduce population pressure and improve the lives of people living in less developed countries.

The role of tourism as a means of achieving development has particular significance for Southern Africa where, in most countries, more than 70% of people live in rural areas and the ability of other sectors to meet the development needs of people has been limited.

Despite the predominance of rural people in most Southern African countries, the agricultural and manufacturing sectors comprise significant percentages of the total Gross Domestic Product: 22% and 30% in Zimbabwe respectively, 38% and 22% in Mozambique respectively, and 21% and 18% in Swaziland respectively. Yet the growth and development records of these countries have been disappointing to say the least (Table 1).

From Table 1 it can be seen that GDP growth rates are not nearly sufficient to meet the development backlogs that these countries face. In addition to low growth rates, Southern Africa is faced with other constraints, such as low levels of savings and income and balance of payments constraints which make capital accumulation difficult.

Tourism has the ability to increase foreign exchange earnings and derive other economic and non-economic benefits for less developed countries without making them rely too heavily on imported capital.

Southern African countries have an abundance of labour, an attractive climate, and unique scenic and cultural resources which provide them with a comparative advantage in tourism - a sector which can be regarded as the fastest growing export industry in the world today.

Some positive impacts

❑ Balance of payments effect

Tourism's importance as a source of foreign currency is probably the one aspect of the potential of international tourism that has attracted the most interest from economists. In an attempt to find ways of increasing foreign exchange earnings needed for capital accumulation, the positive impact of tourism on the balance of payments has been emphasised.

Planners, however, have to note a caveat before blindly accepting that tourism increases foreign exchange reserves. It is important to determine the foreign exchange leakage factor caused by foreign exchange expenditure on imported goods and services used in the tourism industry as well as the money accruing to foreign tour operators, airlines and travel agents who are pre-paid in the country of origin.

Southern Africa has an abundance of labour, an attractive climate, and scenic and cultural resources

TABLE 1: ECONOMIC GROWTH OF SOUTHERN AFRICAN COUNTRIES (percentage change in real GDP)

	1990	1991	1992	1993
Botswana	5,9	8,9	2,7	2,9
Lesotho	4,2	1,8	2,9	6,2
Malawi	4,6	6,4	-8,1	8,8
Mozambique	1,0	4,8	-0,8	19,1
Namibia	7,8	3,0	7,0	0,3
South Africa	**-0,5**	**-0,4**	**-2,1**	**1,1**
Swaziland	5,0	2,2	-2,0	3,0
Zimbabwe	1,9	4,9	-7,9	2,0

SOURCE: Compiled from World Bank: 1995: 18

There therefore needs to be a movement away from overindulgence in imported goods towards an increasing use of local resources. This has especially been the case in the areas of ecotourism and adventure tourism, where the most relevant resources have the advantage of being inexhaustible: sun, sea and cultural heritage.

❑ Income effect

The income effect of tourism is spread more widely than merely benefiting those who are directly involved in the tourism industry, such as hotels and tour operators.

The impact of tourist expenditure on the national economy is determined by means of the tourist income multiplier, which refers to additional income that is generated in a specific region as a result of tourist expenditure. According to Satour estimates, the tourism income multiplier for South

There needs to be a move towards increasing use of local resources

International tourism creates jobs quickly

Africa is 1,5, which is much higher than the income multiplier of 0,43 estimated for the economy as a whole.

❑ Employment effect

A major economic argument for promoting international tourism is that it creates jobs quickly. This is due to the fact that it is a labour intensive service industry. There are direct, indirect and induced forms of employment creation in the tourist industry. For every job directly created in the tourist industry in South Africa, at least two jobs are created in other sectors.

The employment effect is subject to leakages caused by foreign involvement in the tourism industry.

This can in part be attributable to tourist preferences for high quality and familiar accommodation and food to which local employees have not been exposed, resulting in a concentration of local workers in semi-skilled and unskilled positions. The concentration of local workers in unskilled and semi-skilled positions is compounded by the fact that local communities lack the training to be able to compete for managerial positions.

Tourism expenditure is linked to more than 70 types of enterprises

❑ Linkage effect

The tourism sector exhibits strong backward linkages. Tourism expenditure is linked to more than 70 types of enterprises in the accommodation, food and beverage, entertainment, clothing, drugs and cosmetics, transportation, water, garbage disposal, real estate and miscellaneous manufacturing industries, among others.

Through its linkage effects, tourism leads to external economies through the provision of, and improvements to, local and regional infrastructure through transportation networks, water supply, sanitation facilities etc. The magnitude of such benefits is determined by the extent to which the sector can establish linkages with local entrepreneurs.

Economic distortions can take place geographically if development is concentrated in one or a few areas

❑ Government revenue effect

The potential revenues for government from direct tourist expenditures include hotel and other user or expenditure taxes, customs duties on imported goods connected with tourism, income taxes on tourism enterprises and people working in tourism, and property taxes on tourism establishments. The major source of tourism generated income for governments is in the form of direct taxation and customs duties.

Negative impacts

Besides the leakages in the form of imported goods, services and labour already referred to, there are other possible negative economic effects that need to be taken into account when formulating a tourism policy. The most obvious is the investment costs incurred when developing a tourism project.

Less obvious costs are the opportunity costs that are incurred through the promotion of one industry in favour of another. Economic distortions can take place if tourism is promoted at the expense of other industries. This is especially relevant if tourism development causes the loss of valuable agricultural production when employees are attracted towards the relatively high paying tourist sector.

Economic distortions can take place geographically if development is concentrated in one or a few areas of a country, and other areas are neglected. This can give rise to dissatisfaction within communities as well as the migration of young people away from underdeveloped areas towards more lucrative tourist resorts, where they are exposed to foreign lifestyles.

Tourism has a seasonal demand which results in a situation where production factors such as hotel rooms and staff are not always occupied all year. Sufficient income, therefore, has to be generated during peak seasons to offset reduced demand during the rest of the year.

Tourism potential

Before attempting to develop a policy framework for the Southern African tourist industry it is necessary to establish the state of the tourism sector in countries of the region. Southern African countries need to be viewed as a whole when determining their potential as an international tourist destination.

The economic potential of tourism in the region has not been utilised to the full: in Botswana tourism contributes a mere 3% to GDP compared to 40% by mining, 5% by manufacturing and 5% by agriculture. The situation is no better in South Africa, where

tourism is estimated to contribute between 1,5% and 2% to GDP, which is significantly lower than the world average of 6%. In Namibia tourism accounts for 5% of GDP and employs some 20 000 people, including indirect employment.

In other countries of the region, tourism is a good generator of employment and foreign exchange earnings when compared with other sectors. Still, these countries have not developed the industry sufficiently given the natural abundance of tourism resources they possess.

Wildlife areas in Mozambique comprise approximately 11% of the country. The Namib desert covers about 15% of Namibia. Lesotho has the highest mountains in Southern Africa. Lake Malawi is the third largest lake in Africa and the fourth deepest in the world. Zimbabwe's Victoria Falls ranks as one of the world's seven natural wonders. The Kruger National Park in South Africa is well known for its variety of wildlife. Furthermore, the coastline of Southern Africa is endowed with some of the most beautiful beaches in the world.

Many parts of the region offer the trio of sun, sand and sea, which are vital for the sun lust tourism now forming 85% of all leisure tourism in the world. The spectacular 'big five' - elephant, rhinoceros, hippopotamus, buffalo and lion - have attracted many visitors to Southern Africa, and the dramatic scenery has similar appeal.

Policy considerations

There is no doubt that the tourist potential of Southern Africa is one of its greatest hidden assets. The region has the potential to become the leading ecotourist, hunting and sun seeking destination in the world.

But Southern Africa does have its shortcomings: the cost of travel from the northern hemisphere is expensive and accommodation, transport facilities and hospitality personnel do not always meet world standards. These important considerations should be taken into account when developing a tourism policy for the region.

❑ Political stability

Political instability and lack of security create an environment that does not look promising for the foreign tourist potential of a country. Political stability must be a priority for all parties in Southern African countries if they hope to increase the demand for tourist facilities. Through political stability, social and economic recovery will take place.

Political stability must be a priority for all parties in Southern African countries

❑ Planning

Adequate and appropriate planning is of paramount importance if tourism is to contribute to the sustainable development of the region. Planning has to be done in harmony with accepted development objectives and in conjunction with the needs of local communities and the region.

Planning should not only be carried out to facilitate international tourism, but should be done in such a way that domestic and international tourism needs and policies complement each other.

Planning has to be done with accepted objectives and in conjunction with needs

❑ Education and training

Closely related to the appropriate planning of the tourism industry is the need to develop a qualified labour force that is able to meet the standards required by the international market. Tourism awareness programmes should be introduced in schools, together with environment education programmes that will encourage children to conserve their natural and cultural heritage and so lead to sustainable development.

Training that is market specific can be provided in specialised institutions such as universities, colleges and technical institutions, and through service training. This will have multiplier effects in that there will be an increased demand for trainers and other professional people who will be able to monitor the progress and needs of the tourism industry.

Tourism awareness programmes should be introduced in schools

❑ Community participation

Local participation is generally a necessary component of sustainable development. It increases support for a specific project, especially if the local community is able to benefit from the project directly.

The best way in which community involvement can be implemented is through the provision of entrepreneurial opportunities and through representative tourism bodies being controlled by product owners and those directly affected by tourism development.

There is a need for integration of the tourism industry with other sectors

❑ Integration

There is a need for integration of the tourism industry with other sectors of the economy as well as with countries in the region.

At the local level tourism should be linked with other economic activities which are unique to the area. For example, a concerted effort should be made by tourism authorities to include visits to tea plantations and nut processing plants in Malawi, fisheries in Namibia and sugar processing plants in Swaziland, to name a few.

Some initiatives have been taken in this regard in South Africa, such as the development of the cherry route in the Eastern Free State, the wine route in the Western Cape and visits to pineapple farms in the Eastern Cape.

There should be a two tier pricing structure, in which tourists from the region benefit from lower prices

Regional cooperation with regard to aspects such as training, travel and tourism promotion is essential. A joint effort to promote Southern Africa as a joint tourism package should be made in an attempt to attract travellers from overseas.

Steps were already taken in that direction in 1971 when the Southern African Regional Tourism Council (Sartoc) was formed. Currently South Africa, Swaziland, Lesotho and Malawi are members. Membership of this or a similar organisation needs to be expanded in order to embark on intensive campaigns to promote Southern Africa as a tourist destination.

Tourist attractions and infrastructure should, as far as possible, be complementary. For example, there should be cooperation among airlines on domestic and overseas routes so that economies of scale can be realised through the use of one main airline and the establishment of more intra-regional air links to main tourist destinations.

Countries should not place undue strain on their national and local environmental, cultural and social resources

People from the region should benefit more directly from tourism developments. One way of achieving this goal is by establishing a two tier pricing structure, whereby tourists from the region benefit from lower prices, especially during international off peak seasons.

❑ Quality tourism

Countries should not place undue strain on their national and local environmental, cultural and social resources when formulating a tourism package. Tourist attractions, facilities and services should offer good value for money, protect tourism resources and attract the kinds of tourists who will respect the local environment and society.

Quality tourism can be achieved through the promotion of ecotourism. Southern African countries have tremendous potential in this regard.

Conclusion

The policy framework for the Reconstruction and Development Programme (RDP) acknowledges that the case for accelerated development in the tourism industry is strong in that it is one of the sectors in the economy that has the potential to achieve the objectives of the RDP.

Based on the growth rate during the 1980s, it is estimated that international tourist arrivals could increase by around 4% a year during the 1990s and could reach 515 million arrivals by 1995 and 637 million arrivals by the year 2000. International tourism receipts are expected to rise by close to 9% annually to reach $527 billion in 2000.

The tourist potential of Southern Africa is unlimited. Through the careful planning and development of this important sector, the objectives of the RDP can be realised. Policy makers must, however, beware of pitfalls and take the objectives of sustainable development into account if the region is to benefit from tourism in the long term. IPM

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REGIONAL MONITOR

AFRICA'S GROWING POPULATION

Estimates and projections for 53 countries, 1995-2010

Africa has, since about 1965, had the highest population growth in the world. Its 1960 population doubled to 580 million in 1986 and this number will again double in the next 26 years (2012), exceeding the 1 billion mark around the year 2008.

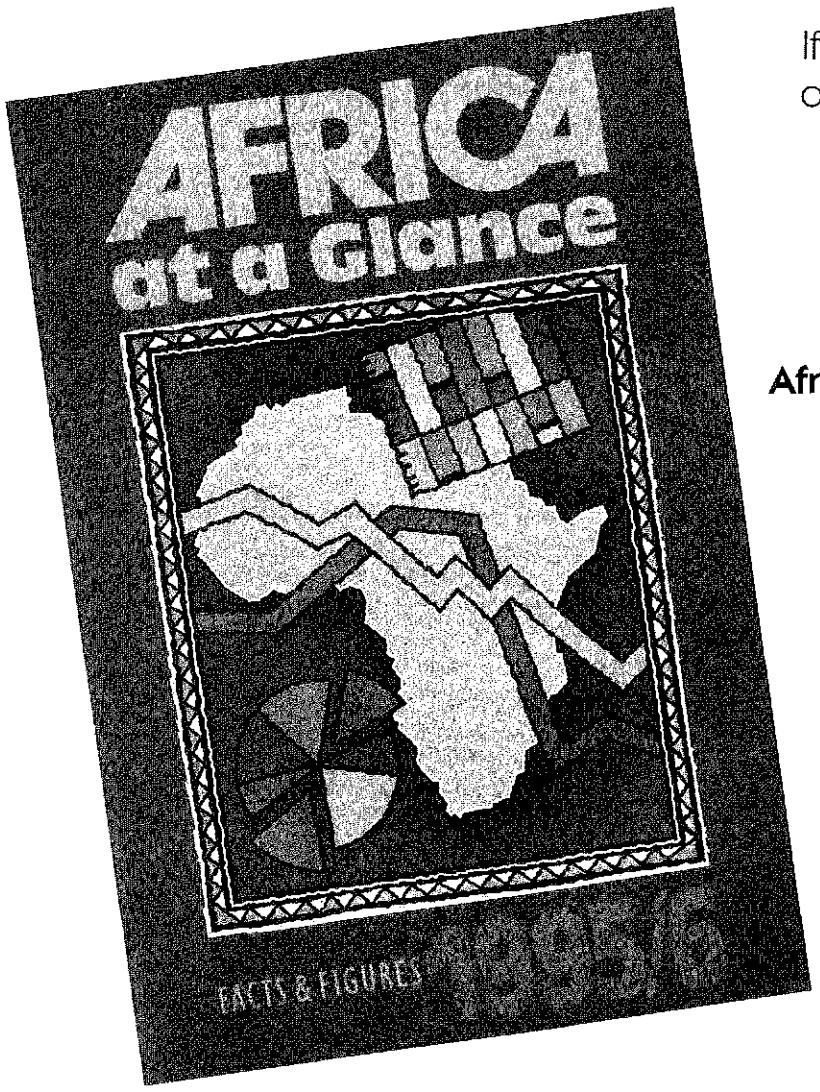
The continent's population is at present growing at the average rate of 2,8% per year or 20 million persons - roughly equal to the combined present population of Zambia and Zimbabwe. The growth rates in most countries have started to decline but the population is expected to continue increasing for another 150 years.

Region	Total Population		Growth rate	Region	Total Population		Growth rate
Country	1995 '000	2010 '000	1990-95 %	Country	1995 '000	2010 '000	1990-95 %
AFRICA	725 000	1 072 000	2,8	Algeria	29 000	41 000	2,9
Angola	11 5000	18 000	2,8	Benin	5 500	8 000	3,0
Botswana	1 550	2 400	3,3	Burkino Faso	10 400	16 000	2,8
Burundi	6 350	10 000	3,1	Cameroon	13 550	21 000	2,9
Cape Verde	430	650	3,1	CAR	3 440	5 000	2,5
Chad	6 460	10 000	2,6	Comoros	560	900	3,4
Congo	2 670	4 500	3,2	Côte d'Ivoire	14 200	22 400	3,5
Djibouti	500	800	3,2	Egypt	57 400	72 000	1,9
Equatorial Guinea	470	650	2,2	Eritrea	3 500	5 000	3,3
Ethiopia	57 000	94 000	3,3	Gabon	1 300	2 000	2,7
Gambia, The	1 000	1 500	2,9	Ghana	17 350	26 000	3,1
Guinea	6 500	10 000	2,7	Guinea-Bissau	1 100	1 500	1,9
Kenya	28 750	46 000	3,5	Lesotho	2 000	2 800	2,7
Liberia	3 000	4 400	3,1	Libya	5 450	9 000	3,6
Madagascar	13 500	20 000	2,9	Malawi	10 000	15 000	3,3
Mali	9 800	15 000	2,9	Mauritania	2 250	3 500	2,7
Mauritius	1 130	1 300	0,9	Morocco	28 500	38 000	2,5
Mozambique	18 000	28 000	2,9	Namibia	1 600	2 450	3,0
Niger	9 000	15 000	3,1	Nigeria[1]	111 000	162 000	2,9
Rwanda	8 700	14 000	3,9	São Tomé	130	190	2,6
Senegal	8 600	13 500	3,0	Seychelles	71	83	0,9
Sierra Leone	4 700	7 000	2,5	Somalia	9 000	14 300	3,0
South Africa[2]	43 500	57 500	2,3	Sudan	29 000	42 000	2,8
Swaziland	950	1 500	3,5	Tanzania	28 500	44 500	3,0
Togo	4 300	6 600	3,3	Tunisia	8 900	11 300	2,0
Uganda	19 000	29 500	3,3	Zaire	43 500	65 000	3,0
Zambia	9 500	14 300	3,2	Zimbabwe	11 200	14 800	2,7

1. Projections for Nigeria based on 1963 census. According to the 1991 census, the country's population for that year was 88,5 million and the average annual growth rate 2,1%
2. Several authoritative projections have been made for South Africa. Those used in the table are by the Development Bank of Southern Africa.

AFRICA AT A GLANCE

The birth of a new, truly democratic South Africa has brought about the long awaited recognition of our country's genuinely African identity. This will have a profound effect upon every aspect of our national life, opening up new opportunities and offering exciting challenges.



If we are to make the most of these opportunities and challenges it is important to dispel the mists of ignorance and suspicion about Africa.

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Three Into One won't go

The Eastern Cape Economy

Bill Davies
Director, Central Region
Ministry of Economic Affairs, Eastern Cape

The Eastern Cape economy has been ravaged by bad policies, apartheid inequalities and lack of development, especially in poverty stricken Ciskei and Transkei. But structures and systems in the new province are beginning to come together towards economic development, and with the active support of central government, there is some reason for optimism.

The economy of the Eastern Cape province in 1995 is racked and distorted by deeply entrenched structural inequalities, spatial imbalances and racial disparities.

Although the province is by no means well endowed in terms of natural resources that could constitute the basis for sound and sustainable economic growth and development, there is no question that the current circumstances - which are reflected by widespread unemployment and poverty - are the direct consequence of the ideological policies of the old apartheid regime.

Current circumstances are the direct consequence of the policies of the old apartheid regime

In any consideration of the Eastern Cape economy and its future prospects, it is imperative that sight should not be lost of the fundamental and pervasive legacies of the past, with which the new provincial government has to cope in its endeavours to build a democratic society founded upon principles of equity, fairness and equal opportunities for all.

The basic principles of good governance were consistently ignored and flagrantly manipulated by the apartheid regime to ensure that the province's black majority was controlled and contained in impoverished bantustans and sprawling urban townships, where their principal function was to serve the interests of white dominated capitalism.

The basic principles of good governance were consistently ignored and flagrantly manipulated

This is not a matter of simplistic 'apartheid bashing' or looking for scapegoats and excuses to defend what has turned out to be painfully slow progress towards delivering what the majority of South Africans voted for.

It is about recognising the deeply etched scars and open wounds that still bear testimony to the consequences of four decades of vicious social engineering, and a cynically careless devolution of 'sovereign independence' to flunkies and puppets - and the inevitable effects that these have had and continue to have on the social, economic and political fabric of the Eastern Cape.

In pursuit of 'separate development' apartheid ideology has inflicted a culture of corruption and institutional incompetence, contrived poverty and deliberately induced dependence upon the majority of the province's people.

Economic growth has been around 1,7% a year

That these circumstances have been fuelled by rising expectations, impossible demands and misplaced anger in the aftermath of the heady euphoria of freedom, and the small miracle of the 1994 elections, should come as no surprise.

There is no way however, in which those expectations can be realised in the short term. There is also no way of escaping the importance of having to undo and address the consequences of past legacies, along with efforts to build sound foundations for the future.

Table 1: Sectoral Distribution of GGP - Eastern Cape Province (R billion)

	Primary Sector	Secondary Sector	Tertiary Sector	Services Sector	Total
1980	1,26	5,65	5,65	2,68	15,24
(Percent)	8	37	37	18	100
1991	1,31	5,74	6,50	4,79	18,34
(Percent)	7	31	36	26	100
Annual Growth Rate1980-91 (%pa)	0,35	0,14	1,28	5,42	1,70

Primary: Agriculture, forestry, fishing, mining, quarrying
Secondary: Manufacturing, electricity, water, construction
Tertiary: Trade, catering, transport, communications, finance, real estate
Services: Community, social, personal and government services

Source: Unpublished DBSA 1995

The challenge is bedevilled, on the one hand, by the perfectly legitimate aspirations of millions of poor people looking for the better life promised by election slogans, and on the other by the misleading interferences of groups and individuals frantically seeking to protect their own self interest and/or fearful of the eroding effects of democracy on the patronage upon which their power and influence is based.

Economic trends

But the province's population increased at a rate of just over 2% per annum

The Gross Geographical Product (GGP) of the Eastern Cape Province is around R20 billion - R18,3 billion in 1991, according to the Development Bank of Southern Africa's unpublished estimate - which is up from some R15 billion in 1980.

This indicates a 15 year growth rate in the order of 1,7% per annum in the total value of goods and services produced. The province's GGP represents about 6% of the total national domestic production, which provides a comparative context regarding the relative importance of the Eastern Cape.

Over the same period, however, the province's total population increased from around five million to almost seven million, a rate of just over 2% per annum. Thus, population is increasing at a higher rate than production, which means that GGP per capita has decreased - by about 0,3% a year.

This is not a sound state of affairs, and the population-production growth relationship constitutes a fundamental challenge for the new provincial government in forming appropriate policies designed to facilitate and promote growth generating private sector investment.

The point of departure, in this regard, is the province's present economic structure, the salient characteristics of which are indicated in Table 1.

The crux of the province's economic dilemma is the extent to which the services sector comprises a consistently, and increasingly, significant portion of the value of goods and services produced.

Though nominally essential, these are largely unproductive services which contribute little to real value-added and consist predominantly of national, provincial and local government services: the much maligned civil service.

These circumstances are part of the legacy from the previous dispensation in which more than 40% of the GGP of the former Ciskei and Transkei was attributable to government services, including a plethora of parastatal organisations and 'development' corporations, more or less associated with various government departments.

The dimension of the problem, and the imperative for rationalisation, are evident from Table 1, which shows that the GGP attributable to the services sector increased by 5,42% per annum between 1980 and 1991 - and increased its share of GGP from 18% to 26% - while the productive primary, secondary and tertiary sectors barely held their own, and their share of provincial GGP diminished.

Moreover, almost a third of the province's regular employment was estimated to be provided by government and parastatals in 1994 (Saldru 1994), and this generated only about a quarter of GGP, which indicates the relatively less efficient 'productivity' in the public sector.

Given that the public sector can be effectively rationalised in terms of its share of GGP and regular employment, the key to sustainable economic recovery, growth and development probably lies in the manufacturing sector, especially in the short to medium term. It is in this sector that the foundations for longer term development in the province must be laid.

The manufacturing sector, however, has itself been a victim of previous policies based on ideologically determined industrial decentralisation initiatives, which accorded an artificial comparative advantage to 'growth centres' located in, or close to, the former bantustan areas.

Sustainable growth at these centres was patently not feasible from the outset, and their production had to be propped up by incentives and subsidies which became too expensive even for the national government to afford.

This, too, is part of the province's legacy: in places like Butterworth, Dimbaza, Berlin and others, expensive infrastructure lies idle or is underutilised, and investors with only a short term intent have abandoned both plant and workers.

Part of the answer, in terms of manufacturing development, lies in extending opportunities to primarily disadvantaged and excluded black entrepreneurs, especially in the form of small and medium sized business ventures: either in their own right as producers, or in joint ventures/sub-contracting relationships with existing and/or new larger scale producers.

This is unlikely to happen of its own violation, though, and there is clear need for constructive provincial government intervention - as opposed to previous strategies of government interference - to promote and facilitate the establishment of sound small and medium sized industrial enterprises, integrated among themselves and with larger business ventures through value adding and enhancing forward and backward linkages.

New policies

Endeavours towards this end are evident in the emerging policies and practices of the province's Ministry of Economic Affairs, which is responsible for rationalising previous parastatal structures into a single, unified Eastern Cape Development Agency, and for promoting the activities of a Small Business Council linked to a network of Local Service Centres, designed to ensure wider access to information, opportunities and resources.

These initiatives are supported by improved inter-interest group communication and consultation through the Eastern Cape Socio-Economic Consultative Council. The Council seeks to bring together the interests of government, business, labour and community based components of civil society - more or less in a provincial manifestation of the National Economic Development and Labour Council.

All this is in the pursuit of better governance in economic development, based on establishing a facilitating environment that is conducive to private business initiative, innovation and investment.

Much of the potential for success of these new systems and structures lies in the extent to which all of their participants can work together towards overcoming the effects of a deeply entrenched culture of expectation and dependence on government to 'create jobs', and to become directly involved in setting up individuals in business - this is not the role of government.

There are a number of other sectors in which new opportunities for economic development in the Eastern Cape can be constructively pursued. For example, the agricultural sector has considerable potential for increased production and productivity if appropriate solutions can be found to the challenges of land ownership and distribution, and realistic opportunities are extended to small black farming entrepreneurs.

In this regard, too, the realisation of new opportunities for rural non-farm economic activities that add value to, and improve the work generating capacity of, the agricultural sector, constitute an important part of the province's economic development prospects.

This is as important for establishing a sound productive and viable rural economy as it is for addressing the issue of rural-urban migration.

There is little doubt that growing urbanisation trends have exerted enormous

Manufacturing was also a victim of previous policies - decentralisation was bound to fail

There is clear need for constructive provincial government intervention

The agricultural sector has potential for increased production and productivity

Table 2: Selected Indicators Reflecting Differences Between the Previous Bantustan Areas and the Eastern Cape Province

Indicator	Previous Ciskei	Previous Transkei	Eastern Cape
*Percent of Households earning below R1000 per month	87	97	71
*Labour Participation Rate (Percent)	32	30	45
*Labour Absorption Capacity (Percent)	30	16	45
*Total Fertility Rate	5,5	6,0	4,6
*Infant Mortality Rate (per 1000)	50	90	58
*Average Household Size	7,8	6,5	5,2

Source: Davies 1995

pressures on infrastructural services and housing, on health, welfare and educational services, and on employment in urban areas throughout the province - in small towns, larger country towns, and especially in the two metropolitan areas centred on Port Elizabeth and East London.

Opportunities for tourism are abundant in the Eastern Cape

The potential for exacerbation of these conditions is contained in the province's overall 34% to 66% percent ratio of urban to rural population. Solutions to these problems do not lie only in improving the absorptive capacities of urban places - although this is imperative, if only to provide a better life and living for people already in urban areas. Solutions must also be found in rural areas, so that they can also become better places to live and make a living.

Further significant development potential lies in the tourism industry, where opportunities are abundant in the Eastern Cape's wide range of natural environmental diversity, ranging from several hundred kilometres of largely unspoilt coastline to mountainous terrain and wildlife.

The needs of the new province's sub-regions are widely divergent

Previously fragmented, disorganised and at odds with itself, the tourism industry will benefit from the considerable attention that has been accorded it in the form of rationalisation towards a new Eastern Cape Tourism Authority whose interests and concern extend to the entire province.

Significant improvement in opportunities, however, will depend on a fairly comprehensive endeavour to improve and extend infrastructural services and facilities, which requires capital intensive investment based on a mutually beneficial and interactive relationship between the public and private sectors.

On the other hand, there are also new opportunities to develop small scale enterprises based on rural areas, ethnic crafts, game parks and eco-tourism, many of which will benefit the rural poor in isolated places.

Developing tourism potential is often confused by an increasing preoccupation with gaming, gambling rights and casino resorts, and many recent proposals for multi-million rand tourist resort developments are conditional upon the granting of a casino licence.

Licences for such activities are likely to be restricted, and their operations closely controlled and monitored. It is important to draw a clear distinction between tourism and casino operations.

Internal discontinuities

The Eastern Cape province is by no means a uniformly homogeneous entity, and the economic development challenge must be seen in the context of formulating appropriate plans and priorities to address the widely divergent needs of the province's several sub-regions, and in the context of severe limitations on the provincial government's budget capacity.

While there are several such discontinuities, perhaps the most significant lie in the differences between the previous bantustan areas of Ciskei and Transkei - particularly the latter - and the rest of the province.

Estimated unemployment in the Ciskei-Transkei area is around 60% of the labour force, compared with some 30% in the rest of the province - a cause for considerable concern.

In the previous bantustan areas there are few opportunities to escape the poverty trap, and it is there that the province's development priorities should be focused in the short to medium term. The problem is aggravated by chronically low household incomes, high total fertility and infant mortality rates, low labour participation rates, and an alarmingly low labour absorption capacity, among other indicators (Table 2).

It is unnecessary to comment at length on the causes and consequences of these indicators - their litany of dehumanising poverty and their development constraining effects are all too evident.

It is clear, though, that the imperative is for a broadly based, carefully integrated development thrust that addresses fundamental issues related to social, economic, welfare and political conditions in the previous bantustan areas - but without losing sight of the crucial, though somewhat different, development needs in other areas of the province.

In fact, the dimensions and implications of these disparities and discontinuities have formed the basis for suggestions that the Eastern Cape should be divided into separate provincial structures. Such views, however, are alarmist, short sighted and unlikely to be considered seriously.

In any case, having two separate provincial legislatures is hardly likely to resolve the problem, and may only serve to further expand an already over supplied public service - which will have the effect of diverting scarce development resources away from more productive application.

Such separatist notions are little more than red herrings that serve only to delay the importance for a broadly based, regional development planning initiative in the province.

Conclusion

The Eastern Cape province is perhaps the epitome of the need for a soundly formulated reconstruction and development programme - precisely because significant reconstruction and reorganisation is essential to a viable and sustainable development programme.

Time constraints brought about by the imperative to deliver mean that reconstruction and development must be pursued concurrently, and this is likely to cause difficulties that stem from people's perceptions about where the provincial government's priorities lie, and the extent to which thorough consultation is conducted with appropriate and legitimate intents.

There is no doubt, however, that the provincial government cannot undertake the task of economic development in the province on its own - nor should this even be attempted. Reconstruction and development can only be realised through the *joint* endeavours and commitment of provincial and local government structures, the private sector, labour interests and the people.

The structures and systems in the province are beginning to come together towards these ends and, with the active support and encouragement of the central government, there is every reason to view the province's prospects with some optimism.

The imperative is for a development thrust that addresses issues related to social, economic, welfare and political conditions

Development can only be realised through the joint endeavours of government structures, the private sector, labour and the people

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Stepping out in Soweto

A Profile of Soweto Youth Clubs 1995

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A survey of 329 youth clubs in Soweto revealed a vibrant youth club scene catering for youthful interests in the cultural, sports, social and community fields. But despite the popularity of youth clubs - and the important role they play in youth development - most are under resourced. This article is based on a report prepared for the Southern African Association of Youth Clubs.

Soweto respondents identified self development as one of the most important reasons for the establishment of youth clubs

Despite the popularity of youth clubs and their important role in youth development, youth clubs in Soweto are under resourced

For several years researchers from the Youth Centre Project, a former youth research and development programme at the Centre for Social and Development Studies, conducted a networking exercise with organisations which focus on youth development.

In 1995, the Southern African Association of Youth Clubs (SAAYC) commissioned Youth Centre Project researchers to develop a national database of youth clubs.

The purpose of the database is to promote sharing of information and collaborative projects among youth clubs, to link youth clubs - locally, regionally, nationally and internationally - to build the capacity of youth clubs by identifying their training needs, and to give other organisations whose interests lie in the field of youth development, access to the database.

The Soweto youth club findings presented here are drawn from the SAAYC database. Some 329 youth club profiles are the focus of this report.

Soweto respondents identified self development as one of the most important reasons for the establishment of youth clubs. Youth Centre Project research on Durban youth clubs has also highlighted the development role which informal clubs play (Møller, Mthembu and Richards 1993).

Club participants in Soweto had a wide range of leisure interests, and this was reflected in the diverse kinds of clubs they belonged to. Sports, cultural and multi-activity clubs were the most common.

Despite the popularity of youth clubs and the important role they play in youth development, youth clubs in Soweto are under resourced. Respondents listed a lack of sponsorship and dearth of recreational and educational equipment as the major problems they faced.

Methodology

The data was collected by youth workers affiliated to the SAAYC between 1993 and 1994. At the beginning of the field work phase there was no standardised interview schedule for the collection of youth club data. Interviewers collected profiles of youth clubs and recorded their findings in notebooks or on exam pads.

Information is available on clubs from the following areas: Central Western Jabavu, Chiawelo, Dhlamini, Diepkloof, Dobsonville, Dube, Emdeni, Jabulani, Killarney-Orlando West, Klipspruit, Mapetla, Meadowlands, Mofolo South, Mofolo Central-North, Molapo, Moletsane, Moroka North, Mzimhlope, Naledi, Orlando East, Pimville, Phiri, Protea North-South-Glen, Rockville, Senaoane, Tladi, Zondi, Zola.

Interviewing later became formalised, with a standardised questionnaire developed in 1994. It appeared that a snowball sampling technique was applied by interviewers who collected profiles of clubs which operated in their own residential areas.

Three themes are covered in this report. The first is the biographical characteristics of Soweto youth clubs, the second is club activities and activity patterns, and the third is club needs. All tables should be read across in rows.

Club characteristics

Table 1 shows that more than half of the Soweto clubs - 56% - were male only or male dominated. Some 22% of clubs were female only or female dominated.

Respondents were initially given no standardised way of reporting on the gender composition of their clubs. Three ways were most commonly used by respondents to answer this question: they gave a numerical breakdown of gender, a ratio of male to female or a qualitative answer, for example 'more males than females'.

Less than half of the sample did not give a raw number of males and females in their clubs, and therefore gender data was analysed in the form of a composite picture involving the assimilation of the three data sources. Club activities appeared to be related to the gender composition of club type.

Some 32% of male only or male dominated clubs were cultural clubs, whereas 56% of female only or female dominated clubs were cultural clubs. In contrast, 56% of male only or male dominated clubs were sports clubs, compared with only 10% of female only or female dominated clubs were sports clubs (Table 2).

Youth clubs catered for a wide age range of members. At the lower end of the age spectrum the mean age was 10 years while at the upper end the average age was 27 years. Whereas the age spectrum for 'cultural, sports and other' clubs was between eight and 17 years, multi-activity clubs were dominated by adolescents with the mean age range between 13 and 19 years.

The average size of multi-activity clubs was 42 members, while sports clubs averaged 32 members and cultural clubs 27 members.

Social and community clubs had the lowest average membership density: some 19 members per club.

The average lifespan of Soweto clubs was eight years and the median lifespan was four years, hence 50% of Soweto clubs were less than four years old and 50% were more than four years old.

A new generation of Soweto clubs appeared to fall within the multi-activity and 'other' club categories, with 59% of multi-activity clubs and 85% of 'other' clubs being less than four years old. Older clubs - those formed five years or more ago - comprised cultural and sports clubs.

The size of clubs appeared to be related to their internal organisation. For example, cultural, multi-activity and sports clubs, which had the largest memberships, had elaborate organisational structures which

More than half of the Soweto clubs - 56% - were male only or male dominated; 22% were female only or female dominated

Table 1: Soweto youth clubs gender composition

Gender	*Frequency*	*%*
Males only	90	27
Males-dominate	95	29
Females only	14	4
Females-dominate	60	18
Equal numbers of males and females	36	11
Other[1]	28	9
No information	6	2
Total	**329**	**100**

1 Other = membership fluctuates; don't know

Table 2: Gender composition by club type

Gender Breakdown	Cultural[1]		Sports		Multiple Activities		Other[2]		Row Total
Total	135		132		44		14		325
	No	%	No	%	No	%	No	%	No
Males only	9	10	73	82	4	5	3	3	89
Males dominate	49	52	30	32	8	9	7	7	94
Females only	4	29	8	57	1	7	1	7	14
Females dominate	37	62	10	17	11	19	1	2	59
Equal number	23	66	3	8	7	20	2	6	35
Don't know[3]	11	39	7	25	10	36	—	—	28
No information[4]	2	33	1	17	3	50	—	—	6

1 'Cultural' clubs include: church, musical, craftwork, dance and other arts clubs
2 'Other' clubs include: community, social and 'other' clubs
3 'Don't know' also includes 'membership fluctuates'
4 No information = Respondents specified no numbers.

Table 3: Club structure by club type

Gender Breakdown	Cultural		Sports		Multiple Activities		Other[1]		Row Total
	N=116		N=111		N=39		N=11		N=277
	N	%	N	%	N	%	N	%	N
Executive Committee including chair, treasurer & secretary	132	44	121	41	36	12	9	3	298
Captain and Coach	8	14	44	77	2	4	3	5	57
PROs-Manager-Admin	46	45	38	38	10	10	7	7	101
Leaders	18	58	5	16	8	26	—	—	31
Other[1]	29	38	28	37	17	22	2	3	76

Multiple Response

1 'Other' club structure = Other kinds of committees and other office bearers, ordinary members elders, founders and trustees.

Table 4: Type of club

Club Type	%
Sports	41
Cultural	41
Multi-activity	14
Other[1]	4
No information[2]	-
Total	**100**

1 Other clubs = Community clubs, social clubs
2 No information = Clubs with names but no details attached.

Table 5: Type of youth club by activities

Club	Cultural Activities		Sports		Multiple Activities		Other[1]		Row Total
	N=133		N=132		N=44		N=14		N=323
	N	%	N	%	N	%	N	%	N
Sports and Games	13	7	132	74	31	18	2	1	178
Arts and Culture[1]	28	72	5	3	42	24	2	1	177
Educational Activities	22	34	15	24	20	31	7	11	64
Other[2]	22	49	4	9	10	22	9	20	45

1 'Other' clubs include: 'community', 'social' and 'other' clubs
2 'Other' activities include: community service activities, escapist and pure leisure activities.

included executive and other committees, secretaries, chairs and treasurers (Table 3). Examples of other committees were: functions, educational, entertainment, fundraising, parents and general committees.

Some clubs, for example sports and community interest clubs, may have been semi-commercial ventures and this was reflected in their complex organisational structures, which also included management departments, administrative departments and public relations officers.

Club activities

Table 4 shows the different types of Soweto clubs. 'Sports clubs' included: soccer, body building and fitness clubs, netball clubs, athletics clubs, basketball and volleyball clubs, and tennis, karate and boxing clubs.

'Cultural clubs' included: church choirs, gospel choirs, dance clubs, drama groups, musical bands, arts and craft groups, drum majorettes, youth leagues and political clubs.

'Multi-activity clubs' comprised an average of four recreational activities per club. Their activities covered a wide spectrum including: educational, sports, music and dancing, indoor games, community oriented, beauty shows and modelling activities.

Multi-activity clubs were frequently called 'youth clubs' with a place or activity name which prefixed the 'youth club' label. Such clubs therefore appeared to fit respondents' perceptions of what a youth club should be like.

Cultural and 'other' clubs averaged two activities per club, whereas the norm for 'sports clubs' was one (sports) activity. Table 5 shows the main activities by club type.

In order of frequency of mention, 'sports and games', 'arts and cultural activities', 'educational activities' and 'other activities' were the main activity categories of youth clubs in Soweto.

The most popular sports in order of frequency of mention were: soccer, netball, aerobics and gym, volleyball and basketball. The most common 'cultural activities' in order of frequency of mention were: dancing (including traditional, modern, pantsula, ballroom, Latin American, tap and rap dancing); singing and other musical activities (for example, choir and gospel singing, a brass band group, just listening to music); drama; and religious activities.

'Educational and self development activities' included: participating in inter-club competitions, attending educational courses and seminars, discussion groups, leadership training, and Aids workshops. 'Other activities' comprised: community service activities

(such as gardening, visiting the elderly, assisting at funerals), escapist and pure leisure activities (for example, camping out, house parties, picnics).

Meeting times

A majority of clubs met on average three times a week on weekdays from Monday to Thursday. With the exception of community and social clubs, most clubs held meetings more frequently during the week than over the weekend.

Religious services and sports matches were typically weekend activities, which may explain why cultural and sports clubs also met over weekends. Club practice sessions were the most frequent weekday activities, whereas general and executive meetings were less frequent activities which were spread throughout the week.

Over the weekend the starting times of meetings were earlier than in the week and tended to be longer. Domestic and school obligations may be the reason for the difference in meeting times between weekend days and weekdays.

Meeting places

The main venues used by youth clubs are shown in Table 6 and in order of frequency of mention were: club members' private homes, sports grounds and sports stadiums, school halls and classrooms, community buildings, and church buildings.

The type of club appeared to be related to the venue used. For example, a majority of clubs which used school halls and classrooms, friends homes and church buildings were cultural clubs. In contrast, most clubs which used community buildings and sports stadiums for recreational purposes were sports clubs.

Interestingly, some sports clubs also used private homes for their activities. Whereas sports practice meetings were usually convened at sports stadiums or recreational centres, other sports club meetings - for example general or executive meetings - were convened at a 'club house' which was often the home of a club member.

Club needs

The main reasons for the formation of Soweto clubs in descending order of mention were: 'to improve self esteem and for personal development', 'self protection and safety', 'to prevent boredom through the promotion of arts, cultural and entertainment activities', 'to provide a community service', 'for pure leisure reasons', and 'ideological reasons'. Table 7 shows the reasons for club formation by club type.

Table 6: Youth club type by venues used

Club Type	Cultural Activities		Sports		Multiple Activities		Other[1]		Row Total
Venue	N=120		N=106		N=35		N=12		N=273
	N	%	N	%	N	%	N	%	N
Private residence	49	64	13	17	8	11	6	8	76
Sports stadium	1	0	60	94	3	5	—	—	64
School hall/classroom	29	53	14	25	8	15	4	7	55
Community building	14	36	15	38	9	23	1	3	39
Church building	24	86	—	—	4	14	—	—	28
Other[1]	3	27	4	37	3	27	1	9	11

Free Response Question
[1] "Other venues" include informal sports field, business officials, 'club house'.

'Self esteem and personal development' reasons included: to develop and promote talents, to achieve mental and physical fitness, and a way to acquire skills and knowledge. 'Self protection and safety reasons' included the following responses: to keep young people off the streets and to discourage delinquency.

To 'prevent boredom and promote leisure and cultural activities' included the following range of responses: the need to keep youth busy, to promote an interest in church activities including gospel singing and choral music, the need for a leisure outlet and for some form of entertainment for young Soweto residents.

Reasons falling under 'community service' responses were altruistic in character and included: to unite the community and increase community involvement, to promote sports, to involve youth in constructive activities.

'Pure leisure reasons' emphasised the fun quality of youth clubbing. Examples included for the love and enjoyment of club activities, to make new friends and promote friendships within and between clubs.

'Ideological reasons' were those motivations informed by macro-societal problems such as: the need to promote peace, to fight

Most clubs held meetings more frequently during the week than over the weekend

Religious services and sports matches were typically weekend activities

Table 7: Type of club by reasons for club formation

Club Type	Cultural Activities		Sports		Multiple Activities		Other[1]		Row Total
Reasons for club formation	N=129		N=130		N=43		N=14		N=316
	N	%	N	%	N	%	N	%	N
Self development/ esteem	54	45	44	37	18	15	3	3	119
Self protection/ personal safety	45	42	45	42	16	15	1	1	107
Escape boredom & promote leisure and cultural activities	50	58	22	26	11	13	3	3	86
Community service	19	23	43	51	16	19	6	7	84
Ideological	11	52	5	24	3	14	2	10	21
Pure leisure	15	39	20	53	2	5	1	3	38

Free response question

Table 8: Type of Club by problems facing the club

Club Type	Cultural Activities		Sports		Multiple Activities		Other[1]		Row Total
Problems facing clubs	N=126		N=129		N=43		N=11		N=309
	N	%	N	%	N	%	N	%	N
Finance/Sponsorship	82	42	85	43	23	12	6	3	196
Recreational & educational equipment	65	38	82	48	22	13	2	1	171
Venue renovation	26	29	35	38	24	27	5	6	90
Other[1]	26	29	35	39	24	27	5	6	90
Human resource skills	20	61	4	12	6	18	3	9	33

Free response question

1 Other problems include: macro problems such as violence and conflict and, publicity/exposure/opportunity to record songs.

teenage pregnancy, to control drug and alcohol abuse, to promote democracy and to fight Aids.

Main problems

The main problems facing Soweto clubs were: finance and sponsorship shortages, shortages in recreational and educational equipment, the need for venue renovation, and 'other' problems, which included the need to address macro problems such as to achieve a healthy environment, democracy etc.

Some respondents equated club 'needs' with club 'problems'. In some instances, perceived problems are also perceived needs, for example macro - 'ideological' - club needs and macro environmental problems are similar.

Table 8 shows the main problems facing clubs by club type. The majority of clubs with financial, recreational and educational equipment shortages were cultural and sports clubs. The majority of clubs with human resource skill shortages were cultural clubs.

Clubs which needed venue renovation in order of frequency of mention included: sports, cultural and multi-activity clubs. Clubs expressing the need for recreational and educational equipment, in approximate order of frequency of mention, highlighted the need for: uniforms; sports equipment (including soccer, gym and aerobics, basketball, volleyball, boxing and tennis equipment); musical equipment (including musical instruments and music 'sound systems'); and transport.

Some 55% of clubs in the Soweto sample indicated whether they had received training. Most had received no formal training (31%), and some club members reported that they just relied 'on raw talent', or were 'just doing their best', or that 'past experience served as training'.

Clubs with human resource and skills problems expressed the need for professional councillors, advisers and trainers. Skills in fundraising, activity planning, time management and general management were additional skill shortages.

For clubs which had received training, sports training (26%) and human resource training (22%) were the most common types of training available.

Conclusion

Soweto has an established and vibrant youth club scene catering for youthful interests in the cultural, sports, social and community fields. Sowetan youth clubs cater for young people from all age groups, ranging from pre-adolescence to young adulthood.

The importance of youth clubs for young Soweto residents is highlighted in their reasons for establishing such clubs. Self development and personal safety reasons were the main perceived benefits of belonging to youth clubs. Constraints on future club growth include financial, physical and social resource constraints.

ACKNOWLEDGEMENTS

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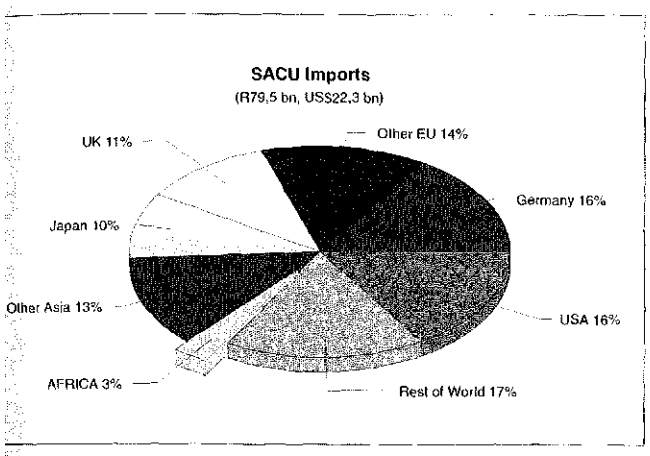
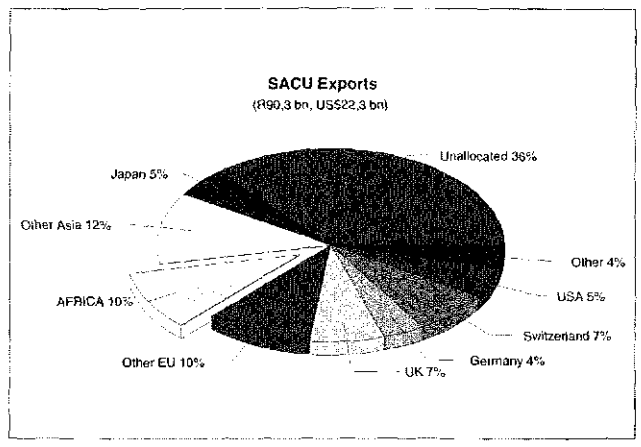
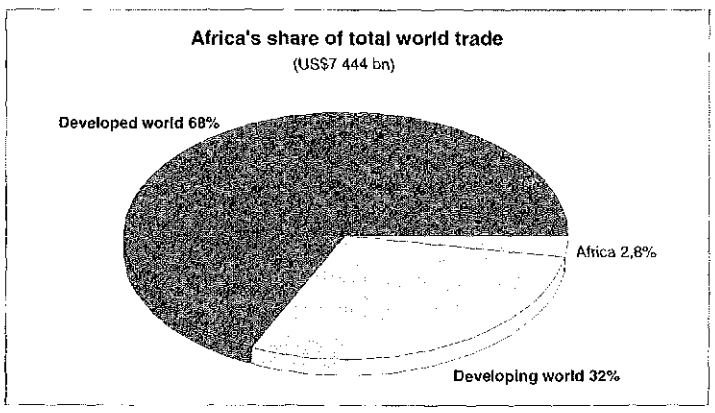
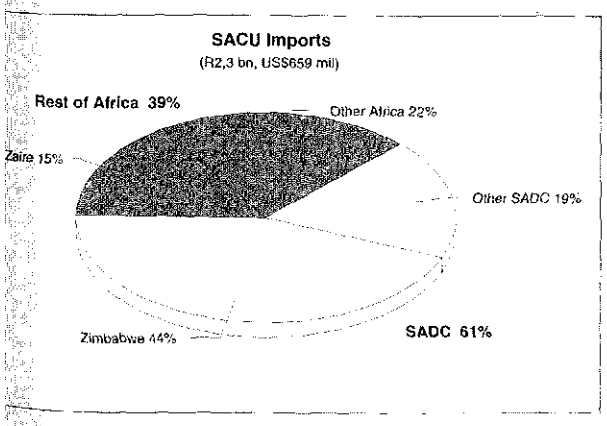
COMPARATIVE MONITOR

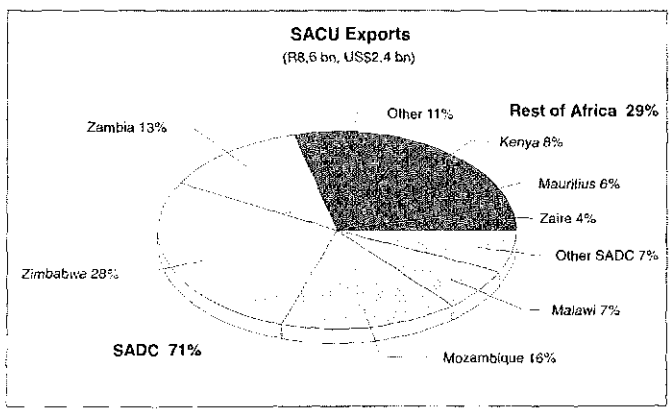
TRADE WITH AFRICA AND REST OF THE WORLD, 1994





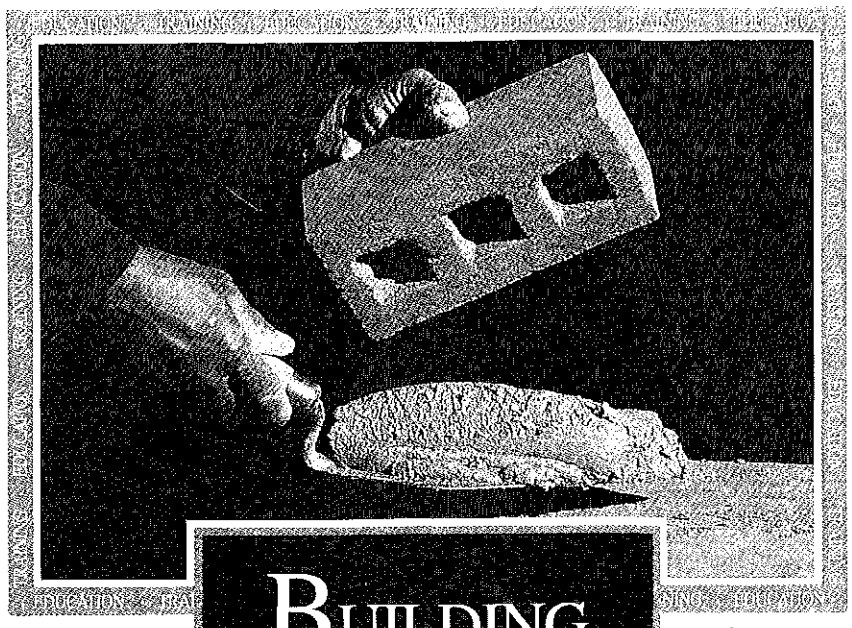






SACU: Southern African Customs Union
SADC: Southern African Development Community

Source: Africa at a Glance: Facts & Figures 1995/6. Africa Institute of South Africa, Pretoria: 1995.



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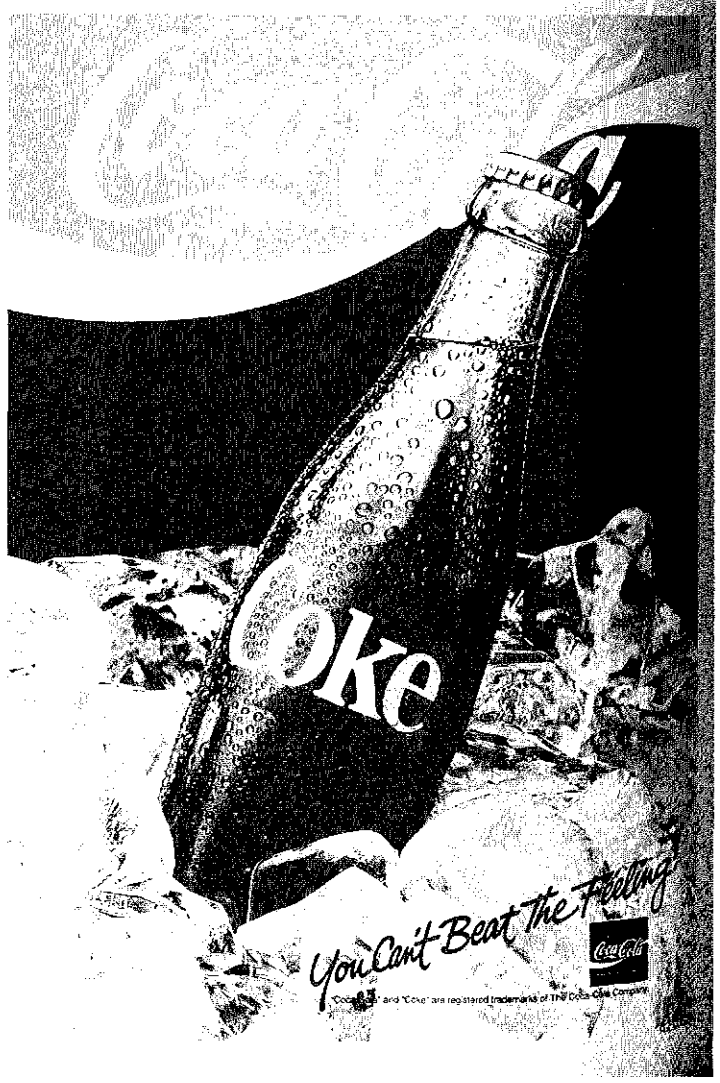

Philippine NGOs

Redefining the Struggle

Tess del Rosario
Asian Institute of Management

The long struggle against dictatorship in the Philippines spawned a vibrant civil society comprising tens of thousands of non-governmental organisations actively involved in welfare and service delivery. With the advent of democracy and the redirection of funds to reforming countries elsewhere, NGOs in the Philippines have had to radically redefine their role.

August 1972. Teresa Reyes skipped classes again today. There was a boycott of classes and Teresa thought protesting was much better than sitting in the library reading a boring chapter on Durkheim's *L'Anonie* or some such other meaningless text for Sociology 100.

She'd rather protest against the suspension of the writ of *habeas corpus* declared by President Ferdinand Marcos in the aftermath of a bomb explosion at a political party rally over the weekend, which killed scores of spectators and seriously injured several senatorial candidates in the opposition party. If Marcos were to declare Martial Law, Teresa thought, Durkheim or Weber would matter even less.

On their way to Malacang Palace, official residence of Marcos and his family, the protest march which Teresa joined was suddenly jolted by the explosion of a home made molotov cocktail.

Within seconds, anti-riot police swooped on the marchers, threw them into waiting vans and carted them off to the nearest police precinct. The men were mauled, the women reprimanded. Then they were released with stern warnings not to mess with the State. On her way out, Teresa scoffed at her captor: "*Tuta*" (puppy).

Martial Law was declared a month later. Teresa, with many other colleagues, decided to go into community organising in Central Luzon, the country's major island and historical home of anti-Japanese guerrilla fighters, socialist insurrections, revolutionary movements, peasant groups and disenchanted students.

For nearly 20 years she remained in the provinces, living and working among the poor, teaching them about their rights and organising them into strong communities. Often she ran into guerrillas from the New People's Army - the underground guerrilla movement of the Communist Party of the Philippines - who were passing through the *barrio* (village) in the evenings, seeking shelter for the night and some food from the people.

In 1986, Marcos fled the Philippines and Corazon Aquino took power. With the advent of democracy, Teresa returned to Manila and founded a non-governmental organisation, hoping to continue her work with the poor and the disenfranchised.

Slowly, she built the organisation, seeking support from international donors and persuading young graduates to commit a few years of their lives to social service. Teresa's organisation flourished and so did her reputation.

Today she travels the world, spreading the NGO gospel at global conferences, appearing on television and in newspapers,

The backgrounds of thousands of NGO workers are in the anti-dictatorship struggle

In February 1986 a popular and peaceful uprising toppled Ferdinand Marcos

There are more than 30 000 NGOs in the Phillipines

raising funds for her organisation and building bigger NGO networks and federations. She helped the United Nations Development Programme craft the Human Development Report during their conference in India. In it, the NGO perspective emerged through her contribution.

In the last few years, she has developed a busy consultancy in Indochina, facilitating the organisational processes of NGOs in Cambodia, Vietnam and Thailand, where she brings the skills of group work and consensus building to countries with a weak tradition in democratic decision making.

Teresa's story is typical of the thousands of NGO workers in the Philippines today. Their backgrounds can largely be traced to the anti-dictatorship struggle of the 1970s and late 1980s.

NGOs invaded terrain traditionally belonging to the government and private sectors

The culmination of their struggle came in the early 1980s, after the assassination of Senator Benigno Aquino — arch-rival of Ferdinand Marcos. Aquino's death galvanised mass resistance in the Philippines and in February 1986, a popular and peaceful uprising on Manilla's major thoroughfare toppled the dictatorship and catapulted Cory Aquino, the senator's widow, into power.

New face of democracy

Today, most Filipinos consider February 1986 a historical watershed in Philippine political and social life.

The re-democratisation process which began with the regime of Corazon Aquino witnessed the restoration of democratic institutions and practices: an independent legislature elected via popular vote; a nationally elected president with a limited six year term; a form of government grounded in a constitution approved through a national referendum; and a recurring cycle of national and local elections which guarantee open political contestation.

The sector is involved in service delivery, policy formulation, program planning and implementation, and resource generation

In addition, Philippine democracy took on a new dimension: the entrance of the 'third sector' as a socio-political and economic force altered the landscape of Philippine society to that now:

> *"National life can no longer be defined solely by the logic of the traditional government-business dichotomy."* (Constantino-David 1990)

Today there are between 18 000 and 30 000 NGOs registered with the Securities and Exchange Commission in the Philippines. This list may or may not include organisations accredited by the Department of the Interior and Local Government which, under the Local Government Code of 1992, provides for the empowerment of local bodies and organisations alongside local government units.

Out of a total of 15 regions nationwide - including the National Capital Region of Metro Manila - and 92 provinces, the total number of NGOs accredited by the Department is around 14 000.

When the number of local organisations and institutions operating at the municipal and provincial levels is added to the existing list of Securities and Exchange Commission, the figure may well run into hundreds of thousands. These new organisations have invaded terrain traditionally belonging to the government and private sectors, so that it is now impossible to draw clear lines between the private and public domains.

The vigorous participation of the 'voluntary sector' in the Philippines, as well as the sheer numbers of their members, makes it difficult to reverse the gains or overlook the contributions of the sector to national welfare.

It is even more difficult to characterise the current state of Philippine democracy without factoring in the participation of the voluntary sector in service delivery, policy formulation, program planning and implementation and resource generation - functions which were historically within the exclusive jurisdiction of the Philippine government.

Diversified and pluralistic

To a large extent, conditions obtaining in the period immediately following 1986 shaped the character of the NGO community. The expanded 'democratic space' allowed various efforts at citizens' participation to occur.

These efforts ranged from dialogues with government on the shape and direction of national policy, to the delivery of basic services for marginalised sectors and groups. Other NGOs were formed to provide information clearinghouse services, generate funds - especially from foreign donors - and

seek government contracts to perform specific functions.

On the international front, many private foundations set up shop in Manila, mostly as local or regional offices, to streamline the processing of funds for projects and to monitor national developments which might impact on their funding policies in the Philippines.

As a result, non-bilateral flows of resources from international agencies substantially increased during the post-1986 period. This phenomenon contributed significantly to the creation and diversification of the voluntary sector in the Philippines, so that it is now impossible to characterise the NGO community as a monolithic or even unified bloc.

Collaborative ventures between Philippine NGOs and international donor agencies undertook fresh experiments in conduiting funds directly to NGOs, bypassing government altogether.

This innovation was in response to the age old problem of government bureaucracies' inability to reach the grassroots. It also hoped to address problems of corruption in the utilisation of foreign aid, low rate of draw-downs, and the intrinsic bias towards heavy infrastructure investments such as hydroelectric dams, purchase of capital equipment, and the like.

A particularly interesting experiment was the Philippine Committee for Human Resources Development, undertaken between the Canadian International Development Agency and the Caucus of Development NGOs.

The Caucus is an umbrella group of more than 3 000 Philippine NGOs engaged in the delivery of basic services throughout the countryside. Through this approach, it has been shown that official development aid, formerly coursed through government channels, can be effectively administered by NGOs and have substantial impact.

Changing landscape

The 1990s have provided different conditions altogether for the Philippine voluntary sector. Events in Eastern Europe, Africa and the Middle East shaped and redirected the development funding agendas of many donors. Likewise, the performance of many NGO beneficiaries raised problems of efficiency, transparency, effectiveness and authenticity.

Courtesy of Natal Newspapers

Dwindling funds forced many NGOs to close down or to identify more focused activities, rather than addressing an entire gamut of development issues. As resources flows declined, competition intensified.

Organisational and personal relationships, previously governed by an adherence to higher principles, became subjected to the reality of scarce resources. Worse, the arrogance that often accompanies political self righteousness became a source of tension among NGOs not historically rooted in the anti-dictatorship struggle. A cliquish mentality tightened an already narrow circle of voluntary sector organisations.

Within the ranks of NGOs, an ideological split was brewing in the broad Left movement. Organisations whose historical and structural ties were with major ideological movements found themselves having to respond accordingly.

The 1990s have provided different conditions altogether for the Philippine voluntary sector

Dwindling funds forced many NGOs to close down or to identify more focused activities

It is difficult to understate the contributions of NGOs to Philippine society

By the early 1990s, some NGOs were clearly divided along ideological lines: on the one hand, there were those who continued to adhere to the basic formulations of the Communist Party of the Philippines, on the other hand were those who rejected the basic tenets and leadership of the Party.

By late last year, the ideological divisions were firmly established. The NGO community found itself fragmented and its energies dispersed. Today, what just a few years ago was a strong and united force is a broad community in search of a bond that will outlast its political and ideological differences.

Some NGOs responded by asserting organisational autonomy from the ideological groups, insisting on a *raison d'atre* that had little to do with ideology and more to do with providing services to client groups.

The NGO community is being called on to enter the treacherous arena of electoral reform and participation

The result has been the creation of a section of the NGO sector which operates completely separately and independently of previously hegemonic political formations - a development which is viewed as part of the healthy and necessary evolution of NGOs in particular and the voluntary sector in general.

An early legacy

Despite a chequered record of NGO performance in the Philippines, it is difficult to argue against their existence or understate their contributions to Philippine society.

For one, NGO workers have been perceived, even in the most cynical quarters, as organisations imbued with a spirit of selfless dedication and total commitment to general welfare.

Many NGO workers receive low pay, toil longer hours and work in extremely difficult circumstances. Their efforts are often unnoticed and unappreciated.

Further, despite working on meagre budgets, NGOs demonstrate impact at the community level that cannot be overstated. Compared with government and corporations, their ability to stretch limited resources is a strong argument in their favour.

More importantly, NGOs in the Philippines have helped shape the agenda for development through collective efforts aimed at popular participation in crafting policies in favour of the poor. They force government to be more accountable and transparent in decisions undertaken in the name of general welfare.

Finally, they are vigilant in preserving the space for social mobilisation and citizens' participation through peaceful means. In this respect, NGOs have greatly succeeded in enhancing their political legitimacy.

Challenges ahead

As they operate in the only constitutional democracy in Southeast Asia, with a strong system of open political contestation, the Philippine NGO community is increasingly being called on to venture beyond service delivery and enter the treacherous arena of electoral reform and electoral participation.

It has often been raised in discussions among NGOs that gains over the last few years can only be protected if they take the question of political power seriously and collectively.

NGOs that take the electoral challenge seriously will have to 're-engineer' themselves so that they can compete effectively in an arena which they have historically shunned. Aspiring politicians with NGO backgrounds will require a 're-tooling' process, combining skills of political diplomacy, legislative prowess and executive capability.

For a sector which has been suspicious if not outwardly hostile towards government, this contemplated shift is a dramatic one. IPA

SINGAPORE

PROGRESS VERSUS DEMOCRACY

Kenneth Christie
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Singapore is a spectacular economic success story. But its authoritarian government of 30 years denies opposition, human rights and freedoms. One must question the sustainability of Singapore's economic growth under such conditions: the aura of fear perpetuated by the People's Action Party is bound to have detrimental effects in the long run.

As a Newly Industrialising Country, Singapore is widely regarded as one of the most dynamic economies in the Association for Southeast Asian Nations (Asean) and a model for many developing countries.

There have been unique accomplishments in urban construction and planning, combined with an infrastructure that has raised living standards to First World levels with per capita Gross National Product higher than certain European Union members. Most Singaporeans have adequate housing facilities, reasonably inexpensive health care and a fairly good system of public education and transportation.

Many of the problems that plague other Southeast Asian cities such as high crime rates, severe traffic congestion, pollution and drug abuse, appear to have been all but eliminated from the city state. By the end of the century, the government lets it be known, Singapore hopes to achieve the living standards of Switzerland.

In this sense Singapore has done remarkably well for a small, vulnerable island state, assuming an importance in regional affairs out of all proportion to its size.

When it was expelled from the Malaysian Federation in 1965, Singapore faced great uncertainty because it had very few natural resources, a tiny agricultural base and a large population. Isolation seemed the perfect recipe for disaster.

Its leaders and officials constantly reiterate that Singapore's main resource is its people, and the dramatic growth in the years following the break with Malaysia indicate some validity to this claim.

To a large extent its growth is based on export oriented industrialisation, a determined emphasis on free trade, massive government intervention in all aspects of life, and the cultivation of large scale foreign investment, particularly by corporate enterprise. Singapore set out to make itself attractive to foreign investment by offering

Singapore hopes to achieve the living standards of Switzerland

Singapore has an importance in regional affairs out of all proportion to its size

A sense of insecurity continues to pervade the elite's political philosophy

low wages, a largely English speaking workforce and a corruption free government.

One cannot deny Singapore's economic success. In 1965, the People's Action Party (PAP) led by Lee Kuan Yew inherited severe economic problems: poverty, unemployment and homelessness combined with racial and ethnic tensions that could have sparked severe political strife.

Thirty years later, the change could not have been more dramatic, with more than 90% of Singaporeans owning their own homes, the GNP growing from S$1billion in 1965 to S$35 billion in 1992, and one of the highest per capita foreign reserves in the world. An annual per capita income exceeds US$18 000 and national reserves are more than S$90 billion.

But there have been costs. Recent events indicate a hardening in the regime's position on freedom of speech and democracy'.

The implied social contract is material advancement at the cost of authoritarian policies

Lack of democracy

A sense of insecurity based on its size and fragile resources continues to pervade the Singaporean elite's political philosophy. Such fears have been mobilised time after time over the last 30 years to justify authoritarian government which has by and large been based on the 'politics of survival'.

Notable of this style of government is that it precludes any effective opposition. The implied social contract is material advancement at the cost of authoritarian and undemocratic policies. The one party state apparatus, however, is coming under increasing pressure as the PAP sees its share of the popular vote declining.

The defensiveness of the Government is concerted, with regular propaganda barrages against Western decadence, lifestyles and the insidious influence of satellite television - banned for private use in Singapore - which are said to threaten 'traditional' Asian values. Singaporean officials claim a monopoly over these 'Asian values'.

Despite phenomenal economic growth in the region, many regimes are losing their support

The Singapore constitution has placed restrictions on the right to freedom of expression. If a publication is believed to incite violence or threaten national interests or security, it will be prohibited. The PAP Government over the years has been fairly liberal in applying this law in the broadest sense to stifle criticism and dissent.

The Television Corporation of Singapore (TCS) is controlled by the party and helps to develop standards of censorship. It has a monopoly, running all three television networks and most of the radio stations with the exception of services such as the BBC World Service, and Malaysian television channels (which are already censored).

All the mass daily newspapers are controlled by the private Singapore Press Holdings, which has extremely close ties with the political leadership.

At various times the regime has restricted circulation of publications that reported on Singapore, including *Time*, the *Asian Wall Street Journal*, *Asiaweek* and the *Far Eastern Economic Review*.

In 1993 it restricted the circulation of the British magazine the *Economist* following an article on Singapore's prosecution of five people under the Official Secrets Act. In addition, Singapore revoked the magazine's exemption from various bureaucratic procedures: it is now required, for example, to make a S$200 000 (US$125 000) deposit to the Government. The restrictions seem petty in scale, but the control over information and alternative views is highly systematic and staggeringly insidious.

Despite phenomenal economic growth in the Southeast Asian region, many one party dominant regimes are losing their previously unstinting support. In Singapore the government still engages in large scale social control to stem the tide of democratisation. In 1987, then Prime Minister Lee Kuan Yew proclaimed:

> *"Who your neighbour is, how you live, the noise you make, how you spit, or what language you use. We decide what is right. Never mind what the people think." (Straits Times* October 18, 1994*)*

But clearly, what the people think and how the vote has declined has become a worrying preoccupation of the regime. In 1980, the PAP managed a very respectable 75,5% of the popular vote: in 1984 this decreased to 62,9% and in 1988 and 1991, 61,8% and 61% respectively.

After the last election in 1991, the new Prime Minister, Goh Chock Tong, indicated his unhappiness and discontent with the result. He stated: 'Life cannot go on as it did before. Certain things have to change now.'

The dominance of the PAP is criticised by opposition leaders who seek more democratic rule. In 1988, the regime accused an American diplomat of pushing local lawyers to stand for office against PAP candidates. Goh then said that such activity threatened to 'break up the cohesion of our society' and that '30 years of bonding and nation building would come to naught'. In the end, the result would be chaos and poverty.

Another commentator notes the 'exemplary punishment' the regime reserves for those who question its authority and pose a political challenge. A leading opponent of the PAP, J B Jeyeratnam, has been bankrupted for criticising Lee's autocratic style. Former Attorney General, Francis Seow, was forced into exile - on grounds of 'tax evasion' - after running as an opposition candidate in 1988.

Academics at institutions such as the National University of Singapore (NUS) and other tertiary institutions are government employees who are loathe to criticise government politics and in general eschew any political comments. When they do comment they tend to side with the government and avoid anything that may draw retaliation from the regime.

In 1993 Dr Chee Soon Juan, a Singaporean lecturer and Deputy General of the opposition Singapore Democratic Party, was informed that his contract would not be renewed because of an alleged irregularity involving the use of research funds to mail his wife's thesis to the United States.

Chee claimed this was necessary for his own research: the sum was fairly small, less than S$250 ($US150), and he appeared to have received sanction from his own head of department - incidentally a PAP Member of Parliament. The lecturer went on hunger strike in protest and claimed the punishment was politically motivated. In response the NUS fired him with immediate effect.

Several university officials, including his former head of department, brought defamation suits against him after he questioned the motivations of superiors who ordered his dismissal. The suits resulted in heavy fines - a tactic that has been used repeatedly to intimidate political opponents. Under Singapore law, a history of bankruptcy disqualifies one from political office.

Freedom of expression is not high on the agenda. In October 1994 the police interrogated an American teaching at NUS, Dr Christopher Lingle, over an article he wrote for the *International Herald Tribune*.

Lingle's 'crime' apparently was to call into question the 'independence' of the Singapore judiciary, although he never actually specified Singapore in the article. But he did the voice the opinion that certain intolerant regimes in the region displayed subtlety in their reliance on a compliant judiciary to bankrupt opposition politicians.

In the event Lingle left after the questioning for his native America. He was tried in absentia for 'contempt of court', under a law that forbids 'undermining public confidence in the judiciary'. The court found him and his publisher guilty of contempt of court, imposed a S$10,000 fine on him and seized his pension saving funds.

In an bizarre, Kafkaesque twist, Attorney General Chan Sek Kong claimed unashamedly that Lingle could not have been describing any other country in the region as having a compliant judiciary 'because there is no other such country'.

Chan also noted, to prove his point - and without the slightest comprehension of the irony - that between 1971 and 1993 there had been 11 cases of opposition politicians who had been made bankrupt after being sued (*Straits Times*, January 10, 1995).

Despite the judgement in the local press that the Lingle case was about protecting the integrity of the judiciary and 'had nothing to do with freedom of the press', it is clear that it was about freedom of expression, which is severely restricted in Singapore.

Criticism of the West and its social, economic and political problems - which fills the pages of the leading English language daily newspaper the *Straits Times* - flourishes, but this is clearly a one sided debate: alternative and dissenting views are heavily discouraged.

In 1995, the *International Herald Tribune* was once again brought to trial over an article which alleged nepotism among the Singaporean elite. The court awarded the three leaders involved S$680 000 in damages. Clearly, incurring the wrath of such leaders is detrimental to the role of a free media.

How the vote has declined has become a worrying preoccupation

Academics are loathe to criticise government politics

Freedom of expression is not high on the agenda

Singapore claims that a special set of 'Asian values' separates East Asia from the West

Asia Watch, an international human rights organisation, has provided a list of alleged violations in Singapore which include 'preventive detention', imprisonment without trial, various restrictions on freedom of movement, speech and association, various limits on judicial review, and the intimidation of opposition or potential opposition politicians, to name a few.

Response to the West

Singapore is a leading exponent of claims that a special set of 'Asian values' separates East Asia from the West, and therefore allows Asians the luxury of different human rights and democratic standards.

Singaporean leaders concentrate on the harmful aspects of Western culture, which include abuse of drugs, excessive individualism and placing personal over family interests, sexual promiscuity, and laziness. Asian habits of industriousness, selflessness, filial piety and community before self are continually trotted out to make political points. Lee Kuan Yew, for instance, consistently champions community rights over individual rights:

At what point does a society become developed enough to improve civil rights?

> *"Whether in periods of golden prosperity or in the depths of disorder, Asia has never valued the individual over society. The society has always been more important than the individual." (Straits Times,* June 17, 1993*)*

Regimes such as Singapore and Malaysia have concentrated on the economic and social rights of their citizens to an enormous degree. However, these have been at cost to individual political rights and civil liberties. The trade off logic is questionable: at what point does a society become developed enough to improve political and civil rights?

In its favour, Singapore has a good record in that political and extra-judicial killings are completely absent and disappearances, common in some other Asean states, are non-existent. It would be near impossible to compare human rights violations in Singapore with those of Indonesia or Burma, for instance. However, for dissidents and opposition politicians, the comparative oasis that Singapore has been, must seem like the desert.

Draconian laws such as the Internal Security Act have been used against political opponents and those who dare to criticise the regime. Francis Seow, Chee Soon Juan and Christopher Lingle, among others, have felt in varying degrees the harshness of a regime bent on stifling opposing viewpoints.

The softer, more liberal and open approach that Prime Minister Goh Chock Tong promised when he took over in 1991 has not materialised and appears to have been abandoned. In fact, some see his regime as even more heavy handed.

Singapore may aspire to be the Switzerland of Southeast Asia and rhetorically promote the arts and high culture, but in reality it severely limits artistic expression and the development of a creative community.

Of all the presses in the region the *Straits Times* must qualify as one of the least free: an irony in one of the most rich and developed nations in Asean. Moreover, because of the size of Singapore, the general level of fear and political sensitivity is magnified.

One might be more likely to hear critical political discussions taking place in openly authoritarian dictatorships like Burma or North Korea, than the self proclaimed 'intelligent island'.

At the university, where one expects an open and critical intellectual climate, such levels of fear are pervasive. When Dr Chee was fired, for instance, not one member of staff or student was willing to speak out or campaign on his behalf: he had become *persona non grata*.

In a society where one risks losing career and livelihood for saying something politically incorrect, can one really make a case for prioritising economic, collectivist rights over political rights and civil liberties, and acquiescing in the repressive atmosphere?

One must question the sustainability of Singapore's economic growth under such a sterile and anti-creative authoritarian regime. The increasingly Orwellian techniques of mass control and political compliance merely serve to reveal the underlying insecurity complex at work.

In the long run, the aura of fear perpetuated by the PAP regime upon its subjects is bound to have detrimental effects and repercussions on society as a whole. IPA

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DEVELOPMENT
MONITOR

LARGEST URBAN AGGLOMERATIONS

Estimated 1995 populations of more than 2,5 million

In Africa there are only eight urban agglomerations with populations ranging from 2,7 milion to over 20 million. Together they accommodate nearly a quarter (65 million) of the continent's total urban population of 278 million. Three of them (combined population of 14,7 million) are in South Africa, three in North Africa and two (Lagos and Kinshasa-Brazzaville) in the rest of the continent.

URBAN AREAS	URBAN POPULATION 1960 '000	1995 '000	1995 % of tatal urban population
Nile Delta (Egypt)	—	21 000	72,0
Algerian Coast	870	3 700	23,0
Moroccan coast	1 380	5 200	36,0
South-West Nigeria	2 000	15 000	30,0
Lower Congo/Zaire River	500	5 300	28,0[1]
Gauteng Province (South Africa)	2 800	7 750	29,0
Durban-Pietermaritzburg (South Africa)	870	3 900	15,0
South-West Cape (South Africa)	910	2 750	10,0

1 Percentage of total urban population (19 million) of both Congo and Zaire

AFRICA'S 30 LARGEST CITIES

Estimated 1995 populations of more than 1,2 million

Whereas in 1960 there were only four cities with more than 1 million residents (Cairo, Alexandria, Casablanca and Johannesburg), there could at present be some 40 cities with populations exceeding this figure, because the estimates given in this table are difficult to substantiate.

CITY (Capitals in bold)	COUNTRY	POP. '000	CITY (Capitals in bold)	COUNTRY	POP. '000
Cairo	Egypt	12 000	Copperbelt[3]	Zambia	2 000
Lagos*	Nigeria	10 000	Nairobi	Kenya	2 000
Alexandria*	Egypt	4 400	Tunis*	Tunisia	1 900
Kinshasa	Zaire	4 400	Dakar*	Senegal	1 800
Casablanca	Morocco	3 900	Durban*[4]	South Africa	1 800
Algiers*	Algeria	3 700	Marakesh	Morocco	1 800
Abidjan*	Côte d'Ivoire	2 800	Rabat	Morocco	1 800
Tripoli*	Libya	2 600	Antananarivo	Madagascar	1 700
Johannesburg[1]	South Africa	2 500	Conakry*	Guinea	1 700
Khartoum	Sudan	2 500	Harare	Zimbabwe	1 700
Addis Ababa	Ethopia	2 400	Ibadan	Nigeria	1 600
Cape Town*[2]	South Africa	2 400	Lusaka	Zambia	1 300
Dar es Salaam	Tanzania	2 300	Accra*	Ghana	1 300
Luanda*	Angola	2 300	Féz	Morocco	1 200
Maputo	Mozambique	2 300	Pretoria	South Africa	1 200

* Seaports
1 Including Randburg,Sandton and Soweto
2 Including Cape Peninsula and Cape Flats
3 Including Chingola, Kitwe, Luanshya, Ndola, Mufulira and other towns
4 Including KwaMashu, Pinetown and Umlazi

Poverty, Power and Land Authority

By Tessa Marcus
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There is a strong demand for land among three communities living on Church 'community farms' in KwaZulu-Natal. They see getting land as about righting historical wrongs and providing practical ways of addressing their most basic needs. But land reform also needs to be tied to giving people the authority to manage and find answers to the problems which confront them.

'Community farms' embody an old involvement of the Church with land and the people who live on it

This article is based on a study of three 'community farms' of the Evangelical Lutheran Church in Southern Africa. Through its holding and management company - ELC Property Management Company - the Church owns 95 properties throughout the country, 67 in KwaZulu Natal.

Of these properties, 59% nationally and 78% in KwaZulu-Natal are rural holdings. They embody a centuries old involvement of the Church with land and the people who live on it. Under apartheid the Church tended to favour the *status quo* while at the same time trying to address the needs and concerns of most of its members. This ambiguity (Wilkinson 1994) persists, reflected in the Church's lack of a coherent approach to developing land.

Inroads made fall far short of meeting the needs and expectations of farm communities

This study, undertaken by the University of Natal's Department of Sociology and School for Rural Community Development, is one fruit of an organised attempt in the Evangelical Lutheran Church to grapple with community related issues over the past five years. Its task was to provide a socio-historic and needs assessment survey which would assist ELC-PMC develop a farm planning process.

In late 1990, the company opened a Development Section, which has made progress despite a shortage of personnel, inadequate financial resources and competing influences within the Church. Since its inception, farm committees have been elected on all but two of the farms, a Farms Development Forum established and a newsletter distributed.

However, the Development Section recognises that the inroads that have been made fall far short of meeting the needs and expectations that exist among communities on the farms, not least of all because of the possibilities of change that came with democracy in South Africa.

Methodology

The field work was carried out over three months in late 1994. The three farms chosen for the study were carefully selected by ELC-PMC to reflect the range of communities and conditions pertaining on Church land. A range of research methods were combined: in depth interviews, focus group sessions, and a questionnaire. In all, 79 households were sampled, representing 30% of households resident on the farms.

The three farms in the pilot study are all 'community farms'. Nietgedocht lies adjacent to Muden village in the Natal Midlands. There are 60 households living around the 1 275 hectare farm, 160 hectares of which are farmed commercially by a white manager. The remainder is used by the community: 35 hectares for residence, 40 hectares for cultivation, and a small proportion of 1 040 hectares of veld for grazing.

Surrounded by white, privately owned land the Bethel farm in the Vryheid District covers 2 108 hectares, just under half of which is farmed commercially under white management. The 63 households use 45 hectares for residential purposes, 124 hectares for cultivation and some of 929 hectares of veld for grazing.

The mission farm at Rorke's Drift has no commercial farming section. It comprises four farms and is isolated. The community, comprising 138 households, live in three village like settlements spread over some 80 hectares. Some 40 hectares are put to arable use and the remaining 1 936 hectares is veld, used for a limited amount of grazing.

The complex array of concerns which combine into land related issues gravitate around the key areas of land ownership, access and use, current socio-economic conditions, the meaning of community, and the exercise of authority and control.

Community farms

The starting point for the study must be 'community farms' and an understanding of their place in the Evangelical Lutheran Church. Within the Church 'community farms' are those which have resident communities living on them.

In the South-East Diocese - KwaZulu-Natal - there are 15 'community farms', all of which have been managed and are now owned by ELC-PMC. The Company devised a set of rules to govern and manage 'community farms' which was adopted by the Church Council in 1977.

The Common Farm Community Scheme - presently under review as a result of community pressure - is explicit about ownership, occupation, usage and control. Authority of ownership and administration are decisively located in the company. The rules allow farm committees, but at best these are envisaged as weak bodies expected to regulate communities on behalf of the company rather than act in the interest of the communities.

The rules stipulate that, in principle, only members of the Church are allowed to reside on the farms. The company is the final arbiter over applications for sites. It stipulates the size - one acre or 4 046 square metres - and up to four acres for cultivation. It spells out the conditions of occupancy.

The reallocation of lapsed land rights is a farm committee task. Rent has been set at an annual rate of R20 to R30 per annum. The company also regulates the location of residential sites. On some farms plough land is charged for.

There are formal controls over wattle, and informal controls over cropping. Residents have to get company permission to bring stock onto the farm, and the rules specify the number and kind of animals permitted, with different formulas applied to different farms. Mostly, only cattle, pigs and fowls are allowed. Dipping fees are charged.

The Scheme stipulates that the company has to be consulted about all projects and it reserves the right to stop any project. According to the rules, 80% of income generated by rent, fees and fines belongs to the community to be used for the development of the part of the farm used by the community.

The amounts raised are nominal, and barely keep the farms ticking over. To address the need for more funds, the company vision seems to be shifting towards establishing an 'economic rate' - that is, charging people 'the real price' for goods and services. Rentals are likely to increase, charged according to how much is needed to run the farm. Dipping fees and livestock levies are also likely to be raised, and in future stock owners will have to carry, on a proportional basis, the full cost of managing their herds.

The Scheme unequivocally establishes the authority and protects the interests of the ELC-PMC as a company. It has often caused disgruntlement among the communities - imposing, regulating or denying people authority over their own lives.

Socio-economic conditions

The socio-economic circumstances of communities combine with the rules to materially affect how they manage their lives, what their needs are and what drives their expectations. The sample covered 79 households and 792 people.

Table 1: Survey Sample

Location	H/H	No.
Total	79	792
Muden	20	209
Bethel	22	247
Rorke's Drift	37	315

Authority of ownership and administration are decisively located in the church company

The company is the final arbiter over applications for sites. Rent is R20 to R30 per annum

The rules specify the number and kind of animals permitted

The size of the average household was 10 people

❑ **Average household size**
The size of the average household in the study was 10. Households lived in fairly cramped conditions, with 73% of the sample living in homesteads with nine or fewer rooms. For 19%, total dwelling space comprised three rooms or less.

❑ **Age, sex and origin**
The population is generally young. Table 2 shows that a third or more of people surveyed are 15 years or under, rising in Muden to 44%. The proportion of the sample below 22 years rises to 51%, reaching 59% in Muden.

Table 2: Age of Population

Area	0 - 15 %	16 -59 %	60 - 88 %
Total	36.5	57.3	7.0
Muden	44.5	50.2	5.0
Bethel	36.4	56.6	7.0
Rorke's Drift	33.0	61.0	6.0

73% of the population reported having no income and being dependent on resources generated by others

❑ **Sex**
The survey showed an even ratio of women to men, although the proportion of women is greater in Muden (54 to 46) and Bethal (52 to 48) whereas in Rorke's Drift there are proportionately fewer women (46 to 54).

❑ **Place of Birth**
Most of the people - 76,5% - in the three communities were born on their respective missions. In general, only 3% were born in a metropolitan centre and 6% in small towns. Four percent were born on white owned farms and 7% in black rural areas.

❑ **Education**
Regarding education, 83% of the sample had attended school for varying lengths of time. Only 5% had had no education. A fairly large proportion - 36% - had completed primary education, 23% had completed junior high school, but only 11% completed Standard Ten. Post school education had only reached 5,5% of the people.

Three quarters of people had incomes of R400 or less a month and 15% had R100 or less

❑ **Jobs and occupations**
The study found that 37,5% of people surveyed constituted the non-school going, economically active segment of the communities. More than a third - 37% - of the economically active were unemployed, which means that only 23% of people were working at the time of the survey. Of these, 31% worked in and 69% worked outside the survey area, and 64% of the employed population had formal sector work.

❑ **Income: amount**
A high 73% of the population reported having no income and being dependent on resources generated by others. Three quarters of people had incomes of R400 or less a month and 15% had R100 or less a month. Only eight people had a monthly income of R1 000 or more.

❑ **Income: sources**
For 66% of those with a direct income - 22% of the population - wages were the first source of income. Nearly a third of people who relied on wages as a first income received them as remittances, and 7% of the population and a quarter of income earners depended on welfare transfers and pensions as their primary income source. Only 5% of income earners relied firstly on business. Significantly, agriculture was the primary source of income for only 0,4% of the population and 1,2% of income earners.

❑ **Income: expenditure**
When we look at the way people spend their incomes, communities on mission land conform fairly typically to poor, low income rural households. No household reported buying no food and relatively few reported spending nothing on transport, energy or health. In particular, the cost of energy is worth noting, as it is no longer a 'free good' for many rural households.

Approximately half of the households spent nothing on education in the month before the study. A significant proportion spent nothing on household maintenance, appliances and tools, furniture, clothes, telecommunication or agricultural inputs. The negligible outlay on agriculture suggests low levels of production and the limited contribution it makes to household well being.

The survey indicates very low levels of income for most people on 'community farms'. Their spending priorities gravitate towards meeting food needs, for the most part, at a very basic level. Despite their best efforts, 28% of households reported that mostly, they did not get enough food. Only a fifth said they always had enough food.

Most have such limited incomes and savings that they have very little flexibility to anticipate large expenditures or to ward off the effects of crises. Their principle problem is not having enough income.

❑ **Water**
Clean, fresh accessible water is still a problem for most households, although it is still a 'free good'. Only 21% of households had tap water in their homes or on their premises, 17,5% used protected boreholes and 15% used stand pipes. But 39% depended on unprotected water sources for their principal supply.

❑ **Fuel**
A fraction of households use electricity. The majority (82,3%) rely on wood for cooking, wood or paraffin (81% and 10%) for heating, and candles or paraffin or these in combination (81%) for lighting. Wood is mostly collected in the survey area. Most people collect wood on foot (71%), with the remainder relying on some form of vehicular transport.

❑ **Medical Attention**
In terms of medical services, 43% of the households attended clinics on mission land, with 52% preferring to go to the clinic in the nearest town. Ninety three percent of households had to go to town to see a doctor, as no doctors were on site or visited the missions.

❑ **Expectations**
These conditions can be set against felt needs people articulated about their social conditions. With regard to their homes, people ranked the urgency or importance of these items in the following descending order: running water, electricity, improving their existing house, a new house, a telephone, and finally, more land for their existing house.

Improved utilities and services needed in their communities were ranked as follows, also in descending order: education, running water, health, commercial shopping, roads, transport networks, security, and sports and recreation.

The social and economic conditions of households living on 'community farms' are generally austere. People are poor and in considerable need.

Land past and present

To reveal the rich composite picture of people's relationship to the land and their expectations of it, it is useful to look at each aspect of the question separately, from a perspective of both history and present conditions.

❑ **Land ownership**
Exploring the complexity of who the land belongs to is not a simple matter of who has title deed at present. In all the communities there is a pervasive sense of land rights which derive from their history. At all three sites, the Church found people living on the land.

There is a sense of historical right to the land, that the Church occupied what is now understood as mission land by the grace and grant of the indigenous authorities. This is one of the acknowledged routes of acquisition.

The sense of historical right, however, is ambivalent for two principal reasons. One is that the communities are not simply made up of people whose ancestry can be traced to the specific sites where mission land is located. Dispossession over centuries has forced considerable population movement.

The other perhaps even more important reason is the practical authority and power that derives from the seemingly inviolable rights of title deed. People have experienced only tenuous rights on mission owned land. They have been at the mercy of the Church hierarchy and the whim of the state. Many have left mission land because they have refused to accept the terms and conditions. Many have been expelled.

Until five years ago, residents had no security of tenure because the farms they occupied were deemed 'black spots' under the Group Areas Act and they were scheduled for removal. In 1989 the ELC-PMC secured communities permanent rights of residence - but 'subject to the number of homesteads on the farms remaining at the 1972 levels'. At present, registered residents have occupational and conditional usufruct rights to the sites they have been allocated. Most have access to agricultural land, but 13% do not.

From the communities perspectives, management and effective control is open to question. They feel strongly that these responsibilities should be exercised by them through democratically elected and accountable structures.

Communities are also claiming a right to title over the land. Their claim is intended not to deny other components of the Church their rights, but to underscore an entitlement they feel is rightfully theirs.

People want running water, electricity, improving their house, a new house, a telephone, and more land

There is a sense of historical right to the land

People have experienced only tenuous rights on mission owned land

Communities are claiming a right to title over the land

Their claim to the land also extends over commercial farms which were created out of the land they occupied and used. People report being relocated within the mission farms, their resettlement being coincident with commercialisation.

❑ Land Access

The question of land access centres on who gets access rights and under what conditions. On Church farms both these aspects have sown conflict and reaped hardship for people. Although in principle, only Lutherans may access mission land, people living on 'community farms' have always been heterodox.

The Church has generally controlled 'stranger' movement onto mission land. Despite decades of large scale evictions of farm workers off white owned land and population concentration in the reserves, the communities on mission farms have largely remained stable with limited new settlement.

Residents' grown children have been prevented from setting up independent homesteads on mission land

In fact, their stability - in terms of numbers - belies their own natural population growth. This is because of a ruling on 'sites for sons'. Residents' grown children have been prevented from setting up independent homesteads on mission land, and many have been forced to remain with their parents - causing overcrowding - or leave.

'Sites for sons' has become a persistent, bitter grievance. A ruling alleviating the issue was taken by the company in 1994, in the face of mounting tension and the prospect of community action in the wake of elections. But people still raise the issue.

Aside from who may access the land, there is also the question of how people can access it. Here, the issue of rent is central. The imposition of rent for land has long been a source of conflict with the Church and a source of division among people living on 'community farms'.

Stock numbers and variety were significantly reduced and crops and cultivation practices interfered with

People express reservations about paying rent for several reasons. Some say they don't know what the rent is used for. Some say they can't afford to pay rent. Others don't want to pay rent forever. At Bethel in particular, people expressed a clear desire for title deeds to the land. A contrary view that 'you can't stay in a place for free', is also held, but far more weakly.

The absence of community control and visible community benefit of the funds raised through rent is the strongest reason why people oppose paying rent. People want effective authority over the land they use, whether it is accessed through rent or because they have title deed.

❑ Land use

Land use patterns of communities living on mission owned land have changed over the years. The legacy of the apartheid era is that stock numbers and variety were significantly reduced and crops and cultivation practices were interfered with, imposing a denuded mono-culture on increasingly resource poor communities. This is starkly evident

Of those surveyed, 76% use their land for cultivation purposes. A number of households - 14% - report that their fields are used by people from other households. Fifty six percent of households report cropping their fields in the previous season, mostly growing maize and nothing else. At Muden, 20% also grew beans and at Bethel 18% had planted vegetables.

Crops are grown to meet household food needs and occasionally some are traded with family or neighbours. Most ploughed with a hired tractor and a few used their own or hired an animal for draught.

In Muden and Rorke's Drift, few households bought fertilisers (10% and 22%) or seeds (10% and 19%) and few hired labour (5% and 30%). By contrast, 88% of Bethal households used fertiliser, 37% bought seeds and 59% hired labour.

In terms of stock holding, sheep and goat herds were only reported at Rorke's Drift, where 11% and 16% of households had 31 sheep and 61 goats, respectively, between them. A few households in each community kept one or two pigs.

Most households who had animals had cattle. Respondents reported a cattle herd of 339 head: 180 at Rorke's Drift, 116 at Bethal and 43 at Muden. Thirty four percent of households in the sample have no cattle. Nobody in Muden owned more than nine head, while 27% in both Bethal and Rorke's Drift owned 10 head or more, with one running a herd of 20.

Only 27% of households in Bethal and 20% in Muden produced a very limited amount of milk for household consumption. The only other stock contribution to household food supply were chickens.

People want to cultivate, 'so as not to squat'. But it seems that efforts to cultivate their land are constantly frustrated. People see their past concentration into village settlements as a way of making way for white farmers' livestock.

"They put us together so that they could divide the land into camps for their livestock. They have more than 10 000 cattle. The black people have no land and the children are suffering." (Focus Groups, Bethel)

Many community members hunger for land in order to expand their stock holdings. People want more stock in number and variety. They want stock for consumption as well as ceremonial purposes.

Authority and control

People's relations to the land are significantly shaped by the institutions which exercise authority over them or on their behalf. The research focused on people's perceptions of farm committees and their relationship to ELC-PMC, the Church and more remotely government.

Historically, authority over communities was exercised by the Church hierarch. The introduction of elected farm committees was a measure designed to give limited self management capacity to the communities.

The initiative to institute some democratic local management is welcomed by all. Community concerns are channelled through farm committees to ELC-PMC. But people feel ambivalent about the motivation behind setting up farm committees because of the persistent influence of previous management procedures and the limiting frame imposed on them.

At Bethel, peoples suspicions about the motives behind the farm committee initiative centre on changes taking place at the mission at the time of its introduction and the problem of their limited authority:

"The committee was created about when the whites left. The whites left to see if we could manage ourselves and because of our grievances. They created the farm committee to act as a wall, a shield from the community. They gave us the committee so that we could fail, to prove that we can't govern ourselves." (Focus Groups, Bethel)

People also feel they were thrown in at the deep end, with no training or skills. Capacity limitations are compounded by the fact that all decisions taken by the farm committees are subject to company and Church authorisation.

As they are presently constituted, there is an overwhelming sense of the powerlessness of the farm committees. This institutional powerlessness reinforces the communities' sense of powerlessness and marginalisation.

Needs and expectations

People living on 'community farms' face the future with serious practical needs, modest expectations and a cautious optimism which is borne of a bitter sense of history. At the same time, there is a deep attachment to the place they were born and the people they grew up with.

"We are here because we want to be here. We want our children here as well. We voted for our lands. We want to develop this place. We want our lives to be comfortable." (Focus Groups, Bethel)

More broadly, living in the countryside is a preferred location: only 14% of respondents said they would prefer to live in town. But remaining on the land is tied up with the desire and expectation of a better life for all.

When surveyed, 77% of the households said that they wanted more land. Most people have a modest vision of the land size they want: 75% wanted one hectare or less while 20% expressed a desire for very large tracts of land - 300 to 3 000 hectares.

This range in vision is probably linked to what they expected to do with it. About a quarter said they wanted more land for residential purposes, which for some includes gardening potential. A quarter wanted more for grazing and the remainder wanted land to cultivate.

Among those who want land, there is an 80% preference for land in the mission areas. Three times as many respondents said that they would prefer to pay for land and stay where they were than move to free land chosen by government.

Twenty percent of households said they were prepared to move 'anywhere' - but their understanding of 'anywhere' is qualified. Most of those who were willing to

People want more stock in number and variety

Farm committees were introduced to give limited self management to communities

Only 14% of respondents said they would prefer to live in town

Most people have a modest vision of the land size they want

relocate thought of moving within a 10 kilometre radius, with only 21% really being open to distant relocation.

The proportion of households prepared to move rose to one third 'to get land'. They anticipated that with more land for cultivation and grazing they would have a better life, even though they felt concerned about settling among new people.

People's view of who should get land in the community is generally undifferentiated. The overwhelming majority felt that anyone who wants it should get it, although sons and daughters were often expressly mentioned. By contrast, people draw a sharp line between their communities and people outside. Only a fraction thought that neighbours or black people in general should get land from a dispensation directed towards them.

Land reform needs to be tied up with giving people the authority to act on their own behalf

Most people were unsure about how they thought they could get land. Those who responded felt that land within the mission would be negotiated with the authorities or officials, through the farm committee, and that land outside the missions would be bought.

As to who should pay for land that was acquired, 25% thought the individual or household members should pay and 30% thought government should. Others mentioned farmers (10%), the company (12,5%), or the community (5,3%). A few respondents said nobody should pay because 'why should we pay for land originally ours'.

As to whether land should be allocated to individuals in allotments or to communities for communal ownership and use, views were fairly evenly divided: 37 to 43. Comparing the three communities, however, households in Muden distinctly preferred individual allocation, those in Rorke's Drift distinctly preferred communal allocation, and preferences in Bethal were split evenly between the two.

Views about who should decide who should get land in the communities were more differentiated. Among those who responded, there is general consensus that the farm committee is central.

The demand for land is intrinsically about meeting basic food needs, enabling social and cultural reproduction, and creating a base for more sustained development. People need income to improve their livelihoods.

They want work and evidently regular waged employment is the most important determinant shaping the well being of millions of rural and urban based households.

But high unemployment, insecurities in the job market and high dependency ratios mean that to improve livelihoods people require diverse sources of income, even those with jobs. Hence, the demand for land.

Expectations centre around what people want and who should be responsible for getting them what they want. There is a clear desire and will in the communities to engage with their own development needs. They need and expect to do this in cooperation with the Church and the new government. But they also need and expect to do so in an empowered and independent way.

People do not really anticipate that reforming their relations on the land will meet all their basic needs. But they do see it as a concrete option which can meaningfully contribute to their well being.

Conclusion

It is clear there is a strong demand for land in the three communities. Land issues are about righting historical wrongs which saw people lose control over their land and therewith over their lives. They are about providing people with practical ways of addressing their most basic social and economic needs.

There are huge needs and modest, indeed mundane, expectations which need to be addressed. Current circumstances present the Church with an ideal opportunity to assist the communities on 'community farms' recover from the victimisation of apartheid and break free from the burdens of dependency.

In doing this, land reform needs to be intimately tied up with giving people in the communities the weight of authority to act on their own behalf, as full and equal citizens who themselves can manage, control and find answers to the range of problems which confront them. IPA

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Uplifting the Urban Poor

Meeting Basic Needs in KwaZulu-Natal

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A study of services in KwaZulu-Natal formal and informal settlements that are home to 4,8 million people, found that most township dwellers are substantially better resourced on every single service than people in informal settlements. It suggests that development should target the least privileged and that funds should be spread widely in order to raise the general level of services to meet basic needs.

The following analysis is based on a research report by Data Research Africa, conducted for the Socio-Economic Reconstruction and Development Unit of KwaZulu-Natal's Regional Peace Committee.

The report compiled secondary information on the level of service provision to meet basic needs in 534 urban and peri-urban formal and informal settlements in KwaZulu-Natal. It covers a total black population of about 4,8 million, broken down into about 2,3 million people in formal and 2,5 million in informal settlements. It does not cover the rural poor.

The services presented and analysed are water, sanitation, roads, drainage, housing, education, health, telecommunications, solid waste and electricity.

The information is analysed in terms of the percentage of the population to which services are delivered. It is not presented in terms of the percentage of settlements with varying delivery of services, although that is the form in which the data was collected. This is because it makes no sense to compare a large settlement of around 200 000 people with small ones of 200 people.

This research constitutes the largest data base currently available. It can be used to reveal trends about basic needs and service delivery in terms of the relationships between:

- Settlement type
- Level of different services
- Basic needs
- The number of people affected.

A limitation of the study is that the data is not based on primary research undertaken by Data Research Africa, but is dependent on secondary sources. Some of the information is therefore open to correction, particularly at the level of some individual settlements. It is unlikely, however, that such corrections will make a major difference to the overall trends discussed here.

It would of course be best to undertake further primary research to check that the information on levels of service delivery is up to date. Furthermore, an information gathering exercise of this nature is not sufficiently sensitive to differences in the quality of delivery and to the ability of the

The report encompassed 534 urban and peri-urban formal and informal settlements

This constitutes the largest data base currently available

More than three quarters of people living in informal settlements have only minimal service provision

population of a settlement to access services in a neighbouring area.

This is particularly the case in regard to educational and health facilities. People living in an informal settlement which has inadequate educational or health services, may be extremely close to services in an adjacent formal settlement. Indeed, their access may be better than people in the formal settlement who reside some distance from the educational or health facility.

Notwithstanding such qualifications, this information allows policy makers to pinpoint:

- Which services are most poorly provided
- What the differences are between services available in formal townships or informal squatter settlements
- How many people are without such services
- Which sub-regions are the most badly affected and in need of intervention.

KwaZulu-Natal's Joint Services Boards (1994)

JSB AREAS	Area (km)	Popu lation (mill)	Levy Payers	Total Levy Income (Rm)	Per capita Income (R)
East Griqualand	3 920	0,04	1 027	1,90	47,50
Natal Midlands1	8 569	1,2	11 500	30,15	25,10
Port Natal - Ebhodwe	5 322	3,1	44 952	158,20	51,00
Southern Natal	5 270	0,6	5 327	8,50	14,10
Thukela	22 624	1,2	6 250	17,70	14,75
Zululand	39 431	1,9	6 199	23,20	12,20

1- This figure is derived by dividing total levy income by total population in each JSB.

The greatest need is in metropolitan Durban

This information can then be linked to government resources A major route for funding service delivery are the various Joint Services Boards (JSBs). The data on minimum delivery of services to meet basic needs is presented in terms of JSB boundaries and it is therefore important to specify what resources are available to the JSBs.

On the basis of this study, the information on JSB funding and additional survey data on stated preferences of people living in these areas ranking service delivery and basic needs, policy makers involved in reconstruction and development should be able to prioritise the various service deliveries to meet basic needs, target where development interventions should occur, and allocate funds appropriately between various sub-regions.

Key issues

The summary information collected suggests the following key issues regarding the provision of basic needs among the urban and peri-urban black population:

- The majority of people living in formal settlements are substantially better resourced on every single service than those living in informal settlements.
- There are, however, a significant number of people living in formal settlements with substantially lower service provision than the rest of their fellow residents. For example, a quarter of the formal population use a water standpipe per 20 stands while the rest have metered supply. Just over a third use on-plot pit latrines while the rest have conventional sewerage. Just over half live in formal settlements with no storm water drainage, and one third have no electricity.
- The level of service provision to meet most basic needs for the vast majority of people living in informal settlements is at the lowest minimum level. In other words, they are not only deprived relative to people in formal settlements but are also absolutely worse off in terms of service provision.
- More than three quarters, and for some services closer to 90%, of people living in informal settlements have only the minimum level of service provision for water supply (communal standpipes), sewerage provision (community pit latrines), roads (unsurfaced tracks), drainage (no storm water drains), housing (rudimentary informal structures), electricity supply (no domestic or street lighting), and no telephone connections.
- As regards the distribution of service provision between the various sub-regions of KwaZulu-Natal, the greatest need in terms of providing services to the population living in informal settlements is in metropolitan

Durban. Just under 80% of the informal population of KwaZulu-Natal - about two million people - live in the Port Natal-Ebhodwe JSB, and they constitute about 60% of the urban and peri-urban black population of the JSB.

- In terms of differential provision of services to informal settlements between sub-regions, access to water is significantly different. The sub-regions with the worst provision are Port Natal-Ebhodwe, Natal Midlands, Southern Natal and East Griqualand - although the populations in the latter two sub-regions are minuscule when compared to the total informal population of the province.

  Just under 80% of the population in informal settlements in these sub-regions are dependent on water from communal standpipes, the other 20% using one standpipe per 20 stands. This is in marked contrast to populations in informal settlements in Zululand, where only a quarter are dependent on water from communal standpipes.

  The provision of education and health facilities for informal settlements in Southern Natal is particularly bad and stands in marked contrast to other sub-regions. Whereas in the other sub-regions significant sections of the population have access to some form of rudimentary schools and clinics, in Southern Natal the vast majority of people in informal settlements have no educational and health facilities.

Policy priorities

Any policy suggestions flowing from this report should to be qualified by two important issues. The poor in rural areas are not dealt with in the study. The focus has been on urban and peri-urban settlements. However, any attempt which aims at deriving policies to prioritise service delivery and allocate funds should be holistic and factor in the urgent need to channel resources to the rural poor.

Furthermore, improving service delivery to meet basic needs in urban and peri-urban settlements does not mean that the existing spatial distribution of people and settlements should be taken for granted and that development should occur on the basis of these spatial arrangements.

The possibility of creating new opportunities for people in certain formal settlements or greenfield sites, rather than simply upgrading existing informal settlements, needs to be carefully explored and examined in every localised situation. Nevertheless, within these parameters the following policy options are suggested by the information analysed above.

- Given the scarcity of resources for development and the low level of service delivery, it would seem appropriate to adopt a policy of breadth rather than depth. In other words, to target the least privileged in formal and informal settlements and spread development funds as widely as possible in order to raise the general level of service provision to meet basic needs.

- This is likely to mean, however, that for the majority of the population, particularly those living in informal settlements, services to meet basic needs are likely to be provided at intermediate rather than full levels.

- This raises the important issue of how to strike an appropriate balance between consulting with organised civic committees and seeking to spread resources as quickly as possible on a broad front.

  The question that policy makers will have to face is: how to ensure that consultation does not result in those sectors of the formal population, who are already resource privileged relative to the informal population and often have more organised civic structures, channelling scarce development resources to themselves?

- It follows that where development is targeted towards people living in formal settlements, it should be aimed at people with a lower level of service provision than the rest of the population in the formal settlements.

- The information strongly suggests that people living in informal settlements should be targeted first for development, to raise the level of service delivery to meet basic needs.

- In doing so, it would seem appropriate to take account of existing information on how ordinary people in informal

The possibility of new opportunities for people in formal settlements or greenfield sites, needs to be explored

It would seem appropriate to adopt a policy of breadth rather than depth

People in informal settlements should be targeted first for development

Adequate water supply consistently appears to be the most important service

settlements rank their basic needs and the 10 minimum basic services. This would allow policy to target service delivery to meet particular basic needs rather than trying to provide services across the board to people in informal settlements.

There are a number of additional surveys by Data Research Africa in which residents of informal settlements were asked to prioritise basic service delivery in terms of their most obvious needs. Adequate water supply consistently appeared to be the most important service. Electricity, roads, housing and sewage also tended to receive very high ranking. This is corroborated by the fact that for most people in informal settlements these services are at the most minimum level of delivery.

Electricity, roads, housing and sewage also tends to receive very high ranking

- Further primary research should be undertaken to assess, and differentiate between, the quality levels of educational and health facilities - infrastructural and human resources - available in informal settlements. The levels of access should also be more precisely determined.

- Since the vast majority of the informal settlement population in the province live in the Durban Functional Region - about two million - it would seem reasonable to target metropolitan Durban in trying to raise minimum service delivery to meet basic needs of people living in informal settlements.

- This does, however, raise a question about the relative distribution of funds and resources between the various JSBs. The only meaningful way to compare funds available to JSBs is to do so on a per capita basis and then to take into account current levels of service delivery.

Notwithstanding the fact that the bulk of the informal settlement population is located in the Durban Function Region, current per capita income available to JSBs for spending on service delivery to the urban and rural population is highly skewed: Port Natal-Ebhodwe has the largest per capita budget (R51), followed by East Griqualand (R47,5), Midlands (R25,1), Thukela (R14,75), Southern Natal (R14,1), and Zululand (R12,2).

If the funds available to raise service delivery in the various JSBs are not supplemented from regional or central resources, then this raises the question as to whether a redistribution of funds between JSBs should not be seriously considered. IPA

DEVELOPMENT PLANNING IN THE PROVINCES

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This article outlines a major study undertaken for the KwaZulu-Natal Department of Economic Affairs and Tourism, aimed at forming urgently needed preliminary policy guidelines to help state decision makers to approve, determine support for and prioritise development interventions.

The April 1994 general elections in South Africa effected a clear political break from the country's past. The new national and provincial governments intend translating this political transformation into parallel economic and social transformations. These are in the process being conceptualised and planned.

The phase of conceptualisation and planning does not take place in a vacuum. It coincides, in fact, with numerous and diverse development projects and programmes already in different stages of operation, driven both by the public and private sectors. The Reconstruction and Development Programme (RDP) is becoming the primary policy instrument in this regard.

Accordingly, a significant period lies ahead during which two processes will run in parallel:

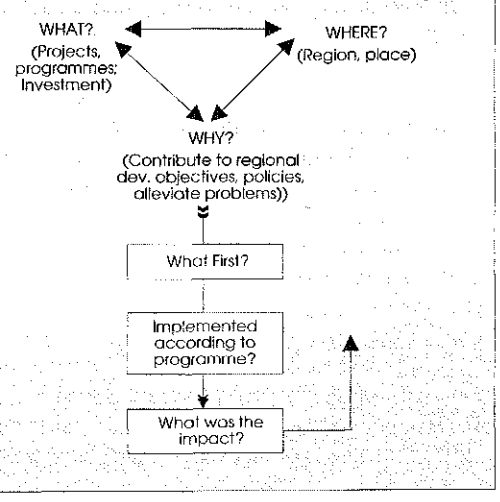
- Macro development policy and planning at both national and provincial levels will be formulated and tested
- Development projects, programmes and investments will be approved, supported from state resources, and prioritised.

It is recognised that these public and private sector investment decisions are being made on a continuous basis. Ideally a set of regional development plans is needed for the entire province to guide public sector investment through an integrated planning and budgeting process as shown diagrammatically in Figure 1.

This, in turn, would create a framework within which the private sector could respond to investment opportunities. In the interim, a less sophisticated methodology is needed to ensure that allocations of resources by the public sector are undertaken on as rational a basis as possible, and support the RDP.

During this transition period, preliminary policy guidelines are urgently required to assist state decision makers in their duties to approve, determine budgetary and other

Figure 1: Concept of Integrated Planning and Budgeting



The new governments intend translating political transformation into parallel economic and social transformations

Planning would create a framework within which the private sector could respond to investment opportunities

The purpose of the study was to assess sectors and regions according to a set of indicators

support for, and prioritise proposed development interventions as well as respond to grassroots demands.

It was within this general context that, in October 1994, the KwaZulu-Natal Department of Economic Affairs and Tourism requested the Development Bank of Southern Africa (DBSA) to execute a study entitled 'Policy Guidelines on Development Planning and the Implementation of the RDP at Provincial Level Based on a Case Study of the KwaZulu-Natal Province'.

The purpose of the study was to assess various sectors and geographic regions of the province according to a set of socio-economic and other indicators in order to:

- Provide a clear indication of relative levels of development
- Assist departmental decision makers to approve and decide on state support for proposed development interventions
- Assist decision makers in setting development priorities in the province.

The study was also designed to be of value to officials in other provinces

Each of these three goals ought to be achieved in an unambiguous macro-policy environment within which reliable development indicators, effective state institutions, and comprehensive regional development plans are located. This environment is not currently available.

Since the study delivered interim products during a transition phase of development, they were designed to meet a secondary purpose: to assist decision makers and other development actors to contribute towards the elaboration of an unambiguous policy environment within which approval, state support and prioritisation may take place effectively.

Consultants scanned readily available data sources to identify suitable development indicators

Finally, the study was also designed to be of value to provincial officials in other provinces. Accordingly, the contents of the report and research method used will be described in order that this information may be considered by officials both at central and at provincial levels.

The research process

Given the urgency of the study, it was decided to complete the project in three months and to appoint external project coordinators to lead the project. A project management team which included representatives from the Department and DBSA, was constituted. The authors were the two senior members of the team. At its first meeting, this team agreed on a sectoral categorisation (Table 1), on expert consultants who could execute the sectoral analyses rapidly, and on the research process.

The research method adopted for the study was influenced largely by the time constraint, availability of relevant data, and the urgent need to establish an appropriate way of allocating resources available for development in KwaZulu-Natal. This involved the following six steps:

✏ Step One

Consultants were requested to scan readily available data sources to identify suitable development indicators in their specific fields. Development indicators were taken to mean measurable criteria to compare levels of development across the province.

The basic spatial unit for the study were the magisterial districts. This allowed for aggregation into regions, based on the prevailing Joint Services Board (JSB) boundaries in KwaZulu-Natal or other future delimitation of regions. It is important that the indicators selected were available at a magisterial district level.

The essence of this step was for consultants to see what was available and to propose what they regarded as the most useful set of indicators in their field. A map delineating magisterial district and JSB boundaries was made available to each consultant.

Table 1 Sectoral categories

Human Resources
- Demographic
- Poverty and basic needs
- Social services ie. education, training, health, welfare

Physical Resources
- Agro-climatic and geo-physical
- Environmental aspects
- Physical infrastructure

Economy
- Agriculture, mining and forestry
- Manufacturing, commerce and tertiary activities
- Tourism

Institutional Resources

Space economy

Note: In addition, one consultant was requested to write a paper on the existing and emergent development policy and investment environment in South Africa.

Step Two

Project coordinators collated proposals on development indicators and confirmed their terms of reference for each consultant.

Step Three

Consultants measured the relative levels of development across the province using the indicators agreed. This component of the report provided the basis for assessments and subsequent prioritisation.

Step Four

Consultants used the information generated in Step Three to analyse the province in relation to their field in terms of the following headings: policy issues to be addressed; opportunities for development; constraints on development; the development *problematique* (nature of the development challenge) in the different sectors or areas; priority needs; and development indicators that should be used in future.

Step Five

Coordinators produced a procedural framework for synthesis of the information generated by the consultants in Steps Three and Four.

Step Six

Coordinators used the procedural framework from Step Five to synthesise all the information.

This research process proved effective in practice. It provided a framework for briefing and monitoring the specialist consultants, which was vital in a tight programme. It generated a large amount of data in a usable, pre-processed form, that was comparable in sectoral and spatial terms and generally in temporal terms as well. This enabled the coordinators to get a strategic overview of the state of development in the province in terms of some 100 indicators.

Synthesis methodology

The conceptual framework that underpins the approach was set out diagrammatically in Figure 1. In order to cope with the primary questions - What? Where? and Why? - it is necessary to establish a reasonably consistent data base for the entire province.

On account of the vast amount of data, it was not practical for the coordinators to get into the detail: instead the methodology involved scanning what the consultants had provided as their output of Step Three and using their syntheses, structured as per Step Four, in order to develop a framework for resource allocation. This involved five stages:

Stage One

Scanning the consultants' Step Three reports, which presented data on the agreed indicators, according to magisterial district and JSB region.

Stage Two

Undertaking a sectoral assessment based on Step Four reports from each consultant. For each of the sectors listed in Table 1, the coordinators determined:

- Policy issues to be addressed
- Opportunities for development in the sector
- Constraints on development in the sector
- The sectoral development *problematique*
- Priority needs
- What development indicators should be used in future

Stage Three

Undertaking a parallel spatial assessment, again based on the Step Four reports from each consultant. The purpose was to identify major nodes in the space economy - that is, concentrations of economic activity and population; areas of relative potential or need; transport and communications networks linking these; together with the patterns and geographical directions of growth.

For each JSB area, the coordinators determined answers to the points outlined for Step Three and, having done that, they decided on the extent to which the findings could be summarised meaningfully at JSB region level.

Stage Four

Developing a set of interim criteria for decision makers to use in responding to resource allocation proposals. In addition, developing an enabling framework for decision makers to prioritise allocation proposals.

Stage Five

Convening a validity testing workshop during which the draft report was presented, discussed, and criticised by a small group of experts. Workshop consultants were

The research process proved effective in practice

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Coordinators got a strategic overview of the state of development in the province in terms of some 100 indicators

Officials have an important role in assessing, approving, and prioritising proposed development interventions

satisfied with the draft report, and the methodology used to develop it. They also made valuable suggestions for its finalisation.

✏ **Stage Six**

Finalising the study.

Once again this methodology was a cost effective way of synthesising a substantial amount of material in a short period of time.

The report

The structure of the report followed the logic of this methodology for synthesis: Chapter One introduced the methodology. Chapter Two started with a synopsis of the development policy and investment environment in the country. It then presented the development imperatives identified by consultants within the four sectoral categories identified in Table 1.

It was proposed that officials employ two levels of criteria

Chapter Three presented a parallel and cumulative set of development imperatives relating to the province's space economy, identified both at provincial and sub-provincial (JSB) levels. Chapter Four outlined the interim criteria and enabling framework for prioritisation. These are intended for use by state decision makers. Chapter Five listed recommendations designed to carry the project further.

Approving development

Provincial government officials have an important role to play in assessing, approving, and prioritising proposed development interventions in KwaZulu-Natal, initiated by either private or public sector roleplayers. Assessment involves judgements concerning proposed goals, methods, resources and feasibility, and is generally followed by approval, referral, or rejection.

Both levels should be used in assessing and approving proposals

In the case of public sector initiated projects, if an intervention has been approved by officials the issue of provincial allocation of resources arises: should the state support the proposed intervention from budgetary and other resources and, if so, in what manner? Typically, prioritisation of different proposals takes place at the same time. This involves deciding where each will be situated in the state allocation queue.

Two procedures were proposed. The first involved employing a set of interim criteria to assess and approve proposed development interventions. The second involved using an enabling framework to prioritise proposals.

Taken together, the two procedures created a preliminary procedural framework. It was preliminary since effective decision making requires comprehensive regional development plans based upon reliable data bases. This was repeatedly emphasised in the report.

It was also emphasised that preliminary procedures using interim criteria are urgently needed to address development proposals during the process of establishing such plans. The preliminary procedural framework outlined below was intended for this purpose.

❑ Assessment and approval

It was proposed that officials employ two levels of criteria to assess and approve proposals. The first level comprised four primary criteria. Proposals must satisfy each of these four conditions to qualify for approval, support and consideration for prioritisation. Once a proposal has passed this first test, support and priority is given to those that perform best in terms of the secondary criteria.

Both levels should be used in assessing and approving proposals. They do not provide easy answers to decision makers but should be used in conjunction with the development priorities identified sectorally and spatially, the data bases available, and other existing planning reports, to guide approval and resource allocation decisions.

❑ Primary criteria

The developmental criterion. Does the proposal contribute to addressing inequality and poverty by promoting economic growth?

The sectoral criterion. Does the proposal respond to local comparative advantage? Does it fit the sectoral priorities for the province?

The spatial criterion. Is the proposal logically located in terms of the space economy? Does it fit in to the spatial patterns of development in the province?

The operational criterion. Can the proposal be implemented timeously with the capacity available (manpower, finance, institutions)?

❑ The secondary criteria

The intention is that higher priority be given to projects that maximise as many as possible of the secondary criteria. They are grouped under the following four headings: developmental; sectoral; spatial (or geographic), and operational.

When state decision makers apply the primary and secondary criteria, they should take one of the following types of decisions:

- ❑ Approve or reject a proposal for private sector (and/or NGO) implementation on the basis of the four primary criteria, and then negotiate to maximise the development impact by applying the appropriate secondary criteria.
- ❑ In the case of a project to be implemented fully or mainly through the use of public sector resources, they should consider the proposal and then prioritise it together with other qualifying proposals.

In the second case, the following enabling framework for prioritisation should be applied.

Prioritisation framework

Prioritisation of development proposals qualifying for state support is an integral part of government and departmental decision making. At provincial level, it is particularly important since proposals tend to be specific as to their sectoral and spatial focus. The Enabling Framework for prioritisation proposed in the report was a simple one, of general application and comprised three conditions.

Departmental officials evaluate each proposal under consideration according to each of these conditions and assign a 'high', 'medium' or 'low' score to each. In the case of the third condition, a framework relating to conditions in KwaZulu-Natal within which evaluation should take, is developed.

The three scores assigned to each proposal are then used to prioritise the set of proposals under consideration. The relative weight of each score is decided upon by the officials themselves but each ought to be considered of real importance. Proposals scoring highest on the aggregate of the three scores are prioritised. Others take their place further back in the state allocation queue.

✏ Condition One
The extent to which state support enables a reduction of poverty among the poorest households

This condition ensures that development interventions are aimed at addressing poverty. It is important that such state support does not undermine households' safety nets. Accordingly, such support will typically focus on the provision of an improved basket of services aimed, in the first place, at attaining a basic level of integrated service delivery. Negative externalities, particularly of a social or environmental nature, need also to have been addressed.

✏ Condition Two
The extent to which a multi-sectoral approach is proposed

An integrated, multi-sectoral approach to development is important for two reasons. Firstly, a successful intervention almost always requires inputs from sectors other than that of its primary focus. The need for community involvement in most projects is a case in point. Secondly, longer term spin-offs of development interventions typically include ripple effects beyond the primary sectoral focus, and their impact is significantly enhanced if other sectors are also stimulated by the intervention.

✏ Condition Three
The extent to which the proposal fits the sectoral and spatial development priorities of the province and the country

These priorities have been spelled out in the two reports produced by the project. Other planning documents have also addressed priorities.

Guidelines

It is useful to develop a set of guidelines to enable provincial officials to apply the third condition to proposals. These guidelines identify strategic options for development planning in KwaZulu-Natal, and may be used to resolve development goals which appear competitive rather than complementary with each other.

✏ Guideline One
Central versus provincial and metropolitan responsibility

Development planning can hardly be done exclusively on either central or provincial and metropolitan levels. All levels of

Prioritisation of development proposals is an integral part of decision making

Development interventions should be aimed at addressing poverty

An integrated, multi-sectoral approach to development is important

Joint ventures between governments and public services are essential

government have a role to play and each must plan their own activities.

However, autonomous democratically elected provincial and local governments are necessarily more sensitive to the needs of their constituents. The advantage accruing from this sensitivity ought to be translated into fiscal and other funding arrangements for development between the tiers of government. Accordingly, vigorous joint ventures and cooperation between governments and public services at the three different tiers are essential.

✏ Guideline Two
Concentration versus dispersion of economic activity

Concentration versus dispersion of economic activity has been extensively debated. While many arguments have been put forward in favour of limiting the number of development points, a number of fundamental problems are encountered when it comes to practical implementation.

Integrated development plans covering the whole province are urgently needed

The most important is the inability of planners to identify the optimal location of a development point. The market itself turns out to be a much more efficient gatherer and processor of information.

Another problem is intervention by politicians which leads to a proliferation of development points. KwaZulu-Natal's experience with growth points, for example, has led to an RIDP which leaves locational choices to individual decision makers. This RIDP is subject to evaluation, but at the moment its general approach seems to be the only practical solution.

In more general terms, integrated development plans covering the whole province are urgently needed to be able to plan for, and address adequately, both urban management and rural restructuring challenges.

Public funding ought mainly to be allocated to the provision of public goods

✏ Guideline Three
Public versus private sector involvement

Development planning can hardly be done exclusively by either the public or private sector. Both sectors have a role to play. However, the question is whether the public sector will restrict itself to the provision of 'public goods' or not. Given the enormous infrastructural challenges - regarding affordability, spatial dispersion and lack of local authority capacity - identified in the study and elsewhere, public funding ought mainly to be allocated to the provision of public goods.

Regarding proposed public sector funded interventions which do not directly address the provision of public goods, specific extraordinary reasons should be called for, assessed, and accepted or rejected.

✏ Guideline Four
Subsidisation versus provision of infrastructure

One of the questions often debated in respect of the first regional development programme - the 'decentralisation policy' - was whether firms established in decentralised areas should be subsidised indefinitely to compensate them for cost increases brought about by inadequate infrastructure, or whether the central government should provide infrastructure in such areas.

The issue was addressed in the 1970 White Paper on the decentralisation policy. At the time, important infrastructure was normally supplied by provincial and local authorities and government enterprises. Experience in South Africa indicates that subsidies can hardly compensate for lack of infrastructure. Such subsidisation ought not to be continued.

✏ Guideline 5
Choice of development sectors in KwaZulu-Natal

The choice of development sectors for this province would typically be based on determination of its resource endowment and on 'comparative advantage' both in the province as a whole, and in its sub-regions.

Such an approach implies that planners attempt to simulate market processes. Provided that quality information is available, the market should reach the same conclusion. Rather than restricting incentives to particular sectors, government units on all levels should concentrate on providing infrastructure and information at realistic costs, leaving sectoral choices to the market.

A word of warning regarding comparative advantage, however, should be raised. KwaZulu-Natal reflects distortions caused by earlier government interventions - the starkly different socio-economic profiles of the old KwaZulu and the old Natal is an apt example - and these will affect future

options. Comparative advantages ought to be seen as dynamic, changing as the effects of these distortions fade, and not static.

The collection of information on recent performance and assessment of this new information are critical to identifying comparative advantages dynamically.

Recommendations

Two separate documents were submitted to the Department: KwaZulu-Natal Sub-Provincial Development Priority Report ('The Report'); and the Management Report which comprised the 11 sectoral, spatial and policy studies completed by project consultants.

✏ Legitimation and dissemination of the two reports

It was recommended that the Department make available the two reports immediately to provincial stakeholders for comment: their acceptance of the first Report is important, and the Management Report would provide background information.

It was also suggested that the Department make the reports available to national and local state actors and to other provinces, and that it convene a public workshop aimed at disseminating the information and recommendations widely. Open access to the report ought also to be ensured.

✏ Building on and extending the substance of the two reports

It was recommended that a third report be compiled by the Department, entitled A KwaZulu-Natal Data Base Report, which would collate at provincial, regional and magisterial district level, all data and data bases used by the consultants in completing their studies.

This would then be widely disseminated to provide - for some time - a common and useful foundation of relevant developmental data in the province. This report should also include the consultants' recommendations for indicators in their sectors which ought to be developed in the future.

It was suggested that a 'user friendly' departmental guideline be prepared to guide the formulation of regional plans for the province.

Departmental planners, it was also recommended, should launch an urgent programme to establish regional development plans using information and analysis flowing from the reports and appropriate planning documents. In addition, the Department should initiate an integrated policy and budgetary system as mentioned in this report.

✏ Use by departmental decision makers of the reports

It was recommended that departmental decision makers start immediately using the preliminary framework for assessment, approval, and prioritisation of development interventions. A departmental workshop designed to orient officials toward the effective use of this tool was proposed as a matter of urgency.

Conclusion

The project reports were finalised in April 1995, and the senior consultants presented them at a workshop to provincial officials in May. The reports were accepted and have been assigned for cabinet approval.

Two stumbling blocks appeared in the process of converting the substance of the reports, and especially their recommendations, into action. Firstly, regional planning in KwaZulu-Natal is not the sole preserve of the Department of Economic Affairs and Tourism - as assumed at the start of the project - but includes other provincial departments, Local Government in particular. Accordingly, inter-departmental coordination on project outcomes has become an important issue.

Secondly, intra-governmental differences on provincial cabinet decision making have emerged as a major issue, and action on project outcomes has accordingly been delayed.

These political constraints have retarded the process of facilitating provincial development planning during the country's transition. The authors believe the recommendations and procedures spelled out in the reports would be of significant value to provincial planners not only in KwaZulu Natal, but also in other provinces.IPSA

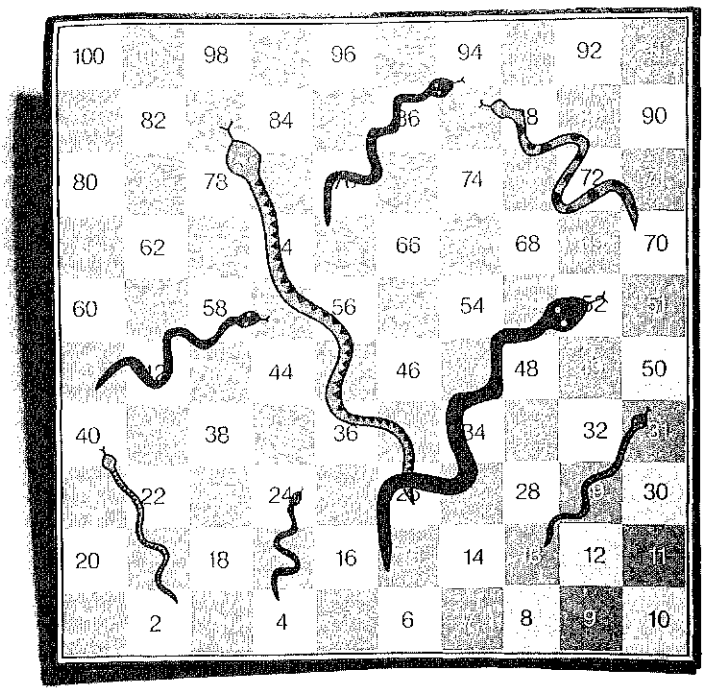
Inter-departmental coordination on project outcomes has become an important issue

Differences on provincial cabinet decision making have emerged as a major issue

Political constraints have retarded the process of facilitating provincial development planning

Note:

1. This paper is based on the reports emanating from the KwaZulu-Natal Provincial Prioritisation Study.
   - Volume 1 Synthesis report
   - Volumes 2 and 3 Specialist reports
2. The paper appears here in an abridged form. A full version is to be published in Development Southern Africa.



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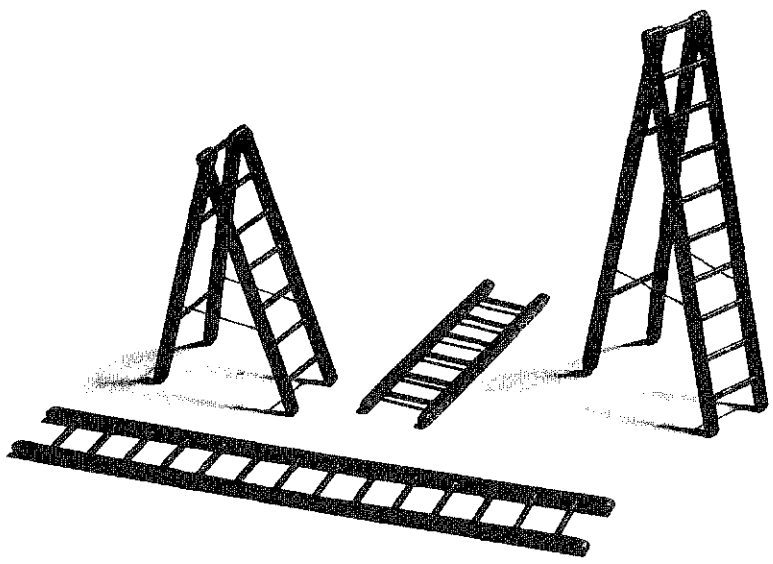

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