

VOLUME TWELVE NUMBER ONE

SUMMER 1994

# INDICATOR

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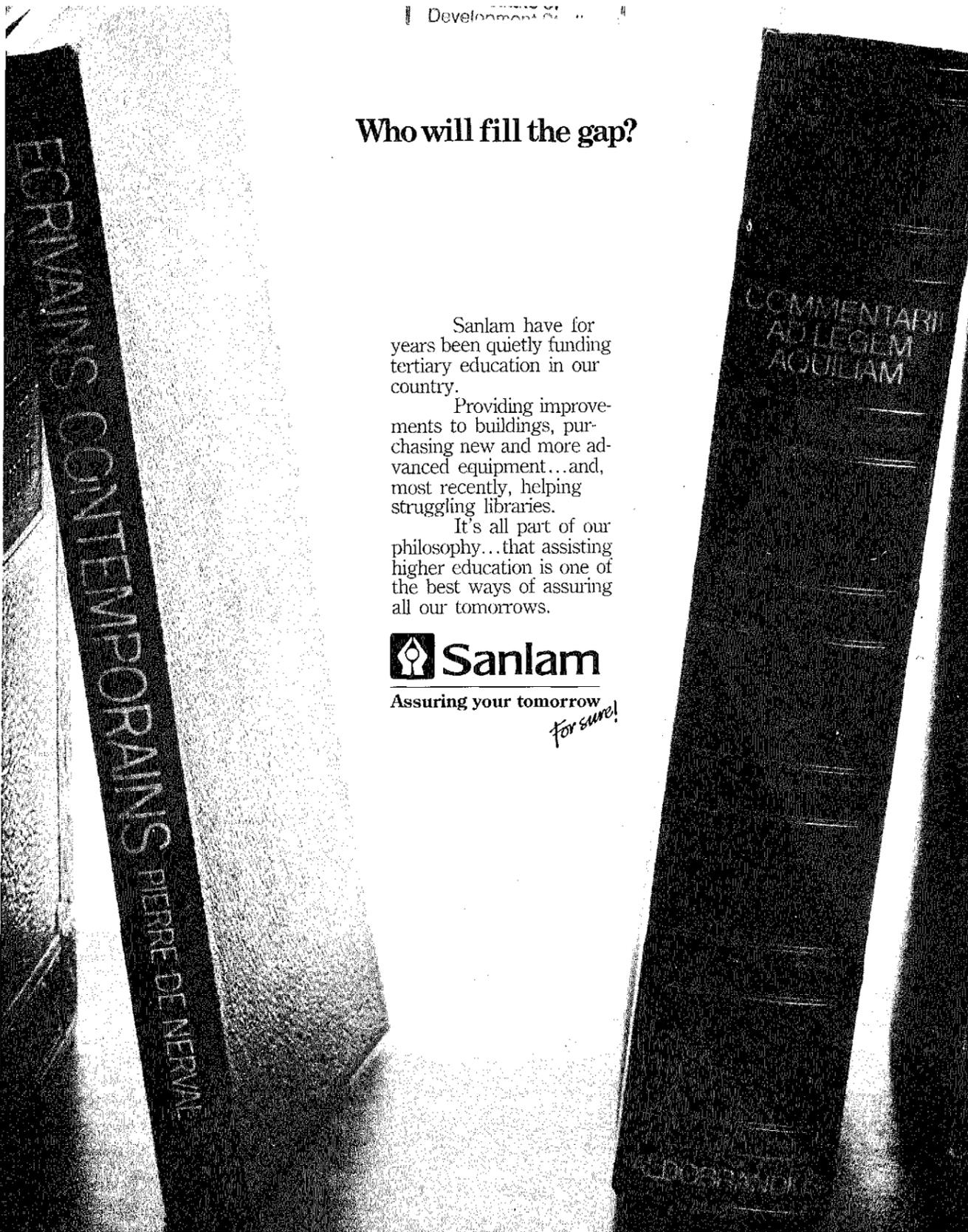
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## EDITORIAL

Somebody has hit South Africa's fast forward button, sending citizens into a frenzy of activity aimed at rewriting completely the way the country is run and at reorganising virtually every aspect of life.

Gone is the malaise of the first four months of 1994, when much activity was placed on 'pause' while people anxiously awaited the country's first democratic elections. Change was happening fast, but only really involved multi-party negotiators and those organising the transition and elections.

Now the nitty gritty of transformation has begun. The Government has been furiously writing green and white papers on the Reconstruction and Development Programme (RDP), education, intelligence, housing and other sectors. The Constitutional Assembly has been established, and has begun drafting that all important piece of paper, the final Constitution.

Think tanks, task forces, advisors, committees, forums, organisations and intellectuals are churning out ideas for new policies and practices. Since every stage of transition is open to consultation, negotiation and participation, anybody can get involved - and, encouraging, many people are.

But why the mad rush? Of course it is essential to begin working hard at transforming South Africa, and delivering material benefits to millions of people deprived by apartheid. Naturally the African National Congress led Government is anxious to begin meeting black expectations in time for elections in 1999.

But, firstly, producing reams of poorly conceived policy will lose rather than gain the Government ground, since flawed policies will have to be endlessly and time consumingly revised. As Nicolai Natrass comments in this issue, there is little point in a RDP White Paper that fails to produce a coherent policy framework and merely sets up another policy process.

Secondly, the ANC looks far more likely to have 10 years than five to begin delivering a better life to black people who, surveys reveal, are in any case feeling good about their country and reasonable about delivery.

The new political system ensures substantial powers for the majority party in Government and for parties over their Members of Parliament. There are no signs yet of a split in the ANC or of a serious electoral challenge to it by any other party.

South Africa needs to slow down a little and allow time for thought. The kind of analysis published by *Indicator SA* and others can provide food for this thought. Many people have evolved excellent policy ideas based on sound research and experience: all options should be carefully studied. It is always better to do things right the first time. Meanwhile, would somebody please switch to 'play'.

**Karen Mac Gregor**  
Editor

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# INDICATOR

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# SOUTH AFRICA

## Quarterly Report

SUMMER 1994

VOLUME 12 NUMBER 1

### ECONOMIC MONITOR

#### A Cocktail of Confusion

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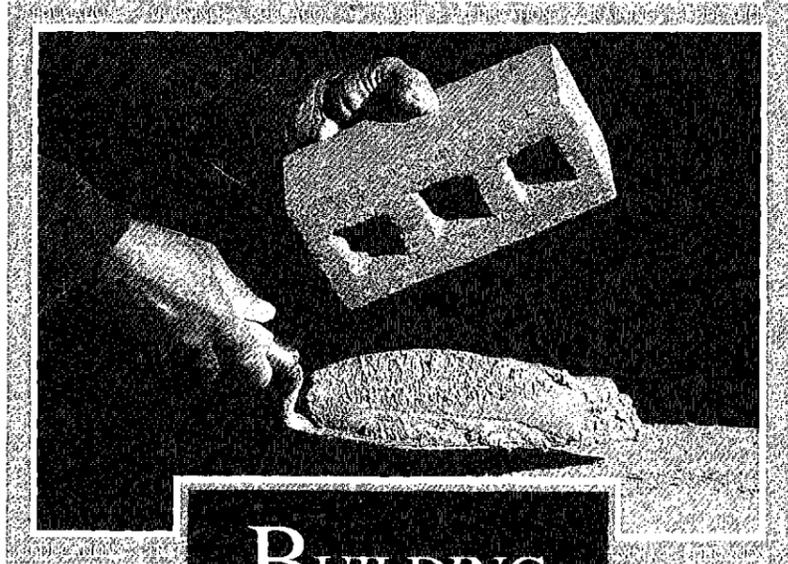
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*Integrated policies are needed to improve access to energy by the urban poor, most of whom rely on expensive and inconvenient energy sources which consume a large proportion of their income.*

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Editorial Committee: Simon Bekker, Mark Bennett, Rob Evans, Mervyn Frost, Richard Humphries, Myma Kaplan, Meshack Khosa, Karen Mac Gregor, Julian May, Mike McGrath, Valerie Möller, Lawrence Schlemmer



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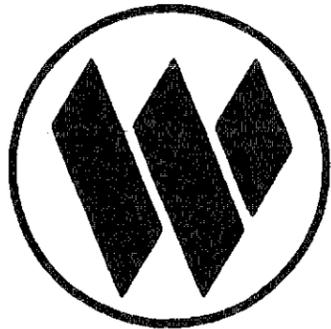
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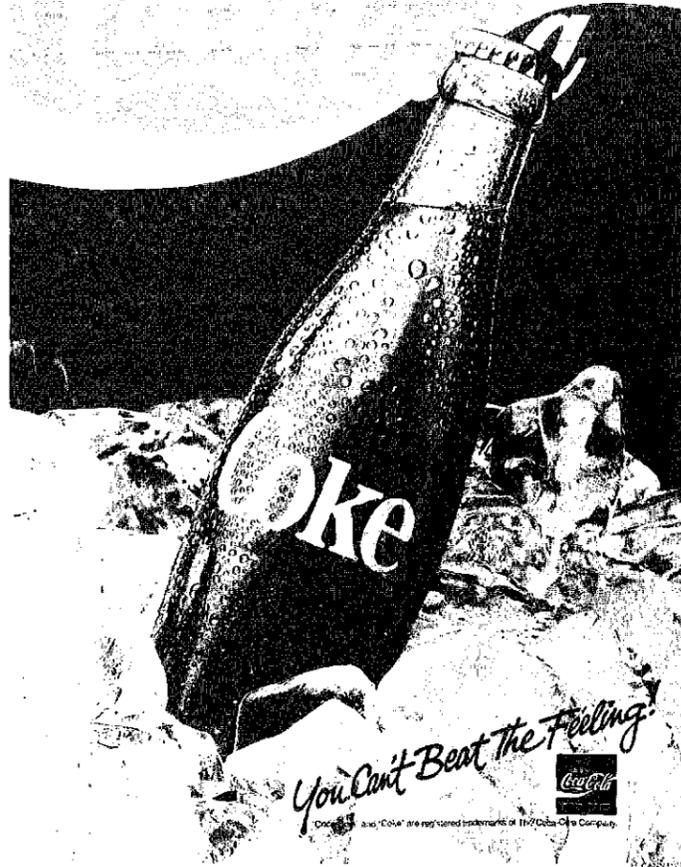
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# POLITICAL

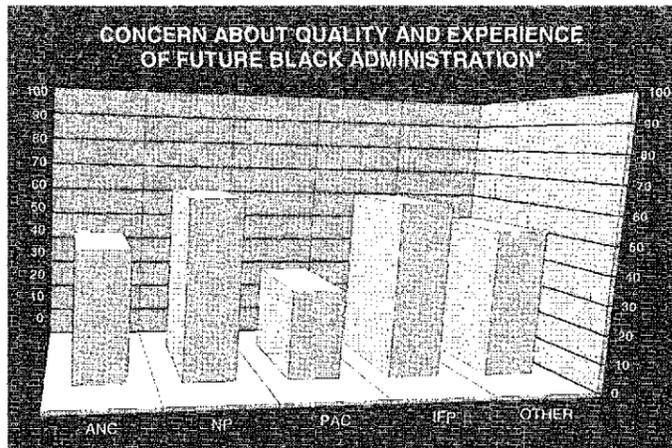
M O N I T O R

## Spontaneous attitudes on how a future government will be judged

	Percentage mention			
	Black	Coloured	Asian	White
more employment	38	13	23	10
more housing	11	5	6	-
improved education, more schools	13	1	7	5
improved facilities and amenities	2	-	2	2
pensions and social security	2	-	1	1
improved living standards	10	9	5	4
minority protection	-	3	7	20
economic growth	2	6	12	13
less taxes	-	-	1	2
anti-redistribution policy	-	-	2	9
efficient, clean government	-	3	2	3
less violence	15	24	36	21
less crime, better policing	1	3	6	9
accountability/democracy	28	34	19	28
other answers	5	3	3	3

HSRC, Markdata Omnibus, October 1993; N = 1100

Note: Answers exceed 100% since more than one answer could be given

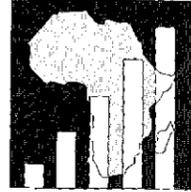


These figures represent average endorsement of the issue, based on the combined indices of several items, including

- \* doubt that a black government would be an improvement
- \* doubt that a black government would have sufficient experience
- \* cynicism as regards black political organisations
- \* appreciation of white contribution to South Africa

Source: Lawrence Schlemmer and Ian Hirschfeld (1993/94) 'Founding Democracy and the New South African Voter', Update Vol 3 No 2. Human Sciences Research Council, Pretoria.

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# ALIEN ISSUES

By Maxine Reitzes  
Centre for Policy Studies

*Illegal immigration is prompting growing xenophobia and throwing up enormous challenges for the Government. A multi-faced policy approach that balances domestic and regional responsibilities is needed to stem the tide. This could combine an 'open door' policy with active assimilation of migrants, regional reconstruction, voluntary repatriation and law and order.*

**T**here is growing concern over the number of illegal immigrants and refugees entering South Africa. This increasing population influx presents the Government and others affected with enormous challenges in terms of formulating and implementing appropriate policy responses.

Accompanying this influx is an apparent rise in xenophobia, which has become increasingly evident since the April 1994 election. No longer able to blame an unrepresentative government for their ills, the poor, homeless and unemployed are shifting the blame to foreigners - 'makwerakwera' as they are disparagingly known for the way they mumble in English.

Key interest groups, some politicians and informal traders are willing to blame immigrants for undercutting wages, unemployment, housing shortages and crime.

Most illegal immigrants are compelled to migrate by conditions of political turmoil and economic impoverishment in their own countries, and are drawn to South Africa in expectation of political freedom, stability and economic opportunities resulting from the advent of democratic government.

## Facts and Figures

According to Jakkie Cilicrs, Director of the Institute for Defence Policy, between 5% and 8% of the South African population are illegal immigrants, and this population is growing at a rate of one every 10 minutes.

He claims that this year the Government will spend over R210 million - one tenth of the entire amount budgeted for the Reconstruction and Development Programme (RDP) - to house, educate, police and provide medical care for illegal Mozambicans. This

figure, the *Cape Times* reported, is set to rise to R500 million by the year 2000.

On October 2 the *Sunday Times* published South African Police Services estimates of up to eight million illegal immigrants, three million in the PWV province alone. On average, according to the *Sowetan* on October 7, 400 to 500 illegals a week are apprehended in the Johannesburg area and repatriated at an annual cost of around R5,3 million.

The Department of Home Affairs said 80 926 Mozambicans were deported in 1993 and 28 696 in the first six months of 1994. Last year, 96 511 citizens of African countries were repatriated, while 36 264 were repatriated in the first half of this year. They are merely the tip of an expanding iceberg.

Between 50 and 100 illegals from Nigeria, Rwanda, Uganda, Somalia and other African countries are arrested every day by special task force members. Most crossings occur near Beit Bridge, according to *The Star*.

Figures on the total number of illegal immigrants vary from a conservative estimate of two million to the possibly exaggerated figure of eight million. It seems no-one is quite sure how many illegal immigrants there are. One possible reason is that many are oscillating visitors who come to the cities to sell wares from their home countries, to which they return with their remittances.

## Popular imagination

In the popular imagination, illegal immigrants have a detrimental effect on South Africa's social, economic and political stability and security. Many claim that they exacerbate already high levels of unemployment, taking up scarce job opportunities and undermining local incentive and competition, since they are

*South Africans are shifting the blame for their ills onto foreigners*

*Most aliens are compelled to migrate by conditions of political turmoil and economic impoverishment in their own countries*

*Estimates of the number of illegal immigrants vary from a conservative two million to eight million*

*The employment of illegal immigrants in many industries is perceived to be necessary for the survival of those industries*

*Many illegal aliens acquire false passports and identity documents, placing them in line for RDP assistance*

*As much as 14% of general crime involves illegal aliens*

prepared to work for wages lower than what many South Africans find acceptable.

The African Chamber of Hawkers and Informal Business says illegal immigrants compete with, and cause problems for, local hawkers. The Inkatha Freedom Party (IFP), the first political party to address the issue, has threatened 'physical action' against illegal immigrants unless the Government takes 'drastic steps', reported *The Star* on September 14.

In early September 1994 the Congress of South African Trade Unions (Cosatu) threatened to hold a one day general strike in Pietermaritzburg over illegal immigrants. There is clearly tension within Cosatu over the issue, but the local branch claimed that some industries employ immigrants without work or residence permits.

Local Cosatu chairman Pat Bhengu said the federation would not allow local workers to remain unemployed while jobs went to people who do not have the right to be in the country. He claimed employers preferred aliens because they have no rights, are not allowed to join unions, are not entitled to leave, work long hours and do not demand a living wage (*Natal Witness*, September 3).

Such conditions are exacerbated by, for example, an inter-governmental agreement in terms of which Mozambican workers are not allowed to be unionised. This creates divisions within the workforce, and identifies Mozambicans as 'outsiders'.

Although many of these claims may be true, it is evident that the employment of illegal immigrants in many industries is perceived to be necessary for the survival of those industries. Farming, hotels, the domestic sector, construction, cleaning and security, which are known to be prime users of illegal labour, would run into financial difficulties if they did not employ illegal migrant labour.

A case in point is a Limpopo farmer who was fined for employing illegal labourers. He told the *Financial Mail* that many farmers in the region would go out of business if they could not employ Zimbabweans, who are prepared to work for under R250 per month.

Another claim against illegal immigrants, stridently articulated by Minister of Home Affairs Mangosuthu Buthelezi, is that they are a drain on national resources.

Buthelezi has stated in the Press that the employment of illegal immigrants is 'unpatriotic' because it deprives South Africans of jobs, and that the rising level of immigrants has 'awesome' implications for

the RDP as 'they will be absorbing unacceptable proportions of housing subsidies', and 'adding to the difficulties we will be experiencing in health care'.

Many illegal aliens acquire false passports and identity documents, placing them in line for RDP assistance. If they continue to elbow out South Africans, the result could be xenophobia, ethnic antagonism, civil conflict and a violent backlash.

Other social problems associated with illegal immigrants are squatting, inner city decay, drug trafficking, social dislocation of existing communities and an increase in the level of violence and crime.

In September the *Financial Mail* quoted a police border control specialist as saying that as much as 14% of general crime involves illegal aliens. The police say evidence is emerging linking aliens to drug trafficking, prostitution and money laundering.

## Policy responses

To date, the most explicit Government response to the problem of illegal immigrants has been: keep them out and send them home. The Ministries of Home Affairs, Safety and Security and Defence, all subscribe to this solution. South Africa's immigration policy is most explicitly stated in the Aliens Control Act of 1991. In terms of the Act, criteria for immigration are that the applicant:

- Must be of good character
- Must be able to assimilate with the local population and be a desirable inhabitant
- Must not follow an occupation in which there is already a sufficient number of people engaged to meet the requirements of the country

Buthelezi has stated that no unskilled or semi-skilled people will be accepted as immigrants. He said the major consideration in granting work permits to immigrants was whether they had skills which could be provided by South Africans.

Anyone found employing illegal immigrants is subject, in terms of the Act, to a fine of up to R20 000 for each illegal employed, and they could also be made to pay the cost of repatriation, which could be more than R2 000 an alien. Buthelezi is considering stronger measures and, according to *Business Day*, his department may introduce a 'green card' system of work permits.

These responses assume that most 'illegals' are in wage employment, yet evidence

suggests that a sizeable number are self employed and thus immune to action against employers. I would also argue that criminalising aliens creates a marginalised underclass who are easily open to abuse.

Devoid of state protection, and denied any rights and entitlements, aliens look for jobs to survive. Because of their illegal status they are forced to accept employment whatever the payment, risk, physical demand or working hours involved. Exploitation of migrant labour carries the risk of social decay, with decreasing wages and deteriorating working conditions.

South African workers at the lower end of the market, regarding illegal immigrants as competitors, are likely to develop even stronger xenophobic sentiments. The creation of such a rightless class also pushes many of them into the criminal underworld, either as a more attractive option or a means of survival.

Xenophobia also forces people into 'ghettos' and makes them an easy and highly visible group for locals to target, ostracise and blame for their woes. This creates friction and animosity between 'insiders' and 'outsiders', leading to social dislocation and conflict.

The vicarious existence of illegals discourages them from making a meaningful contribution to economic, social and political life. Thus the Government's 'keep them out' and 'send them home' policies indirectly create many of the problems associated with illegal immigrants.

## Development

The already over burdened police and military indicate that attempts at keeping aliens out, and ejecting them, have had limited success. The control immigration officer for the Johannesburg region, Gert Vosloo, said his department was netting less than 10% of illegals.

A police representative claims they could catch 3 000 illegals a week, but the prisons and Home Affairs officials would be unable to cope. The Act envisaged 1 200 immigration officers, but cutbacks have ensured a force of only 240. Immigration officers often issue permits to illegals who have been arrested, effectively releasing them.

Deputy Defence Minister Ronnie Kasrils says the electrified fence between South Africa and Mozambique is in 'alarm mode' but will not be switched on. The South African National Defence Force claims that the 116 kilometre fence to the east of Beit Bridge is not effective at all:

"Once they learn the fence will not kill them, they try again and again. This thing is like a seven headed snake - you cut off one head and six more will grow. You'll never stop the tide until the social and economic problems of Africa are solved." (*Sunday Times*, October 2).

What the above seems to indicate is that the police and military doubt the practicability of xenophobic policies. This view crosses political divides: Freedom Front leader Constand Viljoen and the former Umkhonto we Sizwe commander, Tony Yengeni, agree that the country cannot afford more than R210 million a year to maintain border patrols and that the only solution is regional development.

Regional development could be undermined by 'keep them out and send them home' policies. Some neighbouring states do not have the infrastructure or the economic means to accommodate their own citizens. Forced repatriation thus creates pressures on limited social and economic resources of these countries, exacerbating the compulsion for people to move.

The result is the endless displacement of people from one side of the border to the other. ANC Member of Parliament Rob Davies suggests that a distinction be drawn between aliens from the region, and those from further afield. Policy must be informed by enlightened self interest.

He argued, for example, that merely repatriating thousands of Mozambicans in a rapid exercise would heighten economic instability in that country, creating renewed pressure to migrate. Similarly, Zimbabwe has requested South Africa to slow down the repatriation of illegal migrants: 10 000 Zimbabweans have been repatriated this year.

Zimbabwe's Deputy Minister of Industry, Simon Moyo, has warned that rapid repatriation would have disastrous consequences for his country, where two million people are jobless. Such policies do not encourage friendly regional relations.

Finally, South Africa's own experience of influx control under apartheid attests to the practical difficulties of controlling population movements. International experience also indicates that it is neither cost effective nor practical to attempt to keep foreigners out. People's needs are sometimes so great that they are willing to risk almost anything to find a better life.

It also seems anomalous that South Africa which over many years actively recruited

*Because of their illegal status aliens are forced to accept employment whatever the payment, risk, physical demand or working hours involved*

*Workers at the lower end of the market, regarding illegal immigrants as competitors, are likely to become even more xenophobic*

*The police and military indicate that attempts at keeping aliens out, and ejecting them, have had limited success*

South Africa could adopt an 'open door' policy, which would place limited restrictions on the entry of migrants and refugees

It is unjust for a country to benefit from the economic contribution of foreigners, and grant them no entitlements in return

Assisting neighbouring states to create stability and development could provide incentives for their nationals to stay at home

foreigners from Lesotho, Botswana, Mozambique, Zimbabwe and Malawi to do jobs that South Africans did not want to do, should now attempt to repel and expel flows of people from these countries.

## Proposals

I would argue that a creative and multi-faceted policy approach is necessary to address the challenges created by illegal immigrants and refugees. Five broad policy options suggest themselves:

### □ *An open door policy*

South Africa could adopt an 'open door' policy, which would place limited restrictions on the entry of migrants and refugees. A balanced policy of broadening qualification for entry and curbing the number of applicants could be developed. A quota system could be introduced, limiting the number of migrants but granting them legal status with rights and entitlements.

Many might bring skills into the country and contribute to economic development. Numbers of illegal immigrants are already integrated into the economy, and have established stable, coherent communities. Such people ought not to be criminalised, if their only 'crime' is their presence.

### □ *Integration and assimilation*

South Africa could pursue an active policy of integration and assimilation of migrants and refugees into the country's political economy. This would, however, raise a number of difficult questions. How ought such people to be accommodated? On what criteria? What rights and entitlement ought they to be able to claim against the state? Ought immigrants to have equal employment opportunities, housing and welfare benefits?

A commentator on the German situation, Klusmeyer, advocates introducing broad anti-discrimination legislation in the areas of housing, employment and education, and creating agencies to enforce this legislation and give minorities better institutional channels to express their concerns.

Gibney argues that it is unjust for a country to benefit from the economic contribution of foreigners, and grant them no entitlements in return. However, the question of the duties and responsibilities of migrants, were they to be granted certain rights and entitlements, also emerges.

### □ *Regional reconstruction*

South Africa could, in cooperation with neighbouring states, pursue a regional reconstruction and development programme.

Assisting neighbouring states to create internal political stability and economic development could provide incentives for their nationals to stay at, or return, home.

An 1993 ANC Foreign Policy document stated the following beliefs as guiding principles: 'South Africa's economic development depends on growing regional ...cooperation in an interdependent world', and '(a) preoccupation with Human Rights which extends beyond the political, embracing the economic, social and environmental ...'

Deputy Minister of Foreign Affairs Aziz Pahad says while the country must have an immigration policy, it will resist any tendency towards xenophobia. He argues that the problem of illegal immigration must be addressed through regional development.

Foreign Minister Alfred Nzo has stressed this approach, claiming that South Africa's membership of the Southern African Development Community would help it tackle illegal immigration from other countries in the region.

He argues that South Africa has a major domestic unemployment problem and should not be seen as a provider of jobs for citizens of other countries, but also emphasises the country's role in assisting other countries in internal development, so that there would be no reason for their citizens to 'pack their bags for Johannesburg'.

### □ *Voluntary repatriation*

As part of a policy of regional cooperation, South Africa can continue to assist neighbouring states in the voluntary repatriation of their citizens. South Africa has been part of the United Nations voluntary repatriation programme of Mozambicans, which has repatriated 1,2 million refugees and supplies them with food, transport and basic assistance for one year. This programme is set to end on December 15.

Eastern Transvaal Premier Matthews Phosa says it is vital to assist bordering countries to take responsibility for citizens who are being deported:

"Only by addressing the problem, and helping our neighbour states establish proper reception centres, can we hope to stem the tide spilling back into South Africa time and again," he commented in the *Financial Mail* on September 9.

### □ *Law and order*

Law and order policy remains an important facet of response to this issue, and should not be altogether discounted. Policing and

security will still be necessary to deter the entrance of undesirables, such as criminals.

## Human rights

The above proposed policies are not mutually exclusive. They are informed not only by practical considerations, but also by normative assumptions regarding the moral role and responsibility of the state with respect to human rights.

All human beings - including illegal immigrants - are entitled to claim certain universal human rights such as security of life, property and person. This raises the question: who is the guarantor or provider and protector of these rights?

Is it solely the sovereign state which is territorially defined in terms of internationally recognised boundaries? Can we argue that if states do not grant and protect the rights of their own citizens, no other state is obliged to do so? Is the sole responsibility of any state restricted to ensuring law and order within its boundaries, and securing the rights of its own citizens?

In other words, do the moral responsibilities of states not extend beyond or transcend their own territorially defined borders? These normative issues highlight the conflict between the principle of national sovereignty and that of human rights.

The ANC has a tradition of stressing recognition and respect for human rights. It waged a long and hard battle against a system of apartheid which was vilified on the basis of human rights abuses. Furthermore, South Africa now has a Bill of Rights embedded in its constitution, is a member of the United Nations and is committed to the Universal Declaration of Human Rights.

One would expect the ANC led Government's policy on illegal immigrants and refugees to be informed by these stated commitments to human rights.

Besides universal considerations, compelling normative arguments can also be advanced in terms of South Africa's moral debt to illegal immigrants and refugees from states which previous South African governments were instrumental in destabilising.

Furthermore, many of the present Government's leaders were afforded sanctuary in neighbouring states as exiles, often at great cost - including loss of life - to those states. These factors are acknowledged by the ANC, which states:

"While South Africa's people experienced discrimination and repression at home, the people of other countries fell victim to barbaric destabilisation policies which left nearly two million people dead, displaced millions more, and inflicted damage estimated at \$65 billion on the economies of neighbouring countries.

"The region sustained us during our struggle and our destiny is intertwined with the region; our people belong with each other." (1993:10).

Recently, Deputy President Thabo Mbeki reminded South Africans that:

"Tanzania, Zimbabwe, Botswana and the other countries to which we fled in the 1960s did not call us illegal aliens. They said 'we are going to support our brothers and sisters from South Africa so that they can go home'." (*The Star*, October 13)

## Tension

On a practical level, the major tension which arises is that between South Africa's domestic and regional policies. Commitments to human rights and cooperative relations with neighbours are qualified with the proviso that South Africa has its own enormous and urgent internal domestic responsibilities to meet.

Difficult trade offs will have to be made between domestic responsibilities and regional expectations and responsibilities. Some balance will have to be struck since the country's capabilities are limited.

But unless a more creative and multi-faceted approach is developed and implemented, the current dominant response to migration - treating it purely as a security and law and order issue - is likely to exacerbate the problem in the long term.

It will lead to the creation of a criminal underclass, growing xenophobia, regional instability and damaging relations with neighbouring states. It also ultimately flies in the face of the ANC's stated commitment to human rights, in terms of which the moral responsibility of the state is assumed to transcend territorial boundaries. ~~IPAA~~

## ACKNOWLEDGEMENT

I am indebted to a paper by Professor Mervyn Frost, 'South Africa's Foreign Policy: Ethical Issues', presented at the South African Political Studies Association Colloquium 1994, for sharpening my awareness of the conflict between the principles of national sovereignty and of human rights.

*One would expect an ANC Government's policy on illegal immigrants to be informed by its commitment to human rights*

*Human rights commitments and cooperative relations with neighbours are qualified by South Africa's own domestic responsibilities*

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# The Intelligence White Paper Spooks in the new South Africa

By Mark Shaw  
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*The structure of South Africa's new intelligence agencies was announced on October 21. A compromise appears to have been reached between the agencies of the old and new governments, avoiding dismantling the former services. But a much clearer definition is needed of what is meant by national security, and under what conditions it will be threatened.*

*The National Intelligence Agency will collect domestic intelligence and the South African Secret Service will collect foreign intelligence*

*A National Intelligence Coordinating Committee will interpret strategic intelligence and brief the Cabinet*

**I**ntelligence - spying in the popular imagination - has long been the subject of public interest. In South Africa, intelligence work has been tainted with allegations of 'dirty tricks' and other abuses of power, with intelligence actors being in the frontline in the war both to defend and to fight apartheid.

This makes the culmination of negotiations around the establishment of an intelligence capacity for the new South African state an important and a symbolic event.

Negotiations before, and in, the Sub-Council for Intelligence of the Transitional Executive Council constituted the first stages of establishing a new intelligence capability. The process culminated in an announcement by Minister of Justice Dullah Omar on October 21, 1994, on the nature and structure of South Africa's new intelligence agencies.

Three draft pieces of legislation, a White Paper on Intelligence and a document outlining the 'guiding principles' of the new South African intelligence dispensation were released.

The draft legislation envisages two intelligence structures: the National Intelligence Agency (NIA) for collecting domestic intelligence and the South African Secret Service (SASS) for collecting foreign intelligence. The army and police each also retain an intelligence arm.

The National Strategic Intelligence Bill defines the roles of the various agencies and the mechanism to coordinate their activities.

The role of military intelligence is confined to gathering foreign military intelligence - except in the case of domestic deployment - but the military is explicitly prohibited from gathering 'intelligence of a non-military nature in a covert manner'. The South African Police Service is limited to the gathering of crime intelligence, and the roles of the NIA and SASS are defined as above.

Each of the four agencies is required to pass on national strategic intelligence in their fields to the National Intelligence Coordinating Committee (NICOC). It is envisaged that NICOC will consist of a coordinator as well as the heads of each of the services. The committee will serve as the coordinator and interpreter of strategic intelligence in order to provide assessments to the Cabinet.

## Intelligent compromise

Comparative literature suggests that where one authoritarian regime replaces another, many intelligence operatives of the old order remain on to police the new. When democratic governments replace authoritarian ones, the old intelligence community - as in East Germany - is given short shrift. This makes South Africa's compromise extremely interesting.

There is some evidence that a similar process was carried out in Zimbabwe. Following the Rhodesian War Ken Flower, head of the old Central Intelligence Organisation, was reappointed to the new agency. As with South Africa, this may have been because the

possible continuation of disorder made it imperative that old sources and expertise be retained.

In South Africa the compromise solution results from a number of additional factors. It is primarily a sectoral reflection of the broader process of a negotiated compromise. But that in itself may not have been sufficient given the distrust by many in the liberation movements of the old security order.

Other issues are also important. Central is the fact that the National Intelligence Service (NIS) played a fairly important role in planning the initial stages of negotiation on the government side and carrying some of these discussions through.

NIS agents reputedly met with African National Congress (ANC) representatives as early as 1989, just before the demise of PW Botha, and both agencies stepped in to keep talks on track during the negotiation process.

This made the NIS an influential tool of managed democratic change rather than exclusively a defender of the old order. And, ANC insiders suggest, the competence of NIS agents and analysts would contribute usefully to a new dispensation.

## Control

An alternative scenario also needs to be considered. The nature of the 'intelligence war' between the two sides meant that senior officials of both may have been spies for the other. As the ruling party, this has potentially much more serious repercussions for the ANC than for the National Party.

In the negotiations around the formation of a new intelligence community it was decided that 'sources would remain sacrosanct' to prevent what many believe would have turned into a witch hunt. Already evidence suggests that the files of the former NIS which would have named informers in the ANC have been destroyed.

Central to any future intelligence community will be the question of control of the new intelligence function - given past abuses - and how the actions of its various arms are to be coordinated. The question of oversight has also become important: the proposed South African structure makes use of four mechanisms.

First, establishing a monitoring mechanism for intelligence activities through the appointment by the President of Inspector Generals to each of the agencies. Inspector Generals will have access to intelligence,

information or premises under the control of the service to which they are appointed. They will monitor the various services and report to the relevant ministers.

Second, the appointment of a Parliamentary committee to oversee the intelligence community. Appointment to the committee will be restricted: its members are to be picked by the President, in proportion to party support, in consultation with parties and with the concurrence of the speaker.

This is unlike other committees, where parties choose their delegates. The mechanism through which members of the committee will be appointed has not yet been fully resolved: it is possible the process will be turned on its head with the speaker selecting members in consultation with parties and with concurrence of the President.

Third, early negotiations around the future of the South African intelligence community accepted the principle - after some dispute as to its make up - of a code of conduct for intelligence officers. While it is not clear what provisions the code contains, it will presumably exert indirect control over the activities of members of the services.

Finally, it is significant that the various arms of the intelligence community have been limited to specific briefs. For example it is important that police intelligence, given its involvement in policing apartheid, has been limited specifically to criminal acts.

This partially removes an overlap experienced elsewhere - notably between Special Branch and MI5 in the United Kingdom - between 'political policing' and domestic intelligence functions. This is not to say that the cross over has been removed altogether: many acts which are essentially criminal may have political purposes.

There are other areas of possible overlap. For example, cooperation may be needed between the NIA and SASS to ensure adequate intelligence is supplied about important developments in sub-Saharan Africa. Competition and 'turf wars' between intelligence agencies has been characteristic of national intelligence functions in South Africa and worldwide.

## Capacity

With the decline of the Cold War and the end of apartheid it seems reasonable to assume that the usefulness of an intelligence function may be declining. Indeed, this opinion has been expressed in Parliament by some ANC backbenchers.

*NIS agents reputedly met with the ANC as early as 1989. The NIS became a tool of change rather than a defender of the old order*

*Evidence suggests that the files of the former NIS which would have named informers in the ANC have been destroyed*

*The proposed structure of the future intelligence community makes use of four controlling mechanisms*

*The role of intelligence communities in a changing, post-Cold War environment is being debated worldwide*

*The White Paper suggests a more holistic concept of security, in line with new thinking on intelligence worldwide*

*No attempt appears to have been made to delineate tightly which areas should be of concern to intelligence agencies*

With a changing world order the South African intelligence community has begun to define a new role for itself. It has not been alone in this endeavour. The debate around what role intelligence communities should play in a changing environment has been central to intelligence agencies worldwide.

This has taken place against the backdrop of increased public and media suspicion of intelligence agency abuses. Intelligence agencies in the United States and Britain have come under increasing scrutiny, and in some instances under the control of more complex oversight mechanisms.

The passing of the Cold War has generally seen a greater openness on the part of intelligence agencies. Ironically, though, increased transparency has emerged along with an argument that the role of intelligence agencies has not been usurped by the ending of tensions between East and West.

The Cold War contained at least a degree of certainty: good and bad were clearly defined in the eyes of both Western and Soviet intelligence communities. The very uncertainty of the post-Cold War period, many argue, suggests that the work of intelligence agencies is needed more than ever before.

This assessment is implicitly reflected in the new South African structure. In the past all strategic intelligence, internal and external, was collected by the NIS. The country now has a new agency to deal specifically with foreign intelligence.

It is unclear how large each of the two new institutions will be, and so it is difficult to tell whether the new intelligence community has an expanded capacity. Intelligence spokesman, Joe Nhlangula, has pointed out that the community will initially be bloated due to the integration of the personnel of both 'sides', but will be slimmed down over time.

Insiders suggest that the staff from which the SASS will be formed numbers around 4 000 people. Such a figure is not large in proportion to South Africa's population and given that, domestically and regionally, the country lives in an 'unfriendly neighbourhood'.

### **New approach**

The changing world order, those close to the intelligence community contend, has considerably changed the nature of threats to national security. The White Paper on Intelligence suggests a more holistic concept of security, which is in line with new thinking on security intelligence worldwide.

Both the old agencies of the apartheid state and the ANC Department of Security and Intelligence are said to have embraced the concept. This is clear from both the White Paper and the document containing the 'guiding principles' for the new intelligence dispensation. New thinking on security in the White Paper has four central components:

- ⊗ Security as a holistic phenomenon incorporating political, social, economic and environmental issues.
- ⊗ Security aimed not only at achieving the absence of war but encompassing the pursuit of democracy, sustainable economic development and justice.
- ⊗ A regional focus for security 'seeking to advance the principles of collective security, non-aggression and peaceful settlement of disputes'.
- ⊗ Dealing effectively with 'more complex questions relating to the vulnerability of society. National security objectives should therefore encompass the basic principles and core values associated with a better quality of life, freedom, social justice, prosperity and development'.

The White Paper argues that 'in recent years there has been a shift away from a narrow and almost exclusive military-strategic approach to security'. This broader concept of security draws at least partly on the work of British academic Barry Buzan, who recently argued for a broader understanding of the concept of security.

Buzan's argument is complex, but basically he suggests that a more integrative view of security is required on both a horizontal and vertical level:

"Some sense can be made of individual, national and international security, and of military, political, societal, economic and environmental security as ideas in their own right. But a full understanding of each can only be gained if it is related to the others. Attempts to treat security as if it were confined to any single level or any single sector invite serious distortions of understanding." (Buzan, 1991, p363).

Insiders suggest that both ANC and NIS intelligence advisers had studied the book and agreed on the new role for an intelligence agency. The book appears as a reference in the document to 'guiding principles' along with other studies which propagate a similar aim. The crux of Buzan's argument is that if national security goals such as these are pursued:

"...the logic is seen to lead irresistibly in the direction of international and common security, so much so that the two cannot be separated in relation to achievement of security as a policy objective". (Buzan, 1992, p371).

### Undefined mandate

The widening of the scope of the intelligence brief is controversial, and two connected strands of opposition can be discerned.

The first points out that South African intelligence agencies have always had a broad mandate: the 1971 Potgieter report on state security spelled out, among other things, that economic, social, educational and psychological aspects should all fall into the scope of security given that threats to national security could emanate from these areas.

Thus, some opponents suggest, the new intelligence principles are simply new wine in an old bottle. Connected to this is a fear that the scope of intelligence activity could become too wide: any issues perceived to be threatening to the state would be allowed to fall into the ambit of intelligence activities.

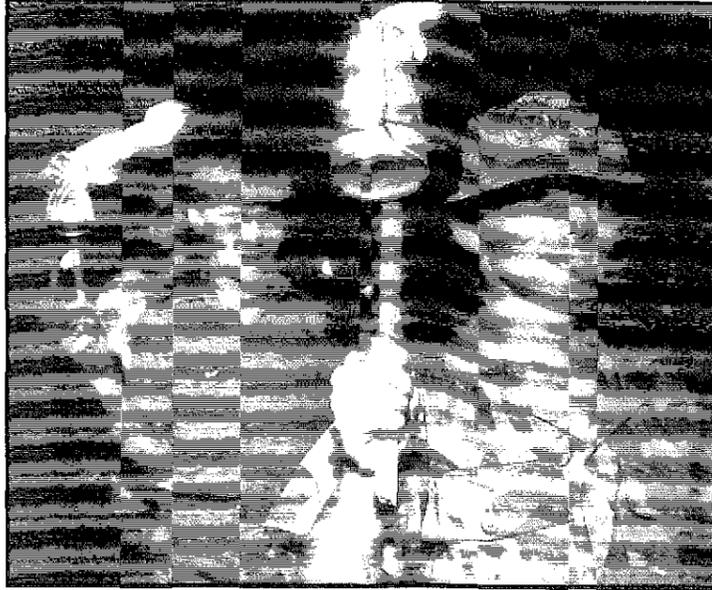
The National Strategic Intelligence Bill states that the functions of the NIA will be to 'identify any threat or potential threat to the security of the Republic or its people'. This is in line with the broad concept of security. But no attempt appears to have been made to delineate more tightly which areas should be of concern to intelligence agencies.

This is interesting because it suggests a close following of the United States and British examples where, as Gill writes, 'unlimited executive discretion regarding national security' has been the norm.

In contrast, Canada in particular has sought to provide a more specific definition of what national security should mean to intelligence agencies. The Canadian Security Intelligence Service Act provides a statutory definition of what constitutes threats to the national security of Canada.

They include, among other things, 'espionage or sabotage that is against Canada or detrimental to the interests of Canada or activities directed toward or in support of such espionage or sabotage', and 'activities within or relating to Canada directed toward or in support of the threat or use of acts of serious violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state'.

The Australian Secret Intelligence Act also



AWB youth ... future targets for intelligence

Hemer Frankfeldt / Southlight

provides fairly specific definitions of what is considered 'subversive'. An interesting inclusion in the Canadian Act is a proviso that the focus of intelligence activity would not include lawful advocacy, protest or dissent unless undertaken in conjunction with the activities mentioned above.

Of course, legalistic definitions like these retain the scope for generous interpretation. What of those suspected of attempting to overthrow the Canadian state? Surely no agency will wait for violent objectives to be implemented but will investigate groups who appear likely to follow such objectives.

And in order to determine whether suspicions are justified, evidence may have to be collected from within organisations and their activities monitored to determine whether they should be the subject of a more intense intelligence focus.

A more defined legal mandate may be useful for four reasons. First, so a realistic assessment of the agency's activities can be made. Second, for the development of self restraint on the part of intelligence officers who will be given a clearer mandate within which to operate. Third, to establish a base on which effective oversight can be built. And finally:

"...it is also important to establish clearly what are the 'threats' or potential 'harms' to security and public order in order to avoid the problem of trying to achieve the impossible - total security or order, both of which 'cures' are likely to be considerably worse than the 'disease' of insecurity or disorder". (Gill, 1994, p127).

*South Africa seems to be following the US and Britain, where unlimited executive discretion over national security is the norm*

*The broadened scope of the intelligence community's mandate is an attempt to 'police' wider issues of development as a monitoring agency for the RDP*

*A much clearer definition is needed of what is meant by national security and under what conditions it will be threatened*

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## Enter the RDP

The broadened scope of the intelligence community's mandate has been read by some as an attempt to 'police' wider issues of economic and social development as a monitoring agency for the RDP (*Weekly Mail*, October 1 to 7). While intelligence sources argue that this is a misinterpretation, the White Paper contains explicit reference to the RDP:

"... the new approach to security holds that the RDP, as an organised and collective effort of our society led by the Government of National Unity, is integral to and forms the core of the country's emerging security doctrine".

In short, the argument is that the RDP aims to develop South Africa's human resources, build the economy and contribute to democratisation at all levels of society. Since these factors are deemed essential for peace and national security, the role of the intelligence community will be to secure this process through an integrated understanding of the concept of security.

This approach may be problematic on three levels. The first is the broad definition that the RDP itself encompasses: almost every aspect of society from resolving crime to increasing imports is covered by it.

This implies that all these activities, and any potential forces who may disrupt them, will be subject to the scrutiny of the intelligence community. Thus, arguing that the intelligence community will focus on the RDP widens rather than narrows the mandate of intelligence operations.

Second, no clear distinction appears to have been made between Government policy and the security of the state. In theory, in a democratic society the intelligence community should preserve the security of the state and not the policy of any governing party. Since the RDP is Government policy it should thus be outside the concern of intelligence agencies.

Also, to argue for oversight of the development process is to misunderstand the nature of development, which usually occurs by favouring one group over another because of the scarcity of resources. This process is bound to give rise to legitimate protest which, rather than undermining the RDP, warns political leaders about neglected areas.

There are, however, three possible rebuttals to such arguments. First, since the Government of National Unity (GNU) constitutionally represents more than one

party, the linkage between the Government and state is closer than it would usually be, thereby justifying a defence of policy.

Second, since the success of the GNU is essential to the future of South Africa, its policies should be secured. Third, the role of intelligence agencies would in any event be to act as a warning mechanism which could preempt protest and disruption by forewarning Government officials.

But these arguments may be misconceived on a number of levels. It is not clear that if the RDP fails, the state will be threatened - such a conclusion relies on a subjective value judgment. As it is, given the complexities of the political environment and linkages to the policy process, it is by no means evident what will be 'good' for the RDP and what will be 'bad'.

Rather, the success of the Government should be measured by its achievements and failures - this is by nature a political process and should not involve intelligence officers.

And surely information assessing the progress of development initiatives could be collected and published quite openly by sectoral, line function Government departments. Why should the process involve the intelligence community?

This is not, of course, to argue that covert threats to the RDP or to the state should not fall within the ambit of intelligence agencies. A reading of the White Paper, though, suggests that the intelligence community does not see itself as being confined to this role.

As it stands now, the White Paper and proposed legislation on intelligence opens the way to subjective assessments of what falls within the ambit of intelligence activities. The current mandate broadens the degree and the number of organisations, individuals and groups from and through which the Agency can gather information.

It also opens the way for some groups which are not threatening in themselves to be labelled 'subversive' if they oppose aspects of the RDP. What would seem to be needed is a much clearer definition of what is meant by national security and under what conditions it will be threatened.

This would include definitions of what being 'subversive' entails, a more concise statement - preferably in the Act - as to what the parameters of national security are, and a clause which explicitly excludes lawful protest, dissenting or advocacy actions from the ambit of being threats to national security. **IPJA**

# DRAFTING THE FINAL CONSTITUTION

*By David Welsh*  
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*South Africa's new Constitution will be written in a less feverish atmosphere than the Interim Constitution, but is likely to be dogged by the same troublesome areas: power sharing, federalism, the Bill of Rights and a 'volkstaat'. If these issues cannot be resolved, South Africans will be going back to the polls sooner than expected.*

**A**s is obvious from its terms, the Interim Constitution is based upon a series of compromises between the African National Congress and the former National Party government. Further compromises were included at the last minute to accommodate the Freedom Front and the Inkatha Freedom Party.

Indeed, the process of having a two stage process - an Interim Constitution followed by a final one - was itself a compromise deriving from the initial stand off between the African National Congress (ANC), which demanded that an elected Constituent Assembly draft the constitution, and the National Party (NP), which argued that the ANC's proposed mode of constitution making would prejudice the very issues that constitutional negotiations were supposed to resolve.

The circle was squared by having the Multi-Party Negotiation Process (MPNP) draft an Interim Constitution that incorporates a schedule of 34 constitutional principles which will be binding on the drafters of the final constitution. In this way the objections of the NP government that no constitutional or political vacuum could be allowed to arise, and that an elected constitution making body should not have 'carte blanche', were met.

It may be a clumsy way of doing things, but apart from the fact that it was probably the best if not the only possible compromise, it may carry certain advantages. First, it affords the country nearly five years of experience with constitutional government. Problems with the machinery of government established under the Interim Constitution can be identified and eliminated in the final version.

Secondly, the time lag means that the final constitution can be drafted in less of a hot house atmosphere. All who participated in the MPNP and its predecessor, Codesa, were aware that inclusive elections were somewhere down the track.

This meant that constitution making and campaigning for the first election were conducted simultaneously - not the happiest of conjunctures, especially when there was some uncertainty about the relative electoral strengths of the parties. Hopefully the Constitutional Assembly, whose labours are getting underway, can conduct its deliberations in a less fevered way.

## Party positions

The major question that arises is the extent to which the Constitutional Assembly will be content to accept a modified form of the Interim Constitution - shorn, obviously, of those sections that are specifically transitional in character - or, alternatively, will want to start the entire process *de novo*, subject to the limitations imposed by the 34 constitutional principles.

Insufficient progress has been made to give any indication of what the answer will be. There are, evidently, differences of opinion within the ANC on this, while the Pan Africanist Congress (PAC) is said to favour starting from scratch. The Inkatha Freedom Party (IFP) too, which boycotted much of the MPNP's crucial phase, may contend that since it was not directly party to the formulation of the Interim Constitution an entirely fresh start should be made.

*The Interim Constitution affords the country nearly five years of experience with constitutional government*

*The question is whether the Constitutional Assembly will accept a modified Interim Constitution or will want to start from scratch*

*Since the ANC and PAC are just short of a two-thirds majority, a motley assortment of parties hold the balance of power*

*The stage seems set for an intriguing process of ad hoc coalition formation, horse trading and compromise*

*The Constitutional Assembly must pass a new text within two years of its first sitting - 18 months hence*

It would be a pity if this point of view were to prevail since it would mean that much of the hard work put into drafting the Interim Constitution would be lost. This is unlikely to happen since the 34 constitutional principles effectively bind the Constitutional Assembly to a constitution that is likely to differ from the present only in detail. But the details could be very important.

Another factor is the configuration of political forces in the Constitutional Assembly. Since the ANC and PAC (which may well make common cause with the ANC on many issues) have a combined voting strength of just under 64% in the Constitutional Assembly, they are marginally short of the two-thirds majority required for the adoption of a constitutional text.

This means that a motley assortment of parties hold the balance of power. It is hard to see the NP, the Freedom Front, the IFP, the Democratic Party (DP) and the African Christian Democratic Party combining to advance common constitutional proposals, although it is conceivable that they could join forces to block ANC-PAC proposals.

The stage seems set for an intriguing process of ad hoc coalition formation, horse trading and compromise. The DP's role may be pivotal, not only in terms of numbers (which are insufficient to push the ANC-PAC percentage up to the two-thirds mark) but because of the considerable brokering and mediating skills of the likes of Colin Eglon and Ken Andrew, who played a constructive role at the MPNP out of all proportion to their political strength.

## **Constraints**

It is worth recalling the provisions of the Interim Constitution governing the adoption of a new constitution.

Section 73 states that the Constitutional Assembly must pass the new text within two years of its first sitting - approximately 18 months hence - that the text is to be passed by a two-thirds majority of all 490 members, and that those provisions relating to the boundaries, powers and functions of provinces require the approval of two-thirds of the members of the Senate.

Thereafter follow deadlock breaking mechanisms. If a proposed draft is supported by a majority, but less than a two-thirds majority, the draft will be referred for advice to an independent panel of 'recognised constitutional experts' who are neither Members of Parliament in any legislature nor hold office in a political party, and who are to

be appointed by a two-thirds majority of the Constitutional Assembly. The panel may offer advice within 30 days on amendments that may secure the required two-thirds majority support.

If the panel fails to submit unanimous recommendations for amendments within the due time, or if the Constitutional Assembly fails to support the amended text by the requisite two-thirds majority, any proposed text may be approved by a majority of the Constitutional Assembly, whereafter it is to be submitted to the Constitutional Court which must certify that the text embodies the 34 constitutional principles.

When all of this has been done, the approved text is to be submitted to the electorate in a referendum. If 60% of the voters approve the text it will become the final constitution. If fewer than 60% support the text or if the Constitutional Assembly does not meet its two year deadline, the President is obliged to dissolve Parliament and hold new elections.

The newly elected Constitutional Assembly will be required to pass new constitutional text by a 60% majority, including 60% of the Senate on provincial issues, within one year of its first sitting after the election.

The panel of experts has not yet been appointed, but names have been put forward and the appointments are likely to be made soon. Clearly they will play a pivotal role. If, as seems possible, a two-thirds majority are unable to agree on the five people, there is a fall back position that enables each party holding at least 40 seats in the Constitutional Assembly to put forward a nominee.

## **Bureaucracy**

Before turning to the substantive constitutional issues, it is necessary to look briefly at the bureaucracy established by the Constitutional Assembly. A Constitutional Committee of 46 members, proportionate to party strengths, was established in August, and it has appointed a Management Committee from among its members.

The latter body consists of the chairperson and deputy chairperson of the Constitutional Assembly - respectively Cyril Ramaphosa of the ANC and Leon Wessels of the NP - three from the ANC, two from the NP, and one each from the five other parties.

The expectation is that the Management Committee will be the driving force behind the Constitutional Assembly: according to documentation, it is likely that the Management Committee 'should attend to

process and not substantive issues'. It will prepare agendas and reports for the Constitutional Committee and coordinate the activities of the Constitutional Assembly. Its executive instrument is a Directorate.

Substantive issues will be addressed by six Theme Committees, consisting of 26 members each, which have already begun their work. Each of these has a core group consisting of seven or eight members, of whom two are ANC members and the remainder come from each of the other parties. The Theme Committees are empowered to call in outside expert assistance in the form of technical committees of up to three members.

The functions of the Themes Committees include collating the views of the parties and the public, and refining its conclusions into reports to the Constitutional Committee for debate in the Constitutional Assembly. It is highly likely that if agreement is reached in a Theme Committee and this is sustained in the Constitutional Committee, the plenary Constitutional Assembly will be largely a rubber stamp.

The themes covered are derived principally from the schedule of constitutional principles in the interim Constitution. They are:

□ **Character of the Democratic State**

Including issues relating to the preamble, the establishment of a single, sovereign state, common citizenship, democracy and equality, the supremacy of the Constitution, representative government, regular elections, suffrage and proportional representation, freedom of information, accountability, national symbols and the separation of powers. It has been proposed that this Committee's work be dealt with as a priority.

□ **Structure of Government**

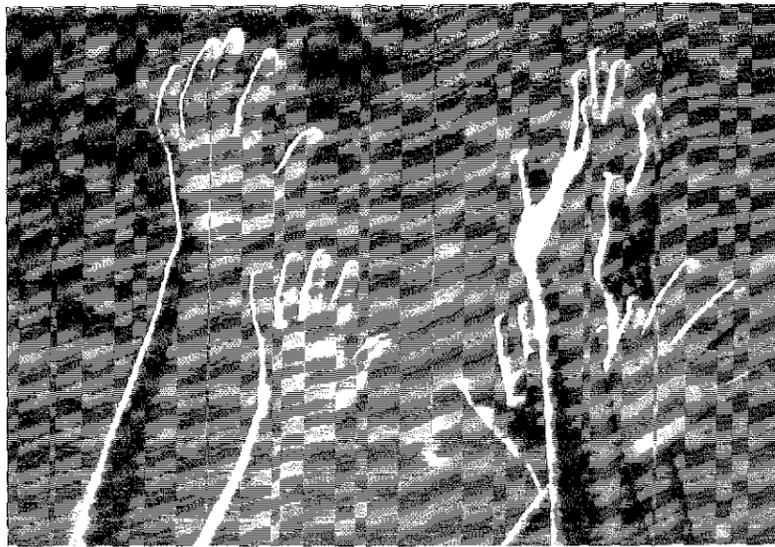
Including the separation of powers, legislative procedures, participation by minority parties in the legislative process, constitutional amendments, the structure of government at all levels, the electoral system, traditional leaders and the executive.

□ **The Relationship between Levels of Government**

Including the powers of local government and the legislative competence of the provinces and concurrency.

□ **Fundamental Rights**

Including the entrenchment of rights, the principles of non-racialism and non-sexism, the promotion of national unity and equality, the promotion of linguistic and cultural diversity, the rights of self-determination, civil society and free association, rights



relating to industrial relations, and first, second and third generation rights.

□ **Judiciary and Legal Systems**

Including all matters relating to the appointment of judges and the legal functions of traditional leaders and indigenous law.

□ **Specialised Structures of Government**

Including the independence and impartiality of the Public Service Commission, Reserve Bank and Public Protector, police, military and intelligence functions, traditional authorities and the South African Elections Commission (formerly the IEC).

There is some degree of overlap among the Theme Committees' terms of reference and other issues - such as the reception of international law into domestic law - which do not easily lend themselves to allocation to a Theme Committee and which will have to be dealt with by the Constitutional Committee. It is stated that international and comparative experience can be discussed by any of the six Theme Committees.

The allocation of themes follows fairly closely the 34 scheduled constitutional principles. The principles vary from very broad to detailed. For instance, principle X states: 'Formal legislative procedures shall be adhered to by legislative organs at all levels of government'.

Those that deal with provincial government and the relationship between the provinces and the national government (principles XVIII to XXVII) are detailed and specific, and do not appear to allow much scope for major changes.

Ironically, the principles may well be more firmly federal in character than the Interim Constitution itself, since principle XIX states

*Substantive issues will be addressed by six Theme Committees, consisting of 26 members each*

*The six themes follow fairly closely the 34 scheduled constitutional principles, which vary from very broad to detailed*

*Troublesome areas will be: power-sharing, federal issues and whether the Bill of Rights should include second and third generation rights*

*The 'volksstaat' issue may be defused if the Freedom Front accepts a form of 'corporate federalism', in which cultural rights are accorded*

*The electoral system will have to be revised. Proportional Representation is appropriate, but flawed in some respects*

categorically that 'powers and functions at the national and principal levels of government shall include exclusive and concurrent powers...'

However, the circumstances in which the national Government can override provincial legislation (principle XXI) are essentially the same as those already contained in the Interim Constitution.

### **Thorny issues**

Assuming that all of the issues that proved contentious at the MPNP will be re-opened, it can be safely predicted that the troublesome areas will be: power sharing in the executive, the putative federal character of the constitution (notwithstanding the specificity of the principles) and the issue of whether the Bill of Rights should include second and third generation rights.

The issue of a 'volksstaat' and those principles that relate to self determination are also likely to be contentious, but it seems possible that this may be defused by the Freedom Front accepting a form of 'corporate federalism': a non-territorial kind of federalism in which cultural rights are accorded to a particular cultural community which is then given certain powers in relation to them.

In many respects the ANC's acquiescence in the power sharing provisions that established the principle of a Government of National Unity was the linchpin of the Interim Constitution. They, as well as the quasi federal character of the Interim Constitution and safeguards for civil servants, succeeded in doing what good constitutions should do: lower the stakes of electoral competition. This was an absolutely crucial condition of the relative success of the April election.

The NP will insist on the retention, not necessarily in the same form, of the power sharing principle, and the ANC will resist it. The ANC will contend, quite correctly, that where power sharing - or constitutionally prescribed coalition - has been attempted, as in Cyprus or Northern Ireland, it has failed.

The NP will contend, also quite correctly, that power sharing is a minimum condition of maintaining democracy in deeply divided societies since hegemonic single party rule is a dangerous possibility. A compromise will not easily be brokered, but it is an issue on which political scientists should be heard.

The Bill of Rights in the interim Constitution is an awkward compromise: the rights enumerated are mostly 'traditional' ones, and only muted recognition is accorded to second

generation (or welfare) rights. The objection to the latter is the cogent one that if the available resources do not enable a state to implement, say, the right to a house, to a job, or a minimum wage, this inability will bring the entire Bill of Rights into disrepute.

A possible compromise would be to borrow the principle of 'directives' from the Indian Constitution. These indicate socially desirable objectives, but they are not directly justiciable. The courts, however, are obliged to have their judgements informed by the directives.

### **Elections**

The electoral system will have to be revised and perhaps it should, as at present, be the subject of a separate legislation. In principle Proportional Representation (PR) is appropriate for divided societies since it ensures that minorities can obtain representation, and it may encourage coalition government.

The absence of a direct nexus between a Member of Parliament and a constituency is troubling - and the palliatives introduced by the ANC go only part of the way to meeting the problem. The solution is probably not to borrow from the German practice of having 50% of the seats elected by PR and the other 50% elected on a constituency basis.

This has been advocated by many but its disadvantage is the possibility of giving, in effect, 50% of the seats to a dominant party. The preferable option would be multi-member territorial constituencies (five to eight members). The advantage of PR is retained, but a clear link between MPs and constituencies is established since parties are likely to choose candidates who are well known in the particular constituency.

It goes without saying that in the next general election proper voter rolls must be used. It is to be hoped that preparations will be initiated sooner rather than later. Only in this way is there some chance that many of the gross irregularities that marred the April election can be eliminated.

Finally, that section of the Interim Constitution (43b) that effectively prevents an MP from changing party affiliation, because he or she is then required to resign from Parliament, must go. It is profoundly undemocratic and possibly unique in the democratic world. It strengthens the hand of party leaderships, already a weakness of PR systems, and inhibits what many regard as a highly desirable long term development, namely the realignment of parties. ~~WDA~~

# Democracy Delayed

By Mervyn Frost  
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*Politics post-election is not being played out through inter-party competition. The legacy of struggle politics is still with us, the Reconstruction and Development Programme appears uncontested and there are features of the Interim Constitution that are preventing real Parliamentary opposition. We have a democratic constitution but we do not yet have a fully democratic practice.*

**D**o we have a democratic political practice under the present constitutional arrangements in South Africa? Democratic constitutions are designed, among other things, to provide a framework within which citizens can participate in law making and which allows people as equals with diverse conceptions of the good life to resolve their differences amicably.

Such constitutions provide the permanent rules of the game within which normal politics is played. It follows that for any country setting up such standing rules is a particularly important occasion.

If the job is well done then the citizens can look to the future with confidence knowing that rule making in their country will be orderly, that it will allow certain kinds of participation which are of value in themselves and that it allows a peaceful way of resolving disputes about policy.

If the constitution is not well made then the fundamental law governing law making, the constitution, will itself be an ongoing source of contention. The common life of the people will be under perpetual threat - instability will be the norm.

In this article I shall attempt to determine whether a stable framework for democratic politics has been established in South Africa. I start with working definitions of 'politics' as distinguished from 'administration', 'normal politics' as distinguished from 'extra-constitutional politics', and with a definition of 'power' which shows how it may or may not be political.

Having done this I outline the ways in which South African political practice has shifted with each stage of constitutional development: pre-negotiation, negotiation

and post-negotiation. Finally, this exercise enables me to judge the success of the present constitution and to make some predictions about constitutional change in the future.

## Definitions

'Politics' I define as talk and action directed at changing (or maintaining) the basic rules of association of some social entity. Politics is clearly differentiated from 'administration', which involves carrying out some task according to settled rules. According to this definition of politics it would follow that where the basic rules of association are well settled there is no politics.

So, for example, where a government department is routinely administering some function, such as tax collecting, there is no politics. But where the rules governing the process are challenged (who collects the tax, how much is collected and by what means) then politics emerges.

'Normal politics' (or intra-constitutional politics) may be distinguished from 'extra-constitutional politics'. Normal politics consists of action and discussion aimed at changing laws where such actions take place within a stable structure of higher level laws - a constitution. Extra-constitutional politics aimed at setting in place a new constitution, or radically altering an existing one, is not regulated by a higher level constitution and is necessarily much more ad hoc.

Turning now to the concept of 'power', I am aware that this is a highly contested notion, but I find it useful to define power as concerted action by people seeking some common goal. Power may be used in pursuit of a political goal (for example, changing some fundamental rule) or in a non political way, such as to raise money for a cause.

*Democratic constitutions provide a framework in which citizens can participate in law making and resolve their differences amicably*

*If the constitution is not well made then it will be an ongoing source of conflict. Instability will be the norm*

*We can see with hindsight the extraordinary complexity of the single purpose political campaign termed the struggle*

*The end of the bipolar world forced the antagonists in South Africa to profess the same goals - democratisation and ending violence*

*It seemed to the minority that their best safeguards would involve complicated constitutional devices*

## **Politics pre-1990**

In the 15 years before 1990 'normal politics' in South Africa was confined mainly to white political parties competing for parliamentary power. In 1983 the constitution was changed to allow coloured and Indian voters to elect representatives to separate chambers, in which there was a practice which resembled normal politics.

This normal democratic politics, though, only involved a minority of the country's population. The excluded majority were engaged in extra-constitutional politics, which had a single thrust. It sought to destroy apartheid. It denied the legitimacy of the existing constitution and sought to replace it with a fully democratic constitution.

'The struggle' was waged by a constellation of means, including the international anti-apartheid campaign, the political campaign of the trade unions, the armed struggle by Umkhonto we Sizwe, and the campaign of mass action inside the country which included boycotts, marches and rallies.

What we can see with hindsight is the extraordinary complexity of this single purpose political campaign. On the opposite side of the struggle was the government, which portrayed those seeking to subvert the constitution as communist revolutionaries against whom nothing but a total strategy would be effective.

It is most important to notice that 'the struggle' was seen by both antagonists as total. Political life for both sides could be understood in terms of a single goal towards which all resources ought to be directed. The aim was victory. All political talk was about strategy and 'war'. This type of politics was highly dramatic and commanded a lot of international attention.

Before 1986 this bipolar struggle neatly matched the bipolar international order, but when the Cold War ended it was no longer plausible for either the government or the anti-apartheid forces to portray themselves as occupying the frontline of a global battle.

For the South African government (SAG) the claim to be fighting a total war against communism rang increasingly hollow. It was revealed as a minority government seeking to maintain the status quo in the face of majority opinion at home and consensus abroad. In the long run this was clearly untenable both in terms of ethics and power. The SAG had little option but to turn to reform.

In like manner the anti-apartheid forces had to change their rhetoric and practice from an

anti-capitalist revolutionary discourse to one which stressed democratisation and condemned violence by the government. Thus the end of the bipolar world forced the antagonists in South Africa to profess the same goals - democratisation and ending violence. This had major implications for their day to day political practice.

## **Politics after 1990**

Once President FW de Klerk announced the unbanning of the African National Congress (ANC), Pan Africanist Congress and South African Communist Party in February 1990 the nature of South African politics changed.

But the politics of this time were still 'abnormal politics' since there was no stable framework of rules within which constitutional negotiations could take place. Politics was still between those inside the minority run quasi-democracy and those who were not.

For those outside there was still a single goal - establishing an inclusive democracy - around which to mobilise, but this group could no longer aspire to the total overthrow of the 'oppressor'. What had to be negotiated now was a constitution which would be acceptable to South Africans as a whole.

For the minority political life was not so simple. This group sought reform but precisely what form it should take was not so clear. There was no positive goal. In general they were fearful of the consequences of democratisation and were primarily interested in safeguarding their jobs and possessions.

It seemed to them that the best safeguards would involve complicated constitutional devices best understood by constitutional lawyers. Since it is difficult to mobilise people around the fine print of constitutional texts, this group was apathetic and anxious.

The change in political rhetoric at this point was remarkable. Whereas previously politics had been heavily ideological - at its crudest communism versus capitalism - after 1990 the antagonists spoke glowingly of democracy, rights, constitutionalism and the rule of law.

Each sought to gain credit for itself, and to discredit the opponent, by the same measures. Locally and internationally credit was given for action which advanced democracy and disapprobation was accorded to those who caused violence or instability. Thus, both sides sought to show that the other was still intent on victory through violence.

The SAG chose to focus on violence because any claim on its part to being democratic seemed particularly implausible: it was, after all, a minority government. During the post 1990 negotiation phase there were no formal methods for testing the support of the majority at the polls, thus public displays of support took on great significance.

The liberation movements regularly organised their followers into such displays, through strikes, mass meetings, marches and stayaways, which in a crude way showed them to have the support of vast numbers of people. The SAG never managed to arrange similar shows of its 'democratic' strength.

### Difficulties

What makes doing politics so difficult in the absence of a stable constitution is the awkward interplay between three things. In the first place, politics can only take place if there is a certain level of trust between those engaging in political discourse.

Second, the outcome of political negotiations is dependent on the power of the participants. But assembling such power often requires that the opponent's stance be de-legitimised, effectively undermining trust.

Third, the complexity of the constitutional package to be negotiated produces its own problems. For a party may want to object to a minor aspect of the package, yet find that the kind of power which it has at its disposal is so crude that it can only threaten to collapse the negotiations as a whole.

Through the many phases it took to negotiate the Interim Constitution - the Groote Schuur Minute, the Pretoria Minute, Codesa 1, Codesa 11, the Record of Understanding, the Multi Party Negotiating Forum, the Transitional Executive Council (TEC), the Independent Electoral Commission (IEC) and finally the Interim Constitution - the question endlessly presented to the public by the media was: 'Are the negotiations on or off?'

It was presented as a stark 'either-or'. The media had correctly perceived that the major form of power each party had at the negotiating table was either to topple the talks as a whole or allow them to continue. What we witnessed were negotiations about a highly complex set of constitutional issues threatened at each point by the crudest form of political power: circumstances akin to threatening the use of a cannon to influence a chess match.

Constitutional government is designed among other things to avoid this problem. It

allows disagreements to be dealt with in a way which does not threaten the whole system of cooperation within which the dispute is situated. In the end the leadership of both major parties had sufficient incentive to reach agreement on an Interim Constitution through a series of bilateral agreements.

The crucial point to notice here is that the political power each relied on during this phase was still very crude, but could not be relinquished without considerably weakening each party's bargaining position. The practice of political power was still bipolar and totalist. It was not a plural political culture.

This bipolar culture manifested itself as follows. For most whites, supporting the ANC was still understood as akin to supporting the enemy. Similarly, ANC supporters presented blacks who supported the NP as stooges of 'the regime'. These ways of thinking produced a politics of territory in terms of which allowing an agent of an opposing party into one's area was seen as tantamount to allowing enemy agents into the ranks of one's army.

In summary then, during this negotiation phase the negotiators were deeply involved in politics. However, the public were largely excluded from the subtleties of the debate and were kept, as it were, in readiness as reserve armies to be used to threaten the disruption of the negotiating process. The negotiators were moving towards moulding a democratic constitution, but the popular culture on which they relied for their power was not democratic. There was no normal politics.

### Elections

April 27, 1994, was chosen as the date for the election by the Negotiating Council on June 3, 1993. What followed could in a broad sense be seen as the election campaign. However, public attention was not focused on electioneering, but on the parties who rejected the Interim Constitution and the election date.

The most important outsider was the Inkatha Freedom Party (IFP). The other key outsiders were the white rightwing groupings, especially the Afrikaner Volks Front (AVF). Both posed the threat of some form of civil war if the ANC and SAG went ahead with the election. From July 1993 to March 1994 it seemed as if there was a very real possibility of major disruptions of a military nature.

In the election campaign citizens were called upon to change from being participants in extra-constitutional politics to being

*During the negotiation phase there were no methods for testing party support, so public displays of support took on great significance*

*Negotiations were about a highly complex set of constitutional issues, threatened at each point by the crudest form of political power*

*Public attention was not focused on electioneering, but on the parties who rejected the Interim Constitution and the election date*

*The election was not preceded by multi-party politics in any standard sense*

*A core question is whether the Interim Constitution, democratic in form, has brought about democratic practice*

*The RDP is problematic for those wishing to establish democracy*

participants in the normal politics of multi-party democracy. But this transformation for the most part did not take place. Over and above the difficulties posed to the 'insiders' by the IFP and AVF 'outsiders', this transition was made even more difficult by the heritage of the struggle.

One component of the struggle had been making areas 'ungovernable'. These measures reinforced the practice of territorial politics. The net result was that during the election campaign it was not generally possible for parties to canvass in areas in which they were not traditionally dominant.

In KwaZulu-Natal this problem was made acute by the fact that the IFP did not agree to participate in the election until nine days before the event. For most of the election campaign, then, the main issue was not competition between parties and policies but whether the election would go ahead at all. The political rhetoric and the practice was militaristic and antipathetic towards democracy.

Although there was a multi-party election on April 27 which was declared 'free and fair', the election was not preceded by multi-party politics in any standard sense. It was dominated by a new 'struggle' politics, no longer between the ANC and the NP but between an insider group led by them, on the one hand, and the IFP and white right wing groups on the other.

Politics depended on mass mobilisation, the rhetoric was still militaristic, there was little tolerance of opponents, it depended on maintaining exclusive control within a given territory, and it was directed at a single goal.

To say that the election was not well administered is to understate the case, but it did set in place an Interim Constitution perceived as legitimate. In terms of the Interim Constitution a Government of National Unity (GNU) was established which enjoys widespread legitimacy.

For the three major political parties - the ANC, NP and IFP - the election ushered out the central enemy, the apartheid state, and ushered in the desired goal of a democratic constitutional order. The political goal had been achieved.

### **Democratic Practice?**

A core question is whether the Interim Constitution, democratic in form, has brought about a democratic practice. I take it as given that a central aim of all democratic constitutions is to ensure that most politics

are normal politics rather than extra constitutional politics.

Democratic constitutions seek to allow the handling of disputes about basic rule making (law making) through a structure (Parliament) within which the major groups in society (parties) are represented. Detailed procedures are laid down for securing full discussion of an issue and for securing a decision at the end of the day.

In democratic states disputes about policy are usually articulated by political parties competing with one another within the framework of the constitution. In post election South Africa politics is not being played out through inter-party competition.

The reasons are twofold. First, the legacy of struggle politics has not been replaced by the practice of multi-party democracy, but by another single purpose practice. Second, there are certain features of the Interim Constitution which prevent this happening.

### **The RDP**

The original single purpose struggle which guided political for several decades has been won. The GNU, though, has instituted in its place another single purpose policy, namely, the policy of the Reconstruction and Development Programme (RDP).

All political debate is at present couched in terms of the RDP. I wish to argue that the RDP is problematic for those wishing to establish democracy. It is problematic because it is not a single goal or policy, but a vague set of aspirations presented as a single goal. It has taken on the status of holy writ.

Because it enjoys this status and because it is so vague, it is difficult for political parties to present detailed policy options regarding the complex problems involved in developing South African society. Any dissent from the GNU's account of what the RDP is, is easily construed as reactionary. It would be a brave person or party who dissented.

It is possible to construe the RDP as a nation building goal which transcends party politics and unites South Africans across the political spectrum. It may be seen as giving citizens a vision towards which they may all strive together. This is clearly how it is intended.

My argument is that this intention is misplaced. For in reality the RDP is not a single goal akin, for example, to the single goal of a nation at war which is to defeat the enemy. Reconstructing and developing South Africa is going to involve very complicated

policies and will require crucial choices about whether to spend more money on health or housing, or in the Northern Cape or PWV.

Such decisions will involve a conflict of interests between different groups. There is no clearly right and reasonable way of allocating scarce resources to these functions and regions. Different groups in different regions will have conflicting ideas about appropriate policies to be adopted.

A democratic political dispensation allows such differences to surface, and to be settled through bargaining and eventually through the electoral process. The way in which the RDP is being presented and marketed is not furthering the emergence of diverse and competing interests in the political arena.

### Coalition of a kind

On the face of it the Interim Constitution is highly democratic. It provides for elected legislatures at local, regional and national level. It creates a *Rechtsstaat* replete with a constitutional court.

There are checks and balances, a division of powers between the centre and the provinces, and there is an entrenched Bill of Rights. However, there are certain features in it which do not promote multi-party democracy.

The Interim Constitution prescribes that there shall be a Government of National Unity. The problems encountered in the GNU at central level are also encountered in the arrangements stipulated by the Interim Constitution for provincial governments.

The constitution specifies that all parties garnering more than a specified number of votes in the election may opt for inclusion in the GNU (Cabinet) in proportion to their electoral strength. It also guarantees a Vice Presidency to parties which achieve more than 80 seats in the 400 member Parliament. The parties represented in the Cabinet are bound by collective responsibility.

What we have then at present is coalition government of a kind. But the coalition is not the result of a deal struck between parties seeking to form a governing coalition as is the norm in most countries where elections are based on proportional representation (PR). Instead, the coalition is determined by the mathematics of the electoral result.

The junior partners in the Government do have some power in that they may walk out of the Cabinet. This would embarrass the Government, but it would not precipitate its fall from power. The only thing which would

achieve that would a vote of no confidence in the GNU passed by the National Assembly.

But since the Interim Constitution allows the majority party to rule even if the other parties walk out of the GNU it is difficult to imagine the National Assembly doing this. It would only come about were there a serious split in that dominant party, which is unlikely.

### Where's the opposition

Where is political opposition to be found in the new constitutional arrangements? It might be thought that minority parties could effect their opposition within the Cabinet. But while they have the power to influence policy there, they do not have a veto power. The Interim Constitution says:

"The Cabinet shall function in a manner which gives consideration to the consensus-seeking spirit underlying the concept of a Government of National Unity as well as the need for effective government." (Act 200 of 1993: *Constitution of the Republic of South Africa*, Article 89 (2))

In effect this means the President can take decisions according to the principle of 'sufficient consensus'. The will of the majority party in Cabinet will always prevail.

There are also provisions in the Constitution which make it unlikely that the Government will experience stiff opposition from Parliament, whether from the National Assembly or the Senate. The primary device ensuring the docility of Parliament is the PR electoral system, which is based on a two tier list system.

Two hundred members of the National Assembly are elected from national lists. The other 200 are elected from local lists in each of the nine provinces. The effect of the list system will be that Members of Parliament, worried about their positions on the list in future elections, will be subservient to the whims of party seniors in the Cabinet.

In the case of the ANC, intra-party strife would have to reach epic levels before the Parliamentary party decided to defy the Cabinet in any major way. There have already been three minor skirmishes between Parliament and the GNU.

Bankbenchers took the Government to task for appointing a secret committee to decide where Parliament ought to be sited in future. Second, Parliament insisted that directors general of departments appear themselves before Parliamentary committees rather than

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*We have a democratic constitution, but we do not have a democratic practice*

send junior representatives. Third, backbenchers are insisting on having a greater say in the drawing up of the budget than was the case under the old constitution.

All these factors together indicate that the Interim Constitution ensures the majority party will be very powerful. PR and the 'power sharing' arrangements of the GNU will not allow minority parties to mount much more than token opposition to the Government. For committed majoritarians this may not seem an undesirable outcome. What bothers me is not the majoritarian implication of the Interim Constitution, but the way in which it precludes effective party political opposition.

### **Federalism?**

Many theorists are hoping that the Interim Constitution will produce a political practice which is essentially federal. It contains features which suggest this could happen. The Interim Constitution does entrench the powers of the provinces, and provision is made for appeals to the Constitutional Court if it appears that these have been infringed.

However, there are a set of crucial override clauses which entitle the central legislature to override provincial legislation where, in the opinion of the national Parliament, certain very vague conditions apply. For example, if it appears that provincial legislation impedes national standards or hinders national economic policy. (See Article 126 (3) a to e.)

But far more important than the constitutional provisions will be the overriding power of the purse at the centre. South Africa's wealth is concentrated in one province, the PWV, and the other provinces are heavily dependent on redistributions orchestrated by central Government.

The constitution does provide for revenue sharing as determined by the Financial and Fiscal Commission. (See Sections 198-206). But the Commission will only be an advisory body to the central Government, which will have the final decision making power.

Despite the constraints on the powers of the provinces, we have seen since the election a growing demand from the provinces for greater powers. These demands have not come from the provinces which do not have ANC governments, KwaZulu-Natal and the Western Cape, but from the seven provinces with clear ANC majority governments.

This has come about because the ANC has appointed strong men to the position of provincial premiers in most of them. These

men have to deliver services or their political standing will be questioned.

At present they have a firm political base as provincial premiers and will clearly be able to articulate an interest which is different from that spelled out at the centre. But the supply of resources is going to be very scarce, and the clamour from the provinces will grow. Thus, despite the lack of pure federal forms, I believe a federal practice is likely to emerge.

The emerging federal practice will be boosted if the provinces take advantage of the provision in the Interim Constitution which enables them to forge ahead in the drawing up their own constitutions, in accordance with the 33 principles laid out in Schedule 4.

Once a province has adopted a constitution of its own the possibility arises that it may hold elections which are out of 'synch' with the national elections. This may also advance the formation of a federal culture. In all this, though, the politics is all likely to be within the ANC rather than between the ANC and other parties.

### **Local level**

Procedures have been laid down for democratic local government structures to be negotiated, but the process is proving to be very difficult to implement. Up and down the country people have taken to direct action in an attempt to force their point of view on traditional white town councils.

Hostage taking of councillors and others has become quite common, as has the blockading of major highways. People are demanding housing and there have been land grabs organised by squatters. There have been strikes in major sectors. All the big disputes at present are about the delivery of services of one kind or another.

None of them are being dealt with through party political competition in the forums set up by the Interim Constitution. At central Government level there are structural blockages to this happening. In provincial governments some of the same structural problems apply, compounded by the fact that many of them have not been established in practice. The whole local government structure is still in dispute and is subject to the mass politics experienced nationally over the past decade.

My overall conclusion is that we have in South Africa at the moment a democratic constitution, but we do not have a democratic practice. ~~DEWA~~

# POST-ELECTION EUPHORIA

By Valerie Møller  
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*One month after South Africa's first democratic election, for the first time in survey history, black and white people registered equal happiness and satisfaction with their lives. Three months later people were still feeling good. The challenge now is to sustain the new levels of satisfaction by delivering better material conditions for all.*

In April 1994 South Africans participated in their first universal franchise election. One month later an equally remarkable milestone was achieved: for the first time in the country's survey history black and white South Africans reported equal levels of life satisfaction and happiness. The election was clearly an event so extraordinary that the entire country registered a new level of well-being.

For more than a decade quality of life studies have revealed a glaring gap in the life satisfaction and happiness of black and white South Africans, sentiments which have spilled over into most aspects of life. After Nelson Mandela's release in 1991 Markinor Gallup poll registered an increase in black optimism, but no tangible effects on life satisfaction and happiness.

It is possible that the election, which erased years of depressed well-being in the fleeting moment of casting a vote, achieved more than all the campaign promises of the various parties could ever hope to achieve. In the afterglow of the elections the euphoria of black first time voters was tangible, and it registered in survey responses. Some black satisfaction and happiness scores surpassed those of whites.

## Apartheid impact

*Indicator SA* has regularly reported on the life satisfaction and happiness of South Africans (Møller 1989 and 1992a). The story of South African quality of life was remarkably sad and repetitive throughout the 1980s and early 1990s.

Repeat surveys using identical indicators with representative samples from the same populations showed that life satisfaction and happiness invariably mimicked an apartheid artefact, the racial hierarchy (Table 1). This

pattern of quality of life persisted among various sub-populations, including younger and older people (see Table 2).

Being black in South Africa was a strong predictor of negative life satisfaction and happiness, even when other background factors were controlled.

The racial hierarchy was not restricted to global evaluations of life as a whole. The same pattern of satisfaction for whites, dissatisfaction for blacks, with Indian and coloured satisfaction levels falling in between, applied to all domains of life. It was as if the poison of apartheid engulfed virtually every aspect of living.

Family life was the rare exception. Black people appeared to rise above apartheid's restrictions to achieve contentment in the sanctuary of the home. Black satisfaction with self was also higher than satisfaction with other domains of life, but still lagged behind white levels, suggesting that the self concept had also been bruised.

What is the significance of this sudden upswing in life satisfaction? Has it occurred in other parts of the world? Will the trend last? South Africa is a multi-cultural society, therefore recent cross-cultural studies of subjective well-being in other countries have particular relevance for interpretation of its quality of life trends.

South Africa joined the social indicators movement shortly after the first flurry of activities in the 1970s. South African well-being was measured in the 1980s using very simple but robust one item indicators of happiness and satisfaction (Møller and Schlemmer, 1983, and Table 1).

Since then similar measures have been applied worldwide. Updates on cross-cultural quality of life research have deepened our

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**Table 1: Quality of life trends in South Africa**

Percentages 'very satisfied' and 'satisfied'

	All South Africans	Blacks	Coloureds	Indians	Whites
<b>Life Satisfaction</b>					
1983 <sup>1</sup>		48	81	89	89
1988 <sup>2</sup>		32	77	77	82
1994 <sup>3</sup> May	79	80	78	71	78
<b>Happiness</b>					
1983 <sup>1</sup>		53	80	88	93
1988 <sup>2</sup>		38	83	83	92
1994 <sup>3</sup> May	84	86	83	74	81
<b>Markinor 1991 Survey<sup>4</sup></b>					
Happy (very, quite)		52	94	74	92
Satisfied (out of max. 10)		5.5	7.6	7.5	7.7

Identical items were used in the 1983, 1988 and 1994 surveys:  
 "Taking all things together, how satisfied are you with your life as a whole these days. Generally speaking would you say you are very satisfied, satisfied, dissatisfied, or very dissatisfied?" (neither/nor)  
 "Taking all things together in your life, how would you say things are these days. Would you say you are very happy, fairly happy, unhappy, or very unhappy?" (neither/nor)

Sources: 1 Moller and Schlermer, 1983  
 2 HSRC omnibus, see acknowledgements  
 3 Item run in Markdata's May 1994 omnibus on behalf of Moller  
 4 Markinor (1991) 'The World Social Value Survey', see acknowledgements

Sample sizes

	Blacks	Coloureds	Indians	Whites	
1983	1516	970	1316	834	urban
1988	1199	829	991	752	urban
1991	600	200	200	1236	urb & rural
1994	1208	234	146	631	urb & rural

The 1994 sample is representative of the total South African population including former homelands

*Individuals are remarkably adaptable and may achieve happiness even under depressed or intolerable circumstances*

knowledge of the dynamics of happiness levels. The following review draws mainly on recent work conducted by Professor Ed Diener and colleagues attached to the Subjective Well-being Laboratory at the University of Illinois.

### Well-being

Happiness and satisfaction are key concepts in quality of life research, of which subjective well-being is a sub-discipline. Life satisfaction is a conscious cognitive judgement of one's entire life, which allows individuals to choose their own criteria of what makes up the good life for them.

Subjective well-being encompasses both cognitive 'from-the-head' evaluations and 'from-the-gut' emotional reactions or affect evaluations. Life satisfaction tends to tap the former, happiness the latter, although the two types of evaluation are interrelated.

Quality of life research has shown that individuals are remarkably adaptable and may achieve happiness even under what outsiders might view as depressed or intolerable circumstances. Therefore we find that life satisfaction does not necessarily decline with age and disability.

Generally, satisfaction measures which are more cognitive tend to register changes in external conditions more than affect measures of happiness. Levels of happiness and satisfaction tend to be fairly stable throughout life. However, most measures of subjective well-being are also sensitive to advantageous or adverse life events.

Research has shown that people adapt to life conditions over time, so only recent life events tend to influence life satisfaction levels. Individuals might experience adverse circumstances in their lives, such as illness, a death in the family, or a financial setback, which might depress satisfaction with life. Conversely, winning the lottery, a new job, or even social support to help individuals overcome health or financial troughs, may lead to a sudden rise in satisfaction levels.

However, classic research in this area suggests that over time the level of satisfaction returns to the individual anchor or set-point, or slightly above or below in the case of more permanent negative or positive changes to life circumstances.

Thus in a large population one would expect elevated and depressed levels of happiness to cancel each other out under normal conditions. At the country level satisfaction and happiness trends for some nations tend to be remarkably even under stable conditions.

Most people around the world rate their lives positively. This is particularly the norm in Western and democratic societies, suggesting that happy people are indicative of a healthy and normal society. Until democratic elections this year, South Africa had the dubious distinction of deviating from this norm as far as its black citizens were concerned.

It has been found that there is a set-point near the level of 'somewhat satisfied' around which subjective well-being fluctuates. In other words, people are positive about their lives, but also state there is room for improvement. This level may be ideal for goal striving because it is positive yet encourages people to be optimistic about the future and to strive towards new goals.

The phenomenon of people generally reporting personal happiness and satisfaction above the neutral mid-point was first discovered in United States samples. Secondary analysis of cross-cultural data among students and other national survey data from both developing and developed countries confirms this trend.

Most cross-cultural researchers have reached similar conclusions to those taken by South African quality of life researchers.

Measurements of subjective well-being are fairly robust: technical artefacts play a minor role in influencing levels of well-being and substantive explanations must be sought.

Depressed subjective well-being occurs when individuals find themselves in poor life circumstances, although personal evaluations are also tempered by expectations and aspirations. If subjects report dissatisfaction in areas where they are well off by objective standards, it points to high aspirations.

Cross-national research suggests that income goals may be particularly salient for goal striving to achieve life satisfaction and happiness. In 1991 Veenhoven hypothesised that income would have a stronger relation to overall well-being in poorer than in richer nations. This was confirmed by research which found a very strong correlation between wealth and subjective well-being across nations.

Expectations and aspirations might also diminish the influence of wealth on subjective well-being. High economic growth in mainly Pacific Rim countries correlated with lower subjective well-being. Explaining these results, Diener and his colleagues argue that rapid growth might be accompanied by higher aspirations and social dislocations which might depress quality of life.

The cross-national study which used student and national databases found that income per person, basic need fulfilment and, in some parts of the world, individualism, were consistent and significant predictors of subjective well-being.

It is known that there is a North-South split in the subjective well-being of European countries. Greece, France, Italy and Spain report lower levels of subjective well-being than one might expect from their gross domestic products (GDPs) per person.

Findings of this nature have encouraged the search for cultural factors, such as individualism and collectivism, to explain national differences. Cultural factors are thought to influence personality development during the socialisation process.

Individuals from societies that place greater emphasis on interdependence and collective goals for development tended to score lower on subjective well-being than individuals from societies that promote individualism. While Western researchers have usually assumed that individual happiness is a universal goal, Diener and Diener (1993) cite an alternative viewpoint that feeling good about oneself might be seen as a sign of maladjustment in some societies.

**Table 2: Quality of life of special groups of South Africans**

Percentages 'very satisfied' and 'satisfied'

	Blacks		Coloureds		Indians		Whites	
	S	H	S	H	S	H	S	H
Seniors <sup>1</sup> 1990	39	45	91	87	78	79	90	90
Unemployed <sup>2</sup> 1989	9	16						
Township youth <sup>2</sup> 1989	51							
Three generation township families <sup>2</sup> 1992								
Seniors	47							
Parents	47							
Youth	61							

S = Satisfaction, see Table 1  
H = Happiness

Sources:

- 1 Ferreira M, Moller V, Prinsloo FR and Gillis LS (1992) 'Multidimensional Survey of Elderly South Africans, 1990-91: Key Findings.' HSRC/UCT Centre for Gerontology, University of Cape Town, Cape Town.
- 2 Data collected by Moller

Sample sizes

	Blacks	Coloureds	Indians	Whites
Seniors (urban)	997	978	999	989
Unemployed youth	1051			
Township youth	1200			
Township families	300 (n100 in each generation)			

Interdependent cultures tend to emphasise collective goals and mutual dependence, so that an individual may derive his or her self worth from group rather than individual identity. In collectivist cultures it is important for individuals to fit in, and engage in relevant social relationships.

Individualistic societies afford individuals more freedom to choose their personal goals. Self esteem is one of the strongest predictors of life satisfaction in Western countries. Successful individuals in Western cultures may be more likely to attribute success to themselves, which feeds self esteem.

Diener and his colleagues observed that Western cultures have stronger norms for experiencing and expressing positive emotions openly, and at the same time exert stronger prohibitions against experiencing and expressing negative norms.

Research using a different sample of nations showed that self esteem, which might be seen as an individualistic concept, was a stronger predictor of life satisfaction in independent than in collectivist societies. In South Africa cultural responses along the lines of collectivism and individualism may have been responsible for exaggerating the gap between the well-being of black and white seniors (Table 2).

It was observed, for example, that white seniors tended to stress their coping skills and overlooked disabilities and problems. In contrast, black subjects were frank to the point of excess in detailing their ailments, problems and lack of facilities.

*Rapid economic growth might be accompanied by high aspirations and social dislocations that depress quality of life*

*Individuals from societies that emphasise collective goals tend to score lower on well-being than those from 'individualistic' societies*

*On election day the good life was not defined by material goals but by liberation goals which also restored self esteem and dignity*

*If the new national mood is to last, material and immaterial goals must converge*

*The end of the struggle and the dawn of democracy promised access to material rewards*

The independence ethos adopted by the white elderly is rooted in the notion of self reliance, which is akin to a Western style of adaptation and coping in later life. African lifelong norms of sharing and intergenerational dependency might have prompted the black elderly to be more open about negative aspects of their life circumstances.

It was concluded that in the case of black and white elderly, social conditions and cultural norms coincided to make the contrast between white privilege and black deprivation even starker than in other surveys of South African adults.

### **Election euphoria**

Returning to the election, in one of the last pre-election sample surveys, conducted in February 1994, Johnson and Schlemmer noted the onset of election euphoria in reactions to a survey item describing feelings of 'excitement and happiness' in anticipation of the April elections. They wrote:

"...an enormous euphoria which is focused strongly on the actual and symbolic liberation which the election is taken to imply. This 'uhuru' feeling is actually a dense concentration of practical wishes and desires - for peace, better housing, education, health, more jobs and so on, but so strong is it that it simply overwhelms any separate consideration of these issues as such. This 'liberation' feeling is almost synonymous with African National Congress (ANC) support and highly indicative of it..."

It is unlikely that feelings of optimism or pre-election euphoria would have registered on our measures of global life satisfaction or happiness before April 27, 1994. Only the 'act' of voting could count as goal achievement, the culmination of the long and painful process of achieving full citizenship in one's own country.

Press reports described voting on April 27 as the most gratifying moment in the life of a nation. Journalist Shaun Johnson was sensitive to the national mood:

"Material desire was not the deepest emotion on April 27; white South Africa has always underestimated the depth of the psychological slur of disenfranchisement apart from the social poison it unleashed." (*Daily News*, April 29, 1994)

On election day the good life was not defined by material goals but by liberation goals

which also restored self esteem and dignity. The fact that personal striving for liberation was also a collective goal for black South Africans may have intensified feelings of goal achievement.

### **Lasting satisfaction**

The question is whether this long awaited satisfaction will last. The exceptional swing in the national mood may be a fleeting phenomenon, or it may signify the beginnings of the normalisation of South African society or the rapprochement of the First and Third World aspects of society.

Pavot and Diener's research last year on the structure of life satisfaction suggests that there are three components: a long term component which may be due to personality and stable life circumstances, a moderate term component due possibly to current life events, and a short term component reflecting current mood and immediately salient life circumstances.

The question is whether post-election happiness and satisfaction reflects a long or a short term state: an entirely new mind set, a new set of enduring life circumstances or merely a passing mood. The election campaign was pitched at the material level. Housing, jobs, education and health were itemised as the material goals of the good life. If the new national mood is to last, material and immaterial goals must converge.

Findings from cross-national research suggest that income is one of the most salient motivations for goal striving to achieve life satisfaction and happiness. Just as GDP has become a yardstick for measuring national performance, income has become a pervasive personal goal throughout the world.

At the time of the elections it is possible that the collective ambition of blacks focused briefly on immaterial goals. However, for many South Africans the end of the liberation struggle and the dawn of democracy also promised access to material rewards. The speed with which reconstruction and development takes place is likely to be a major factor in determining the new black set point for well-being.

### **Future outlook**

In future it will be important to watch out for the role of self esteem as a major influence on quality of life. If what Lawrence Schlemmer calls 'the politics of pride' continues to set the scene, the set point for satisfaction eventually established after the

elections should converge at a point considerably higher than before the elections.

The act of voting provided catharsis and reconciliation, and restored pride to both black and white South Africans. Not surprisingly ANC voters scored higher than most on happiness and life satisfaction. Although numbers were small, it is telling that people who did not go to the polls - black and white - scored below average on subjective well-being.

During the 1980s and early 1990s race was the single most significant predictor of South African levels of satisfaction and happiness. Race was not a cultural phenomenon: it coincided with a whole array of privileges and disadvantages.

A possible future scenario is a new 'racial hierarchy' of happiness and satisfaction in which white levels might lag below black ones due to disincentives for material goal striving - decline in real income, additional tax burdens, crime and physical insecurity - and possible lack of self esteem.

However, if the Reconstruction and Development Programme manages to redress past inequalities and in doing so feeds the pride of South Africans, it may be anticipated that levels of satisfaction will be less uneven and will cut across the former racial lines. If so, cues for predicting South African satisfaction and happiness would become more subtle, as in other countries.

## New democracies

In *Indicator SA's* 50th issue, the author asked why it should be so important for South Africa to achieve happiness in future. The answer referred to the fact that high levels of happiness and satisfaction were hallmarks of democratic society which also afforded scope for individuals to measure personal progress.

In the 1990s there is new vitality in the social indicator movement which is also significant for South Africa. Following the demise of communism and the crumbling of apartheid, the world is watching the fragile progress of the new democracies. Ambitious monitoring programmes have been introduced to test the new social waters in Eastern Europe.

So far indicators from those countries have not produced results as startling as South Africa's post-election satisfaction and happiness levels. A confounding factor in Eastern Europe may be that democracy has been accompanied by major economic adjustments and problems: as a result life satisfaction may not improve in spite of political freedom.

Rising expectations known to follow hard on the heels of revolution or other dramatic political change may further depress the quality of life.

## Social reporting

In *Indicator SA's* 50th issue it was noted that under apartheid much of South Africa's social indicator work was conducted by enlightened commercial research organisations rather than by state or parastatal organisations. Reviewing the European situation, Rothenbacher surmises that:

"non-democratic regimes do not encourage the establishment of social reporting, because on the one hand planning is not emphasised, and on the other hand the enlightenment function is not seen as (desirable)".

In 1994, there are healthy signs of greater transparency in social statistics and greater public interest in finding out how fellow South African citizens think about topical issues. The return of the World Bank and private investors may have encouraged greater interest in collecting national and regional statistics.

An example is the World Bank sponsored Project for Statistics on Living Standards and Development, undertaken by the Southern African Labour Development Research Unit (Saldru) this year. The research product is in the public domain which means that not only will the public be fully informed of results but also that the best expertise will be used to analyse and report on the database for social policy purposes.

Access to quality of life indicators has increased in recent years, but so far official statistics tend to be limited to 'objective' or hard data which still have greater credibility among bureaucrats. An interesting departure from this is the Saldru study, which includes a subjective measure of household well-being.

It is unusual in that satisfaction is measured at the household rather than the individual level. The measure is global: the target of evaluation is the household's lifestyle. It is left up to the person representing the household to decide which domains of living impinge on the household's quality of life.

During apartheid much of the official census data collected by the South African Central Statistical Services lay unused. It is perhaps telling that many social researchers relied on statistics produced by the commercial All-Media Products Survey (AMPS) rather than census statistics.

*People who did not go to the polls - black and white - scored below average on subjective well-being*

*In future, white levels of happiness and satisfaction might lag below black ones*

*There are healthy signs of greater transparency in social statistics and greater interest in finding out how fellow South Africans think*

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One of the reasons for unreliable census statistics was that rank and file South Africans were loathe to participate fully in the data collection process. Cooperation may have been viewed as collaboration with the regime, communities may have feared that the information proffered could be used against them, or they may have believed it was in their interest to distort the facts.

As a result vital statistics such as unemployment rates and the head count were regarded by some social scientists as too inaccurate to be usable. The elections, which clearly revealed the shortcomings of the official population count, may have demonstrated the importance of census statistics to the average person in the street.

## Household surveys

With a legitimate government in place, the Central Statistical Services may for the first time in history be allowed to carry out, unimpeded by popular prejudice, its job of collecting reliable statistics to be used for planning and development. A fully functional census office represents an enormous savings to a developing country.

Many of the expensive surveys conducted by peripheral organisations can be run centrally and data pooled and shared by researchers countrywide at no extra cost to the taxpayer. One of the most common forms of social reporting, the household survey, is typically conducted by census offices. South Africa recently launched its own household survey and academics, who have been consulted on survey design, have gained a rich data source for general use.

## Time-use surveys

As South Africa takes its rightful place in the international community, a new and exciting task for its census office would be to conduct a national time-use study for both internal and international comparison purposes. Time-use surveys or time-budgets have gained in popularity in Europe, where cross-country comparisons are already available and a concerted effort is underway to refine measures and improve data comparability and its practical usefulness.

Of relevance to reconstruction and development in South Africa is that time-use surveys are an excellent tool for exploring the inner workings of the informal economy, which in developing countries produces a significant proportion of GDP.

Time budgets can produce statistics on

informal sector activities and unpaid work which are not counted in conventional national accounting systems and therefore undervalued. Much unpaid and informal sector work is typically women's work in South Africa, so time budgets may further gender equality. Multi-dimensional time-use surveys are expensive and ideally should be conducted nationally in conjunction with national household surveys.

## Opinion polls

Polls provide instant information updates on popular trends which are essential for continued voter and democracy education. A poll based on a representative sample survey is less costly than a referendum. A new feature of South African polls are samples designed to be representative of the entire population rather than racial groupings. For the first time it has become possible to pinpoint the 'South African' level of happiness and satisfaction (Table 1).

In the interest of stimulating informed debate among the electorate the public should have access to the results of quality polls conducted by a wide range of organisations. It is envisaged that opinion polls will become a popular channel of communication to inform newly enfranchised voters of the range and intensity of popular viewpoints on topical political issues.

Returning to the question of lasting South African life satisfaction, the signs are encouraging that symbols of unity continue to feed feelings of national pride. Recent Market and Media Research (MMR) poll results suggest that South Africans were still 'feeling good' and 'walking tall' up to four months after the elections.

The vast majority of South Africans liked their new flag and expected South Africa would be the pride of Africa (*Daily News*, September 29). The fact that pollsters recognise the importance of conveying this information to the electorate is an equally encouraging sign that social indicators will play an important role in a democratic South Africa. *UPWA*

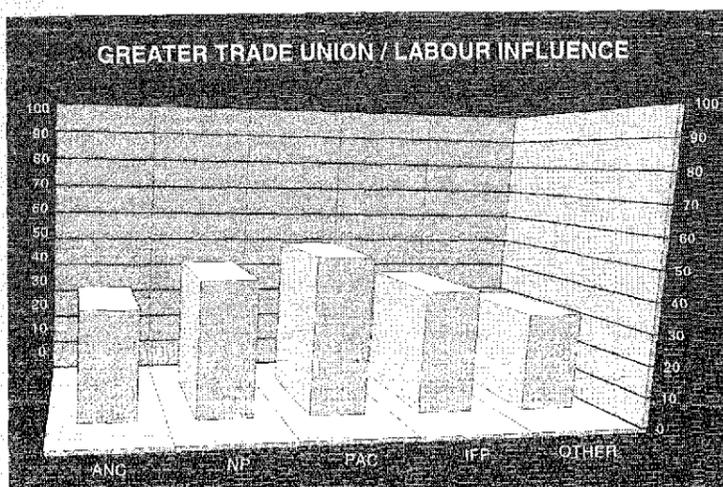
## ACKNOWLEDGEMENTS

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# ECONOMIC

M O N I T O R

## ATTITUDES

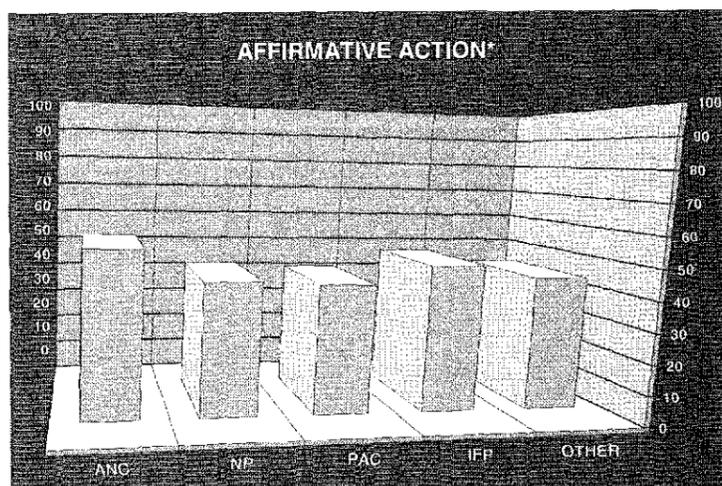


These figures represent average endorsement of the issue, based on the combined indices of several items, including

- support for strikes in struggling companies
- rejection of productivity conditions for pay increases
- stronger union influence in politics
- co-determination
- higher wages notwithstanding job losses
- close identification with unions
- forced recognition of unions
- enforced union demands regarding conditions for overseas investment

These figures represent average endorsement of the issue, based on the combined indices of several items, including

- expectations of superior jobs
- preferential job policies to create good job opportunities
- laws to force organisations to appoint blacks
- an investment code
- special assistance to help blacks to compete
- 'entitlement' because of being black





*Can you tell the difference between  
the forest on the left and right  
of the pathway?*



***The forest on the left has not been mined.  
On the right is a rehabilitating dune forest 15 years after  
the area was mined for heavy mineral sands***

Although they may look similar, the real difference lies not in the physical appearance of the forest, but in the benefits which people have enjoyed as a result of Richards Bay Minerals' mining operation. This not only brings billions of rands to South Africa in vital foreign currency but also gives hope to impoverished neighbouring communities.

RBM set up operations in a corner of Zululand which was economically depressed with vast unemployment, no health facilities and little education for children and adults.

Today the area has been transformed.

Tens of thousands of people living in neighbouring communities have benefitted from RBM's social investment programme. The company has built and invested in quality education. It has established a business advice centre which has helped create well over a thousand jobs.

In partnership with local communities, rural development and agricultural programmes have been initiated, water and sanitation facilities provided and health clinics built where once there were none.

Modern lifestyles would not be possible without the unique qualities of ilmenite, rutile and zircon, the three major mineral sand products mined and processed by RBM. Titanium based products are everywhere - in homes, offices, laboratories, hospitals - even outer space.



***And once the coastal dunes have yielded these minerals so vital to South Africa and our modern lifestyle, RBM's acclaimed rehabilitation programme ensures that the miracle of nature returns the dunes to a natural state.***



R B M

CREATING A BALANCE

# THE RDP WHITE PAPER A COCKTAIL OF CONFUSION

*By Nicoli Nattrass  
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*The Reconstruction and Development Programme (RDP) White Paper is a disappointing shopping list of principles with no clear prices or priorities. It fails to offer a coherent policy programme, is often vague and passes responsibility onto an ill-defined consultative process leading to a National Strategic Framework. Thus despite many good ideas, the White Paper fails in key respects both as a policy framework and a discussion document.*

*The way that politicians sprinkle the RDP like holy water across their speeches has done little to aid understanding*

*There is little attempt to cost programmes, or prioritise development objectives*

Imagine you have been asked by the new Government to draft a White Paper for the Reconstruction and Development Programme. You will be paid well, although not as well as the full-time consultants on R29 000 a month. But the task is tricky.

Your White Paper must simultaneously satisfy all partners in the Government of National Unity, speak to the concerns of poor people, give concrete direction to policy and calm the nerves of business.

To make matters worse, you are not even sure what the Reconstruction and Development Programme (RDP) actually is. The way that politicians sprinkle it like holy water across their speeches has done little to aid your understanding.

You know that an RDP office under Jay Naidoo exists, and that an RDP fund has already been established. You also know from Nelson Mandela's 100 days speech that projects are already on the go. But you are unsure how they relate to the RDP big picture, whatever that is.

You scratch your head and page through the African National Congress's (ANC's) glossy RDP booklet for inspiration. The RDP is a 'coherent socio-economic policy framework', you read, which 'integrates growth, development, reconstruction and redistribution into a unified programme'.

Quite a tall order. It dawns on you that the RDP White Paper will end up looking rather

different to more conventional, narrowly defined government white papers. You continue flipping through the booklet, hoping to find the underlying philosophy of growth.

This seems to consist mainly of creating an 'enabling environment' for growth through macroeconomic balance and sound fiscal policy. There is also the notion that developing social and physical infrastructure (for example training people and providing houses) is growth enhancing.

But there is little attempt to cost any such programmes, or to prioritise development objectives. You remind yourself that this early version of the RDP was produced as part of an election campaign. Careful costing exercises were left up to the future government to decide. This is apparently now your task.

Putting on a brave face, you call up various Government departments and ask for their proposals and cost estimates. You relay requests to the Urban Foundation, the Southern African Development Bank and various other lesser known think tanks for any development strategies they may have formulated.

Eventually your office is filled with documents. Some are inspired but vague, others are ideological, turgid, glib or downright stupid. It gives you indigestion just trying to plough through them all. After jotting down a few statistics, many of which you suspect are wild thumb-sucks, you give up and sigh.

Trying to come up with cost estimates is like a dog chasing its tail. It appears that departments cannot plan until they know how much funding is available, or how resources are to be allocated between the regions, local authorities etc.

They understand that most of the RDP fund is drawn from 'savings' - cut-backs - in their own funding. They realise that they will have to apply to the RDP fund to justify getting some or all of it back. But they are unsure how to proceed. They are, you reflect, probably waiting for the White Paper to give them guidance.

You call on the RDP office. It's a cry for help. Various over-worked RDP officials make sympathetic noises. "You are over-reacting," says one. "The White Paper is just supposed to set the tone for future policy making. The main purpose is to elaborate the six principles of the RDP."

You feel slightly more upbeat, but still worried. The six principles, after all, are big principles indeed. They require that the RDP be an 'integrated and sustainable programme', which links reconstruction and development in a way that is 'people driven' and which promotes 'peace and security', 'nation building' and democratisation.

You have this nagging feeling that elaborating on these principles without concrete policy and adequate costing would produce pages of political blandishments. That is not your intention, so you proceed further down the corridor.

The next official you manage to collar takes a different position. She instructs you to avoid wishy-washy pronouncements and to "produce a set of concrete policies structured around the various strategic task teams".

"Task teams," you ask nervously, "what task teams?"

"Task teams are designed to build inter-departmental and inter-governmental cooperation around the implementation of the RDP," explains the official patiently. You look blank.

"They comprise representatives from appropriate national departments, provincial administrations and parastatals, with the assistance of technical experts and representatives of appropriate organisations of civil society," she lectures, a note of irritation creeping into her voice.

"You had better find out about these teams. We expect the White Paper to say a great deal about the RDP's institutional structures."

You continue down the corridor with a spinning head and a heavy heart. "My job is becoming more impossible by the second," you moan to a young official at the coffee machine. "How am I supposed to reconcile all these objectives and come up with something sensible?"

"Don't worry," he replies with a condescending smile. "You are taking yourself far too seriously. Your draft is, after all, but one input into an ongoing process of consultation and design. We in the RDP office have to take final responsibility for the White Paper. We have the really hard job of reconciling various constituencies and coming out with a framework which is acceptable to everyone."

"But how on earth are you going to please everyone and still come up with a sound development strategy?" you ask in amazement. "Economics is all about trade offs and policy priorities. There are going to be winners and losers. The losers will inevitably object."

"Economics may be about trade offs," he responds, "but politics is about reconciliation and taking on board the expressed interests of the organs of civil society. If we don't get the blessing of Cosatu and the civics, this thing is dead in the water."

He picks up his coffee mug and turns to leave. "We can't impose hard choices on the people. We have to involve them in ways which allow them to make hard choices for themselves. The White Paper should concentrate on developing such consultative processes."

So, the RDP office wants you to juggle 50 different political balls in the air at the same time, and still come up with something sensible. What do you do?

## Difficulties

The above thought experiment (any similarities with persons alive or dead being of course totally coincidental) is indicative of the difficulties faced by the architects of the RDP White Paper.

Not only was the information lacking to develop a coherent policy programme, but the highly politicised image of the RDP, and popular demands for consultation, meant that even the general principles were contestable.

Several rival versions were drafted and the RDP office had a tough time amalgamating them. The expectation that the RDP was going to rid South Africa of the legacy of

*Trying to come up with cost estimates is like a dog chasing its tail*

*Economics is all about trade offs and policy priorities. There are going to be winners and losers. The losers will inevitably object*

*The highly politicised image of the RDP and popular demands for consultation, meant that even the general principles were contestable*

*Attacking poverty and deprivation is seen as the first priority*

*Owing to resource constraints, local and provincial RDPs will have to be predominantly self financing*

*The intention is to steadily reduce the deficit*

## The RDP White Paper at a glance

The RDP White Paper consists of seven substantial chapters.

### 1 Introduction

The RDP is described as a 'vision for the fundamental transformation of our society'. Attacking poverty and deprivation is seen as 'the first priority'. In line with the RDP's six principles, the White Paper stresses social and economic infrastructural development, people-driven development, democratisation and restructuring the civil service.

### 2 Government and the RDP

The Special Cabinet Committee on the RDP comprises the ministers from the departments responsible for policy formulation and implementation of the RDP. Programmes will be effected through national line departments, particularly at provincial and local levels.

Task Teams have been set up to build inter-departmental and inter-governmental cooperation around implementation. All line departments and provinces have been asked to prepare a five year strategy. A premiers' conference provides an inter-governmental forum to facilitate and coordinate the RDP at regional level.

A RDP fund is in place to start key programmes and help reorient existing spending. It is funded by savings from other departments, aid, interest earned, the sale of state assets and other sources of funds such as a state lottery.

Owing to resource constraints, local and provincial RDPs will have to be predominantly self financing. 'The focus of local/community RDPs will therefore be on the reform of local spending priorities, the allocation of resources including staff, the reform of local government practices, increased consultation, transparency and accountability, improved service quality etc.' Additional RDP funding at local government level will depend on performance in the above areas.

### 3 The Economic Policy Framework

The RDP aims to facilitate job creation, redistribution and poverty alleviation. This requires an enabling environment for growth through:

- Macroeconomic goals of low inflation, a stable exchange rate and real interest rates;
- Industrial and trade policies to promote investment and competitiveness;
- Competition policy to weaken economic concentration. Small and medium sized firms will be favoured; and
- Human resources will be developed through training and the entrenchment of worker's rights.

### 4 Fiscal Policy, the Budget and the RDP Fund

Most RDP funding will come from rationalisation of existing structures, improved and reformed tax systems, the financial sector and donor aid. The Government will ensure that public utilities such as electrification and telecommunications are self financing.

The intention is to steadily reduce the deficit. A zero-based budgetary process will be introduced by which line departments and other institutions will have to motivate their spending each year. Tax incentives which meet RDP goals will remain. All others will be terminated.

### 5 Public Sector Restructuring

The Government will increase capital spending, reduce consumption spending and reduce public sector employment by 3% per annum from 1995. Government departments will be restructured to promote efficiency. Affirmative action will be 'proactive and sensible'. Trade union rights will be extended to all public sector employees.

### 6 Consultative Planning Frameworks

'Government will develop a 10 year vision embodied in a National Strategic Framework.' This will be done in part by developing three year rolling National Action Plans through a bottom-up process of planning. The National Strategic Framework will be revised and tabled annually in Parliament.

### 7 Consultation, Participation and Capacity Building

Consultation will take place through RDP task teams, the National Economic Labour and Development Council (to be established as a mechanism of consultation, coordination, engagement and negotiation by key stakeholders), sectoral forums, and provincial and local consultation.

Support will be provided to civics and other community based organisations in order to build capacity and ensure effective participation. The RDP envisages a social partnership, implying Government support for organised labour, civics, business, women's groups and the churches.

apartheid, injected further tension into the process.

It should thus not surprise us that the RDP White Paper is a disappointing shopping list of principles with no clear prices or priorities. The document makes strange reading as it leaps from grand (and incredible) statements about the transformative potential of the programme, to sensible observations about resource constraints.

It remains unclear whether the RDP functions more with respect to the RDP Fund and related institutions and processes, or as a vision for the fundamental transformation of society.

The White Paper claims to be both. Hence the whistle-stop tour through economic policy in chapter three (see box). Although the White Paper makes a strong commitment to sound fiscal policy, many of the general statements are vague.

In the absence of hard-nosed statistical projections and consideration of trade-offs, it all reads too much like lip service. This is potentially dangerous to investor confidence. Financial markets are looking for stronger signs that the Government has the backbone to make hard choices and politically controversial policy commitments.

But although it contains a lot of flag waving and political posturing, the document does not flinch altogether from the issue of resource constraints. The strong statement that provincial and local governments are going to have to fund their own RDPs is particularly important.

In his statement following the release of the White Paper, Jay Naidoo went out of his way to present the RDP as a cash-strapped programme. His nickname for the RDP, 'Operation Bootstrap', is clearly a deliberate attempt to downgrade expectations. This is commendable.

The focus on consultation is also admirable. However, the practical implications of various vague statements on this issue are alarming. If all players are to be consulted on all aspects of the RDP, what does this mean for policy coherence?

The RDP might simply drown in a mass of sclerotic bureaucracy as activists, parliamentarians and government officials race from one meeting, task team, council, commission, forum or committee to the next.



Arthur Bezais

It is ironic that Jay Naidoo, who comes from a socialist background - and hence one would expect is particularly sensitive to the need for planning - ends up producing a White Paper that transfers decision making responsibility to an amorphous and confusing process of consultation.

We are informed that a National Strategic Framework will be developed through a 'full consultative process both inside and outside government'. This will include 'a high level policy framework', a '10 year vision', 'macroeconomic and expenditure guidelines' and 'priority focus areas for the coming budgetary allocation'.

These are vital ingredients for the successful design and implementation of the RDP. But surely the White Paper was supposed to give us guidance here? Wasn't that the point of the White Paper? By placing the responsibility for making hard choices onto an ill defined National Strategic Framework, the RDP White Paper essentially passes the buck.

The White Paper should itself have been a first shot at a National Strategic Framework. Subsequent dialogue could then be clearly bounded by resource constraints. Everyone would know exactly what was at issue. As things stand, the White Paper can be interpreted any which way - and consultation and discussion is likely to go round in circles.

Thus despite its many good ideas and sensible statements, the White Paper fails in key respects both as a policy framework and as a discussion document. **CPA**

*It should not surprise us that the RDP White Paper is a disappointing shopping list of principles with no clear prices or priorities*

*The White Paper fails in key respects both as a policy framework and a discussion document*

# ECONOMIC OUTLOOK

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

## RETROSPECT

Without doubt 1994 will be remembered as being the most significant for South Africa thus far this century. For economists it will also be remembered as the year in which many forecasters of the performance of the South African economy revised their estimates of economic growth downwards by between 50% and 100%.

The consensus immediately after the election was that a real growth rate of Gross Domestic Product (GDP) of 3% to 4,5% would be attained in 1994. The consensus growth rate for 1994 has now been revised down to 2% to 2,5%.

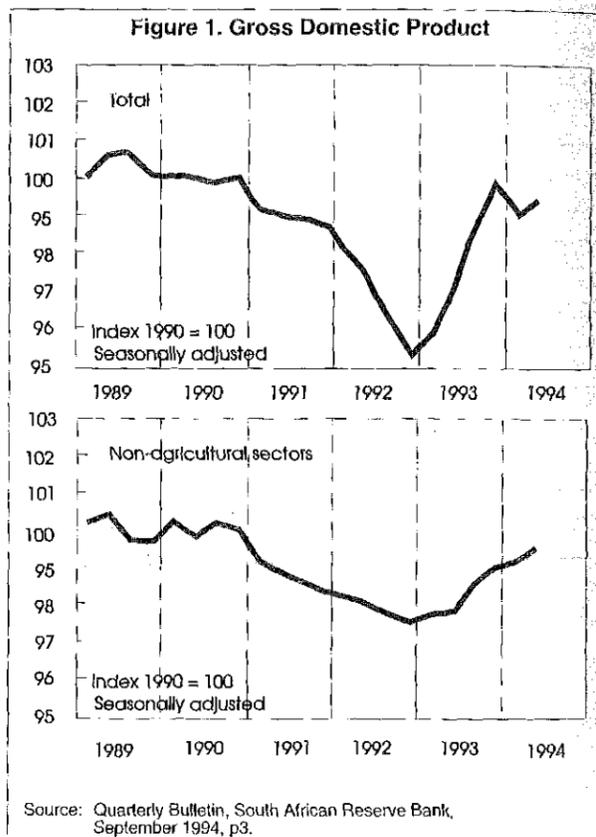
The vagaries of the South African agricultural sector are partly to blame. Figure 1 plots real GDP in recent years, and we can infer from a comparison of the path of total GDP and the GDP of the non-agricultural sectors, that the agricultural sector has been partly responsible for upsetting the forecasts.

A massive decline in agricultural production in the first quarter of 1994 caused the GDP to fall at an annualised rate of 3,5%. However, an improvement in agricultural production in the second quarter lifted the overall performance of the economy.

Economic growth in the non-agricultural sectors had slowed in the first quarter because of labour unrest, political uncertainty in the run up to the elections, and the large number of public holidays preceding the elections. The situation was more favourable in the second quarter and there was an acceleration in the real growth of output of the non-agricultural sector.

There were significant differences in performance within the non-agricultural sector. The output of the manufacturing sector contracted in both quarters, reflecting the very negative effects of widespread strikes and lost working days.

The output of the mining sector also contracted, as a result of a decrease in mining production because of higher gold prices as well as labour related problems and unplanned holidays. However, if the value of gold exports can be taken as a surrogate for the value



of mining output, the annualised value of the output of the gold mines expressed in rand remained virtually unchanged.

Here we find once again that the GDP growth statistics for mining output, based on the national accounting convention of using the throughput of physical ore, produces a result which defies any reasonable interpretation of the meaning of the 'value of real output'.

On the positive side for economic growth has been a widespread resurgence in fixed investment right across the private sector. Fixed investment reached its lowest ever level of 15.2% of GDP in 1993, but real

fixed investment has accelerated at annualised rates growth rates of 5,5% and 7% in the first and second quarters of 1994.

Several worrying negative developments have emerged. The most recently available statistics, which are for 1993, show that the recovery of economic activity had not started to halt the downward trend in employment in the non-agricultural sectors. Since the onset of the recession in 1989 non-agricultural employment has fallen by a massive 8%.

Economic models of labour markets in the United Kingdom economy have shown that trade union power over wages, favouring the insiders who have employment, will produce a 'wage-employment ratchet effect', whereby random variations in labour demand through time lead to an upward trend in both the wage and the unemployment rate.

There are now clear insider-outsider distinctions in the South African labour market, and there is a strong likelihood that the growth potential of formal sector employment will be lowered by the wage policies of the unions which represent the interests of insiders.

The inflation rate has accelerated sharply to 10,1% in September 1994, from the two decade low rate of 7,1% in April 1994.

On a year to year basis food prices have risen on average by 23% since September 1993, while the prices of all other items are now rising by more than 7% per annum. Renewed fears are being expressed that inflationary expectations will be reasserted, after appearing to be on the threshold of being broken.

The Reserve Bank raised the Bank Rate by one percentage point to 13% in September 1994, in response to the accelerating inflation rate, a diminishing surplus on the current account of the balance of payments, and to help build up reserves on the capital account.

The general increase in interest rates which has followed will have a negative impact on economic recovery, coming at a very early stage in the upswing, but it underlines the Reserve Bank's commitment to monetary discipline, and will have a favourable influence on the perceptions of potential foreign investors.

## THE RDP

The Reconstruction and Development Programme (RDP) represents a blueprint for the transformation and renewal of an economy emerging from a decade and a half of intermittent recessions and the ravages of the apartheid years.

The White Paper should, however, be viewed in the light of a discussion document which will engender wide consultation and ownership by the communities which will implement the recommendations embodied in the tabled document.

In our view what is important about the programme is the intention to restructure the economy and provide basic needs within the confines of the resources largely available within the economy. To the extent that international grant aid is made available it will be directed towards once off programmes in the RDP programme. Its strategy for economic policy was summarised as follows:

- Financial and monetary discipline in order to finance the RDP, reprioritise public sector activity, and facilitate industrial restructuring and the establishment of fair and equitable user charges
- The establishment of an economic environment conducive to economic growth
- Trade and industry policies designed to foster a greater outward orientation so as to sustain high

employment levels and levels of participation in the economy

- A modernisation of human resource programmes to meet the challenges of changing production processes
- A reform of labour market institutions in order to facilitate effective and equitable collective bargaining and restructuring of employment patterns.

This strategy recognises the importance of maintaining fiscal and monetary discipline even in the face of demands to meet the expectations of the neophyte democracy. It also recognises the importance of economic growth which flows from supply side enhancement measures such as training the labour force, the role of private investment and benefits to be had from orientating the economy towards export led growth.

It would appear that the lessons of Latin American macro populism have been taken to heart by policy makers in South Africa. Kick-starting the economy has now become passé in the current economic debate in South Africa with increasing emphasis on ways of generating sustainable growth. It is important, however, that rapid progress is made on these supply side measures for their beneficial effects will take time to come to fruition.

## PROSPECT

Restoring economic growth to sustained real rates above 3% raises serious questions about the capacity of the economy to sustain a high growth path. The depressed history of the South African economy over the past 15 years and the legacies of the apartheid economy must be taken into account in forming an assessment of its medium term potential growth.

The concept of hysteresis, which has been frequently overlooked by economists, is worth considering for insights which it may give to approaching prospects for the South African economy. The term hysteresis means that which comes after, and it is a behavioural property which is well known in physical phenomena.

In economics hysteresis effects have been mentioned in the literature since the 1930s, but have always been swept aside in mainstream theorising, largely because they are difficult to encapsulate in equilibrium models.

There are many examples of important hysteresis effects which will impede the South African economy's smooth return to a high growth path. Examples are:

- The racial segmentation of the labour force, and the apartheid education system, have produced huge inequalities in skills across different parts of the labour force, and an imbalance between the stock of human capital and the size of the capital stock.
- A return to economic growth will rapidly result in skill shortages, and rising wage rates of skilled workers, and skill shortages in themselves could prematurely stop a rapid resurgence of economic growth.
- The economy has developed a history of labour unrest, and the widespread strikes of recent months have shown that this severe problem may become a feature of the economy of the new South Africa.
- The historical allocation of investment. In the 1970s and first half of the 1980s investment was directed towards parastatals, and other 'strategically important' manufacturing industries. The positive result is that there is excess capacity in the railways, harbours, electricity, and in some manufacturing sectors such as iron, steel and synthetic fuels.
- The negative aspect for a rapid resurgence of growth is that bottlenecks in the capacity of crucial sectors in manufacturing and construction

may rapidly emerge. Already capacity shortages in the construction industry are reported to be threatening the pace of implementation of the RDP's housing programme.

The significance of negatively operating hysteresis effects is that the South African economy will not be able to attain a high growth road in the short term, and expectations for GDP growth in the next few years should be realistically adjusted downwards to between 3% and 3,5%.

The current account of the balance of payments has always moved into deficit when the economy starts to move out of a recession. The August 1994 figures show that the trade surplus on the current account has fallen to an annualised R300 million, and this points to an annualised current account deficit of around R900 million, with the possibility of a massive deficit in 1995.

However, renewed access to international capital markets, which will be aided by the medium grade ratings which several important international credit agencies have recently given to the South African economy, will allow the financing of a deficit on the current account of the balance of payments, and this deficit should not be seen as constraining the upswing.

Rising food prices have been the major factor contributing to acceleration in the inflation rate in recent months, and news of failing maize crops in the Orange Free State, and the possibility of a reappearance of the El Nino phenomenon followed by drought conditions, indicates that food price inflation could continue to drive the inflation rate upwards in 1995.

The industrialised economies have entered a period of sustained, robust growth with a 2,9% real growth of GDP forecast for the G7 economies in 1995, commodity prices have increased sharply on world markets, and the prospects for South Africa's traditional exports as well as manufactured exports have improved.

A better growth performance is expected from the non-agricultural sectors of the South African economy in 1995, but as we have warned hysteresis effects will constrain the growth path.

There is therefore great urgency for the RDP to address as its highest priority supply side issues, including retraining the labour force and building up investment in new productive capacity. Labour unrest must also be resolved by the Government, creating a climate to promote rational wage negotiations. **TPQA**

# GATT The Way Forward

By Alan Hirsch  
Trade Policy Monitoring Project, University of Cape Town

*The Marrakesh Agreement signed at the Uruguay Round of GATT throws up several challenges for South Africa. Not only will we have to comply with new rules, but we will also have to catch up with rules ignored in the past - while at the same time restructuring our economy to achieve both redistribution and long term growth. But the Agreement provides as many opportunities as it does constraints.*

**O**n April 15 this year South Africa was one of 122 countries that signed the Marrakesh Agreement, which updated the General Agreement on Tariffs and Trade. This was the eighth time members of the GATT had assembled together to agree a series of amendments to the GATT agreement first signed by 23 countries, including South Africa, in 1947.

South Africa was represented by then Minister of Finance of Trade and Industry, Derrick Keys, and senior African National Congress leader Kader Asmal, who is now a cabinet minister. The commitments they conveyed to fellow GATT members extended into the private sector, since the National Economic Forum had participated in the development of - and had endorsed - the country's offer to the GATT.

The one key organ of government that has not been involved in the GATT offer is Parliament. Most societies' constitutions require legislative endorsement of international agreements like GATT by their democratic organs of government.

But the Government has not yet, either through Parliament or the executive, ratified the Marrakesh Agreement. This should be remedied as soon as possible, since it is required under the Interim Constitution, and because it is important for such an agreement to have a firm base in the law.

## Importance

Why is it so important that we ratify the GATT agreement? Could we not stay outside it and use our political capital to win favourable trade deals?

A speaker the GATT Symposium on Trade, Environment and Sustainable Development, held in Geneva this year, identified the negative reason for developing countries signing the Marrakesh Agreement. Most developing countries, he said,

"...signed not because they expected to benefit much, but out of fear that if the Round were not concluded there would be a breakdown in multilateralism, and the United States, in particular, would continue to use its Section 301 as a unilateral threat".

Undoubtedly the fear of unilateralism by countries more powerful than our own was a motivating factor for South Africa. Unilateralism is the law of the jungle, and in the jungle only the powerful survive. The only alternative is to find a strong protector: we are not part of a preferential trade arrangement that could serve as such a protector, such as the Lomé Agreement for our neighbours, or the North American Free Trade Area for Mexico.

But there are positive reasons too for agreeing to the Marrakesh programme. The

*The Marrakesh Agreement should be ratified by Parliament as soon as possible*

*Unilateralism is the law of the jungle, and in the jungle only the powerful survive*

*Reciprocal lowering of trade barriers means better access for South Africa*

*Strengthened dispute settlement procedures should aid weaker countries which have justifiable grievances against stronger countries*

*GATT gives the Government a lever over domestic vested interests, but reduces its range of policy options*

first is that the GATT is reciprocal. Lowering trade barriers is accompanied by the lowering of trade barriers by other GATT members, which means better access for South Africa.

It may be countered that tariffs in our major markets, the advanced industrialised countries, are already so low that lowering them has little effect. This is true. When the GATT was established, developed country tariffs averaged about 40%. Before the Uruguay Round, they had come down to about 6%.

When the Marrakesh Agreement is fully implemented they will be down to about 4%. Moreover, the proportion of industrial products entering duty free into developed countries has more than doubled, from 20% to 43%.

But there are other forms of protection that have been increasingly used by the developed countries since economic growth slowed down in the 1970s, and now that growth in the 1990s is not creating the job opportunities industrial countries need.

The GATT is powerless against some of these measures, though its transformation into the World Trade Organisation (WTO) should help. The WTO's strengthened dispute settlement procedures should aid weaker countries which have justifiable grievances against stronger countries.

There are also other, faster growing markets than the European Union and the United States which offer great potential for South African exports as long as the multilateral trade reform process continues.

Another reason for participating in the GATT process in South Africa's case is that it gives the Government a lever over domestic vested interests. Many cosy protective nests were built through the indulgence of the apartheid government, either for the National Party to retain friends in the business community, or for apartheid driven strategic reasons.

Having to meet GATT targets has made it a little easier for the Government to take on what were once 'holy cows'. Even after the GATT offer, some cows are still treated with undue reverence, but participating in GATT has at least given the Government some courage.

Of course there are disadvantages to participation in the GATT process. The main one is that the range of policy options available to the Government is much reduced. Limiting the Government's freedom to move has its good points, as in the holy cow case, but it has bad points too.

For example, the scope for Government action in respect of encouraging export oriented investment is much curtailed by the Trade Related Investment Measures provision of the Marrakesh Agreement. The Government is also limited in the application of subsidies to encourage exports. Both these mechanisms were extensively used by the successful East Asian industrialising countries in the recent past, but will not be available to South Africa.

However, there are some alternative measures that can still be used to encourage manufactured exports, some of which I will expand on later, which make the some of the new constraints of the Marrakesh Agreement palatable.

South Africa's commitments embodied in the Marrakesh Agreement do impose new disciplines, and for some industries the medicine will be bitter. But the levels of protection we will be left with generally will not severely inhibit the possibility of acting vigorously to stimulate import competing industries, especially those which also have export potential.

## Effects

All GATT members are required to reform their protective systems and reduce their protection by about a third in the five years after the Marrakesh Agreement is implemented.

### ▣ *The General Rules for Industrial Products*

South Africa's industrial offer to the GATT, which will come into force in January or July 1995, has the following main characteristics:

- ⊛ More than 10 000 tariff lines will be rationalised into between 5 000 and 6 000 tariff lines by the end of the five year adjustment period.
- ⊛ Instead of about 55% of the tariff lines being bound in the GATT, about 98% will be. This means these tariffs cannot be raised without seeking permission from the WTO, and that if it does give such permission it will extract a price in the form of equivalent bound liberalisations.
- ⊛ All remaining quantitative controls and formula duties will be replaced with *ad valorem* duties.
- ⊛ Tariff lines, which currently have 80 different levels between 0% and over 100%, will be standardised into six levels: 0%, 5%, 10%, 15%, 20%, and 30%.

Generally, raw materials and capital goods will have tariffs 0% and 10%, intermediate products-components will have tariffs 10% and 15%, and consumer goods will have tariffs 20% and 30%.

#### □ *The Chief Exceptions*

There are some well known exceptions: clothing and textiles have to comply with the GATT programme over 12 years instead of five years, and come down to a maximum of 45% instead of 30%.

In the case of the motor industry, manufacturers have a maximum of eight years to adjust instead of five, and have to reach a terminal maximum tariff of no more than 50%, instead of 30%.

Recent discussions about the clothing and textile industry task force indicate that there is still some confusion about the implications of the tariff offer to the GATT. The bound tariffs represent the upper limit above which the tariffs may not go. The tariff adjustment required by the GATT has to take place over five years (as a rule), and in equal stages.

However this is a ceiling, not an absolute level. The government can, at the recommendation of the Board of Tariffs and Trade, set tariff levels lower than the GATT ceiling.

In the case of clothing and textiles, the tripartite task force set up under the wing of the Government recommended a pace of reform somewhat faster than the programme accepted by the GATT. It proposed that a terminal tariff of 40% for clothing be reached in 10 years (instead of 45% in 12 years). Some think it should go still faster.

There is nothing in the GATT arrangement to stop a country liberalising more quickly than it is required to by the Marrakesh Agreement. Indeed, it is likely to win admiration. And it may well be appropriate that we follow such an accelerated programme for some items.

However there are drawbacks in moving too far below the GATT ceiling. Firstly, it increases the temptation of industries to lobby furiously for a reversal or delay in the liberalisation process. If the Government is forced into such a reversal by combined union-business pressure, even if the reversal is still within the GATT envelope, it may raise questions about the credibility of the Government's tariff reform programme.

No government can afford this, least of all a government in a society where business is used to having its special interests catered to. Credibility is vital to the success of a trade

#### GATT Obligatory Tariff Targets

(Reducing over five years to 1999)

Primary and Semi-primary Products	0% to a maximum of 10%
Capital Goods	0% to a maximum of 10%
Components	10% to a maximum of 15%
Consumer Goods	15% to a maximum of 30%

#### Exceptions:

- clothing 45% after 12 years
- textiles 25% after 12 years
- assembled motor vehicles 50% after 8 years
- auto components 30% after 8 years
- oil and oil products

Source: South African Tariff Offer to GATT; IDC, *Manufacturing Trading Conditions*, No 1, April 1994, p. 34.

reform programme. Under these circumstances the Government has two alternatives: either it can bind lower tariff levels within the GATT, or it can move more slowly.

The second drawback of moving more quickly than the GATT requires is that GATT approved tariffs are ammunition in trade negotiations. If we spend that ammunition unilaterally, we will not be able to use the promise of lower tariffs to get a better deal out of our trading partners.

So the decision to liberalise more quickly than our GATT commitment requires is one that needs careful consideration.

#### Loss of GEIS

One of the most significant effects of the GATT Agreement on South Africa is that it makes export subsidies illegal, and requires countries to phase them out within three years of implementing the Marrakesh Agreement. However, developing countries get seven years, and 'economies in transition' (former socialist countries) get six years.

What should we do in South Africa? Should we accept our classification as a developed country and phase out the General Export Incentive Scheme (GEIS), or should we fight for reclassification and extend the export subsidy? Before I answer I would like to take a look at some of the strengths and weaknesses of the GEIS.

The GEIS incentive is paid out to exporters of manufactured goods calculated according to a formula which takes into account how far down the manufacturing chain the product is,

*Moving too quickly increases the temptation of industries to lobby for a reversal or delay in the liberalisation process*

*One of the most significant effects of GATT is that it makes export subsidies illegal*

*The key strength of GEIS is that it raised the level of SA manufacturing from very low to low*

*There have been direct disincentives to small firms under GEIS*

*The World Bank's position against interventionism is that most developing countries do not have the capacity to follow the East Asian path*

whether it has sufficient local content, and how favourable the exchange rate is for exporters. Receiving the lowest benefits are barely manufactured products, while finished goods receive the full benefit as long as there is sufficient local content. There is also an intermediate group.

The key strength of the GEIS is that it has raised the level of South Africa's manufacturing sector from a very low level, to a low level. This was critical during a time of capital outflows. However, the programme has had many weaknesses.

Firstly, it has not encouraged investment programmes in export oriented industries. The only major investments in export oriented industries were responses to the government's temporary Section 37e of the Income Tax Act. It should be noted though that the political and economic uncertainty that prevailed during the period since GEIS was introduced, in April 1990, would have discouraged most investment projects.

Secondly, the programme resulted in large processing companies getting the lion's share of GEIS benefits. Almost all of the top GEIS recipients are process industries, for example steel and pulp and paper makers, which probably would have exported their products without the GEIS cherry on top.

Relatively little GEIS was going to smaller manufacturing firms, and there is no specific incentive for new exporters. All exporters are paid proportionately to the value of exports.

Another part of the problem here was a definitional one. Some products were included in categories which allowed them higher benefits than they should have received.

Fourthly, there are also direct disincentives to small firms, the most significant being that claims are only filed when the export order is executed, and there is a delay before payment, which penalises smaller firms which are relatively illiquid.

Should GEIS be abolished then? Firstly we should look at the alternatives to GEIS, and here I will identify programmes which either currently exist or are being considered by the government and/or the National Economic Forum's Trade and Industry Task Force.

### **GEIS alternatives**

Are any alternatives necessary? Should the Government be encouraging the development of competitive industries, or should this be left to the market? This has been widely

debated in recent times, as a result of a Japanese challenge to the World Bank that it did not understand Asian industrialisation.

A recent World Bank report on 'The East Asian Miracle' concedes that East Asian governments have supported their industrialisation processes, though the report also stresses, in World Bank tradition, the importance of fiscal and monetary conservatism. The Bank's fallback position against interventionism is that most developing countries do not have the organisational capacity to follow the East Asian path.

If we accept that South Africa does have some organisational capacity, what could we organise?

#### **Trade Finance**

First up is a scheme to provide the working capital for small business which could not meet export orders without some short-term finance. The essence of the scheme is a Government sponsored guarantee which obliges banks to lend short term capital to small and medium size enterprises (SMEs) which have been approved by a suitable vetting agency on behalf of the Government.

A report recommending such a scheme will soon go before the National Economic Forum, and should then go to the Government. It is likely to be approved, and could provide several hundred pre-shipment export loan guarantees in the Government's next financial year.

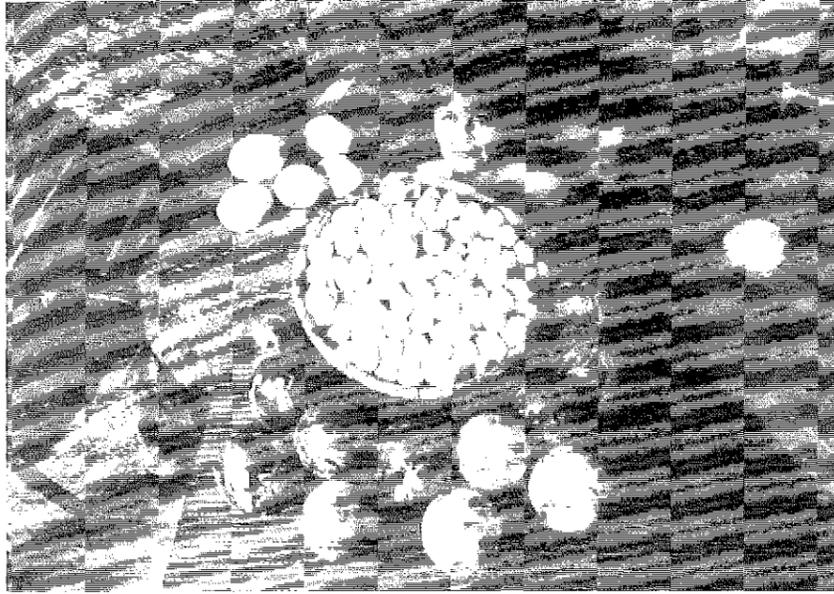
This scheme clearly seeks to correct some of the shortcomings of the GEIS scheme, and could be an important incentive to export.

#### **Duty free inputs for Exports**

Secondly there is the question of programmes to provide exporters with duty free inputs. We currently have duty rebates and drawbacks under sections 470.03 and 521.00 of the Customs and Excise Act.

Some analysts believe that these provisions are essentially adequate, and simply need to be beefed up. I am not sure that this is correct. During the whole of 1993 there were only about 700 successful applications under these provisions, out of many thousands of export transactions by more than 5 000 registered exporters.

It would seem to me that the duty exemption system needs fairly radical reform to approximate the Korean system, which provides a clear and concrete response to any application from direct or indirect exporters within 24 hours. This would be a true Free Trade Regime for Exports (FTRE).



Arthur Bozas

The alternative would be to have an Export Processing Zone (EPZ) system. I was amused to read recently a *Financial Mail* report on the EPZ issue that blamed the trade unions for opposition to EPZs, which had held up progress on this matter. In fact, the opposition to EPZs from local manufacturing is as strong as that from the unions.

The simple reason is that newcomers to the EPZs will have a powerful advantage over existing business interests, and the result will be distortions in local and regional economies because of domestic firms manoeuvring to get into EPZs.

The FTRE route is far more suitable for a relatively industrialised country like South Africa. EPZs are essentially suitable for countries at a much lower level of industrial development, such as Taiwan in the 1960s and Malaysia in the 1970s.

□ **Preferential trade arrangements**

Another important incentive for exports will arise from preferential trade deals which the South African government can win for its manufacturers, for example the extension of the American Generalised System of Preferences to South Africa.

Clearly such concessions have some positive effects for industrial exporters, though the effects are limited by quotas, the existence of stronger preferences for rivals (such as Mexico in the North American Free Trade Agreement), and the relatively low tariffs now operating in many developed countries.

Nevertheless, there is scope for more beneficial agreements with the United States, the European Union, with several Asian countries, and with neighbours in Africa.

Such agreements are, of course, subject to the approval of the WTO, and this will become increasingly difficult under the new regime. Even decades old Lomé is under threat from the WTO.

□ **Strengthening Export Marketing Assistance**

The Export Marketing Assistance programme is an existing initiative which is legal under GATT and could be expanded. The scheme is designed to initiate new exports and could play an expanded role in this field, with Government support.

□ **Export marketing and technical assistance for SMEs**

A key initiative of the new Government is the provision of technical and marketing assistance to SMEs through service centres located in various industrial areas. This programme is only likely to get off the ground next year, as it is still subject to a National Economic Forum investigation, but it could additionally help potential exporters amongst the SMEs.

□ **Supply-side measures**

As important as measures aimed at facilitating exports are programmes simply designed to make domestic firms more competitive. There are three key possible initiatives in this area.

- The first of these is developing our human resources in factories. The Government can create effective incentives to encourage firms to engage in significant and continuing on the job training programmes. Why is government intervention required here? Because the field of firm based training is a classic example of market failure.

*The opposition to EPZs is as strong from local manufacturing as from the unions*

*There is scope for more beneficial agreements with the United States, the European Union, Asian countries, and neighbours in Africa*

*As important as facilitating exports are programmes simply designed to make domestic firms more competitive*

*SA faces a double challenge: to comply with the new rules and to catch up with all the rules ignored in the past*

*Redistribution is not possible without the growth of competitive industries*

*Without effective redistribution, the Government will lose the legitimacy to promote competitive industrialisation*

Firms are reluctant to spend too much on their workers because they fear that the workers might move to a rival company taking their human capital with them. Government incentives could both help compensate for this effect, and inhibit it by encouraging all firms to build their own human capital.

Clearly such a programme is very expensive. But we cannot afford not to do it.

- The second key to supply-side competitiveness is that firms must be encouraged to use the most suitable technology in relation to their prospective markets. There are already some Government incentives for research and development within firms, but these need to be deepened. It might also be appropriate for the Government to encourage more rapid re-equipping of plants, perhaps through accelerated depreciation provisions.

If such a programme was applied universally in South Africa it could be very expensive, and could lead to undesirably high capital to labour ratios in certain industries. So such technology programmes should be targeted. We are not allowed, by the WTO, explicitly to target export oriented industries, but we could find suitable criteria that do not refer to exports that serve more or less the same purpose.

- The third plank in the supply-side strategy is the encouragement of foreign investment that would strengthen our competitiveness. The Government should find ways of ensuring that we are able to attract foreign investors who bring with them skills, technologies and markets from which we can benefit. Again, we are not allowed explicitly to target export oriented investors, but this should not be an insurmountable obstacle.

This is not a comprehensive list of possible measures to encourage the development of competitive manufacturing in South Africa. The field of competition policy, for example, could also provide some important ingredients. But I have covered most of the initiatives that seem likely in the medium term.

Are they enough to replace the GEIS? Perhaps in the long term, over six or seven years, these measures will have the kinds of effects that makes GEIS redundant. But I do not believe that they will have sufficient impact on manufacturing to compensate for the lack of GEIS.

My preference would be to attempt to get permission from the GATT to continue GEIS for six more years. However, the GEIS programme should be trimmed down to avoid the sins of the past, and to lessen the drain on Government finances. To continue for three more years in scaled down form, as some are suggesting, might be to fall between two stools, as it might not provide sufficient incentive to encourage new investments.

## Conclusion

The conclusion of the Uruguay Round in the form of the Marrakesh Agreement marks a double challenge for South Africa. Not only are we being expected to comply with the new rules introduced in the Marrakesh Agreement, but we are also being expected to catch up in compliance with all the rules South Africa ignored in the past because we were, effectively, outside the international system.

On top of this double challenge, we have to restructure our economy at a time when pressures to equalise access to resources are irresistible. This makes it all the more important to understand the multiple connection between growth and redistribution within the Reconstruction and Development Programme (RDP).

Put simply, where redistribution takes place, it should as far as possible contribute towards long term growth through, for example, training and education programmes. It also means that growth must incorporate redistribution, for example through empowering small black owned firms.

Finally, redistribution is not possible without the growth of competitive industries. Without them the country will inevitably bump up against balance of payments or inflation crises every time the RDP begins to be successful.

The recent movement of the current account into deficit is an insistent reminder of the importance of developing competitive industries. At the same time, without effective redistribution, the Government will lose the legitimacy it needs in order to promote competitive industrialisation.

The Marrakesh Agreement provides both constraints and opportunities for our effort to grow competitive industries. **PPA**

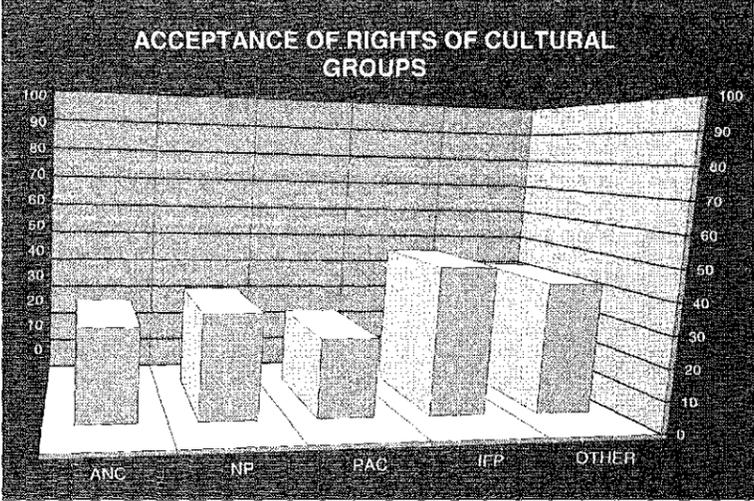
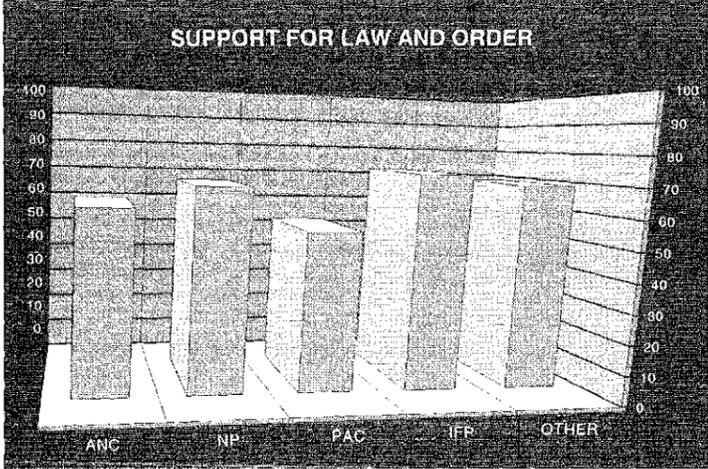
This article is based on Alan Hirsch's opening address to the GATT Conference held at the Indaba Hotel, Bryanston, on October 4 and 5, 1994.

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# REGIONAL MONITOR

## ATTITUDES



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# Whose Land is it Anyway?

By Meshack M Khosa  
Geographical and Environmental Sciences  
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*The Restitution of Land Rights Bill passed in November 1994 is aimed at addressing historical injustices and restoring land to the dispossessed. Contrary to current rhetoric the process is likely to be slow, technocratic and exclusive. It is imperative that restoration be dealt with swiftly, and in parallel to land redistribution, since the issue is potentially explosive. This article looks at land restitution and land claims in KwaZulu-Natal.*

*From 1960 to mid-1983 some 3,5 million people were affected by apartheid relocation*

*The Restitution and Land Rights Bill does not adequately address how tenants evicted by white farmers can receive just settlement*

**R**ichard Levin recently argued that bold national land reform and rural restructuring programmes were being carved out with scant attention being paid to local detail and regional variation, while the crucial question of articulation of scale between local, regional and national policy concerns was being largely overlooked.

Land reform is about restructuring existing power relations around land. One key question for a land reform programme is: who has access to and control over land and other means of production and the distribution of resources.

Land reform policy is not a technically neutral and objective exercise, but is about mediating processes of political struggle over land ownership, land access and land use. The aim in this paper is to appraise land claims by communities in KwaZulu-Natal, which started in earnest around 1990.

## Forced removals

The Surplus People's Project (SPP) estimated that from 1960 to mid-1983 some 3,5 million people were affected by the relocation policies of the apartheid government. This figure is an underestimate. As Platzky and Walker pointed out in 1985, the forced removals of the previous 30 years formed one phase in a long history of dispossession and displacement by whites.

By the late 19th Century, whites had succeeded in asserting control over most of present day South Africa. Forced removals captured in the SPP study concretised a much longer colonial process of black land dispossession and the development of white capitalist agriculture.

Although farm labour evictions account for the single largest category of forced removals in South Africa - 31,8% - the Restitution and Land Rights Bill does not adequately address how tenants evicted by white farmers can effectively receive just settlement.

The total number of people removed in Natal between 1960 and 1983 was about 745 500, and the number under threat of removal by mid-1983 was 619 000. The general picture at the provincial level is similar to the national level. Significantly farm removals and evictions (40,2%) and Group Areas Act removals (39,6%) constitute some 80% of forced removals in KwaZulu-Natal.

## Local claims

The tale of forced removals throughout South Africa points to a process of capitalist domination over labour power and control over the means of production. The development of capitalist agriculture and apartheid was characterised by a quest for fertile soils and water resources on the part of white farmers, and established a process of systematic political oppression, economic exploitation and labour relocation.

From 18 cases studies (see box), it is clear that most land in KwaZulu-Natal had been purchased or occupied by Africans before white settlement. The period that stands out most is the mid-1800s to the end of the 19th Century. It is also noticeable that Africans could buy substantive tracts of land during this period, for example at Alcockspruit, Steinkoalspruit and Charlestown.

In the early 1900s following the introduction and enforcement of the Land Acts, very few farms were acquired by Africans. Those who ended up buying land at all were allowed to

buy or lease property to help supplement dwindling revenue in towns.

In Charlestown, for example, faced with a crisis of diminishing revenues, the local municipality persuaded Africans in 1910 to buy land. By 1950, land owned by 150 Africans had been purchased and more than 270 plots were under lease agreements. Early in the 1950s, Africans who had rightfully bought their land were forced to vacate it for occupation by white farmers and the state.

The types of land tenure systems were a mixture of freehold, leasehold, communal, labour tenancy and tribal land. Most came in combinations involving up to three systems, depending on agreements entered into by the partners involved in the transactions. Most of the land, since it was indigenous, is tribal or communal land.

The group of people who suffered most from land dispossession were those under the labour tenancy system, which did not provide adequate protection for tenants and their children. On top of being dispossessed of land, until 1988 some of these people were - and many still are - being paid as little as R12 a month.

The 18 studies clearly illustrate the National Party government's systematic strategy of forced removals from the 1960s to the 1980s. From the 1950s particularly, the uprooting of communities would start off with threats from authorities and minimal compensation for the land in question. Thereafter evictions would be carried, sometimes without compensation.

Most forced removals occurred in the early 1960s, but they continued into the 1980s and 1990s, during the reform phase. In general the victims of forced removals were taken from fertile land to areas which were not suitable for agriculture. Nothing could compensate for the loss of ancestral graves and land where people had been born, and the destruction of community life.

### Land claims

Communities claiming land vary in size and social organisation. In Amahlubi, community members claimed up to 34 farms, of which 24 were state owned. By 1993 some 8 000 Amahlubi were on 1 000 acres of land. There were other smaller communities, such as Gannahoek, where some 15 families, formerly labour tenants, were able to buy 578 hectares of land for R210 000.

Of the 18 communities, nearly 50% are claims by communities against the state.

Table 1: Ten restitution communities

PROVINCE	COMMUNITIES
KwaZulu-Natal	Roosboom Alcockspruit Charlestown
Eastern Cape	Zwelidinga Zulukam Thornhill
Northern Cape	Riemvasmaak Smitsdrift
North West	Goedgevonden Bakubung Zwartrand
Eastern Transvaal	Doornkop

Multiple claims between communities, the state and white farmers constitute the second category. The third category, constituting less than a quarter of the land claims in KwaZulu-Natal, are claims or conflicts between labour tenants and white farmers.

Farm removals constitute the largest category of removals, but labour tenants have not been organised. The labour tenants conference held earlier this year, and subsequent drafting of the land charter, are important landmarks for labour tenants and farm workers. Labour tenant struggles are about security of tenure, improved working conditions and access to land for grazing and other agricultural activities

After the Advisory Commission on Land Allocation (ACLA) had been established, the Association for Rural Advancement (AFRA) in KwaZulu-Natal worked intensively with several communities to advance their claims through the commission.

Of the six communities AFRA closely worked with, three were successful and one was partially successful in getting land back. One community which fell outside the provisions of the commission took the matter to court, but failed.

AFRA in KwaZulu-Natal, and the National Land Committee at a national level, played an important role in helping farm workers and labour tenants to address land tenure and related issues. AFRA investigated and represented communities claiming land, as well as lobbying for a just land reform policy in South Africa.

An important feature of the restitution struggles has been that community members have not fought in order to individually gain from the land reward. Because of the former government's attempts to award land to a

*Some labour tenants are still being paid as little as R12 a month*

*Farm removals constitute the largest category of removals, but labour tenants have not been organised*

*In the last two years 10 rural communities in South Africa have had their land restored*

Appendix I : Land Claims in KwaZulu-Natal

Name	Date of settlement	Land tenure system	Date of removal	Resettlement area	Size of land and people involved	Type of claim or conflict	Status of claim or conflict
Amahlubi (Escourt)	around 1848	tribal and communal	1873. Restrictions on purchases after 1913	appropriation and sold to white farmers	34 farms, 21 now state owned	community vs the state and white farmers	Farms occupied by white farmers. By November 1993, some 8 000 Amahlubi lived on 1 000 acres of land
Alcockspruit (Newcastle)	Africans bought three farms around 1894. 3 616 acres	freehold titles and communal land	1969	Madadeni and Osizweni	some 1 000 individuals	community vs the state	Land returned on March 24, 1994. One title deed to be held in trust for the community. A 500 site residential area and agricultural land allocated in line with people's earlier land rights
Baynesfield North of Pietermaritzburg	late 1800s	communal then labour tenants	1974	expulsion and eviction of labour tenants	between 30 and 90 individuals	labour tenants versus the Trustees	unresolved
Camden (Mpendle District)	several generations before white farmers	communal then labour tenancy	1987 1991	expulsion and community disruption by political rivalry	100 people	community vs white farm owner	part of the farm to be leased to community
Charlestown	after 1910 Africans were persuaded by the Town Board to buy or lease land	Freehold and leasehold	first threat 1953. Actual removals in the 1960s	Madadeni and Osizweni	200 land owners and about 300 people who had leased property	community vs the state	Land returned to Charleston community in June 1993.
Compensation 73 km west of Pietermaritzburg The Swamp 50km from Compesantion	the Swamp was bought by Charles Mndaweni in October 1880	freehold	Compensation acquired by the state in the early 1960s. Removals in 1978	Compensation	2 192 hectares, 700 people, 157 households relocated to Compesantion in 1980/81.	Community and landlord vs the state	Unresolved.
Cornfields and Thembalithe 10 km from Colenso	bought in 1912 by Reverend Wilcox to sell to Africans	mixture of free and leasehold	threat of removals in 1939. State appropriated 51 plots (84 ha) from 155 landowners in 1955	Mqwabalanda 25km west of Escourt	over 6 000 people	community vs state, and Natal Parks Board	community challenged the appropriation of 49 plots in court, but lost. Land Affairs recently gave them 80% (R5m) grant to buy 8 500 ha of private land.
Crimen	several generations ago	freehold, leasehold, and communal	1977	Ezakheni	99 title deed holders	community vs state	unresolved but could easily get resolved under new legislation
Gannahoek (Farm in Colenso)	A white farmer bought the farm in 1854.	communal then labour tenancy	evictions in 1960s. Threat of eviction between 1990/92	Expulsion. Some remained on the farm	15 families, 150 people, 578 hectares	labour tenants vs Safari Lodge	one third of farm sold to tenants at R210 000, and R105 000 deposit with the rest to be paid over five years at 15%. Land to be held in trust for the families
Kwa-Bhekumthetho Mdlalose tribe Vryheid	several generations ago	tribal land	1960	settled at Kwa-Bhekumthetho	5 000 acres	community vs the state and white farmers	at present the land is occupied by white farmers. The case is still unresolved
The Kunene community lived in Boschoek, northern Natal	several generations ago	mixture of freehold and tribal	1968	Vaalkop	R250 970 compensation paid to community	community vs the state	no further records. Stae owns the fans, so could easily be resolved under new legislation.
Mooibank farm, Vryheid district	several generations ago	communal/tribal then labour tenancy	Remaining families on the Mooibank farm	Farm evictions and expulsion	16 families live on a farm owned by Mondl, which controls 155 000 ha in KZ-Natal.	tenants vs Mondl Forests	agreement reached in June 1994: 260 hectares of Mooibank will be owned by families, who will grow gum trees on 25 ha of their land and will graze cattle on 25 ha of Mondl land.
Mandlazini Ntambanana Trust farms, west of Empangeni	several generations ago	communal and tribal	purchased by the state in 1975. Forced removals in 1980	area adjusted to farms	between 2 000 and 5 000 people	community vs the state	unresolved by February 1994
Roosboom 11 km from Ladysmith	1892	communal and freehold	1975	Ezakheni	over 7 500 people	community vs state	Resolved. About 230 families - 1 380 people - have returned. 380 landowning families intend to reclaim their land.
Steincoalspruit Ladysmith	bought between 1874 and 1877 by Christian Africans	freehold and communal	1978 and 1979	Ekuvukeni 55 km from Ladysmith	some 1 000	community vs the state	Compensation for mineral rights not yet resolved. There are coal deposits, so it is unlikely that the community will successfully claim.
Weenen	1800s several generations' ago	labour tenants	threatened and actual evictions from the 1960s to the 1990s	evictions	some 2000	labour tenants on several farms. Dispute over land, wages, conditions	Unresolved. New land legislation is unlikely to address most of the concerns. Labour legislation may address labour issues.
Maiwane's Kop 25 km north of Ladysmith	Bought by the Shabala tribe between 1870 -1880	mixture of freehold and leasehold	appropriated by the state in 1980	no records	no records	community vs the state	no records

selected sector of communities, this was rejected as divisive and as undermining community strength in land claim struggles.

In the last two years 10 rural communities in South Africa have had their land restored. At least half of them achieved this victory under the former government, half of those in the last few weeks before the election. There have been important victories for some communities in the past two years.

In KwaZulu-Natal at least three communities have had their land returned. The Alcockspruit community at Newcastle got their land back on March 24, 1994. One title deed is to be held in trust for the community. The Charlestown community had their land returned in June last year, and at Roosboom near Ladysmith 230 of 380 families claiming land have returned.

At Camden, in the Mpendle district, there was a partial settlement reached in June 1993: there is an agreement to lease part of the farm to African labour tenants. The Cornfields and Thembalihle communities, near Colenso, recently won an agreement with the Department of Land Affairs for an 80% grant of R5 million to buy 8 500 hectares of privately owned land.

At Gannahoek, near Colenso, one third of the farm has been sold to tenants and the rest will be paid over five years. Labour tenants in Mooibank have also reached an agreement with Mondi Forests for 260 hectares.

## Issues

In general claims tend to include large areas of land which is often occupied. They contain the potential for violent confrontation between communities, between African communities and white farmers, and between communities and the state.

If some groups are excluded, the settlement is not likely to stand the test of time. Land claims occasionally overlap, even within tribes. Any land claim which implies large numbers of people moving on and off land has to be negotiated with great sensitivity.

Often land claims involve several interest groups with diverse interests. The stakeholders include: previous Bantustan governments, forestry companies, game park owners, white farmers, the central government and local communities.

Land claims may also be used for a variety of purposes. In the Eastern Transvaal, for example, research suggests that some land claims have the potential to be used as a

political football in an old fight for authority between different communities. In KwaZulu-Natal, however, almost all land claim cases are genuine and the communities have valid concerns.

Three observations are necessary to highlight the complexities of land claims. First, some claims are specific and a community may agree to claim a particular farm or farms from the government. It is an advantage if there is cohesion within the community. But after land has been returned, powerful people in the community may use their influence to exclude others from the land for a variety of reasons based on gender, race, ownership status, age, ethnicity and tribal affiliation.

Secondly, where two or more communities are claiming the same land, and all have suffered under apartheid, an overview of all land claims and claimants in the area is needed. The representativeness of the claimants needs to be established through democratic institutional arrangements, and the claims have to be widely advertised to ensure all possible claimants are included.

Thirdly, it is important to contextualise land claims within a district land reform and development programme, instead of viewing this as a separate process of restitution.

## Mechanisms

Four questions are vital to the land reform process: where to get land, how to get land, how to allocate land and how to use land. Restitution applies to forced removals undertaken in terms of apartheid laws under which communities were removed from their land.

The Restitution and Land Rights Bill, tabled in Parliament in September 1994, entitles about 1,4 million of the estimated 3,5 million people who were forcibly removed to make claims for restitution.

Although a full audit of land forcibly removed from people is still to be done, it is believed that restitution claims involve fewer than 100 white owned farms and that the rest relate to state land. AFRA estimates that there are more than 30 such cases in KwaZulu-Natal.

Underpinning the draft legislation is the need to make restitution rapid, effective and accessible, and to encourage local settlement of disputes. Two mechanisms are envisaged to deal with land restitution:

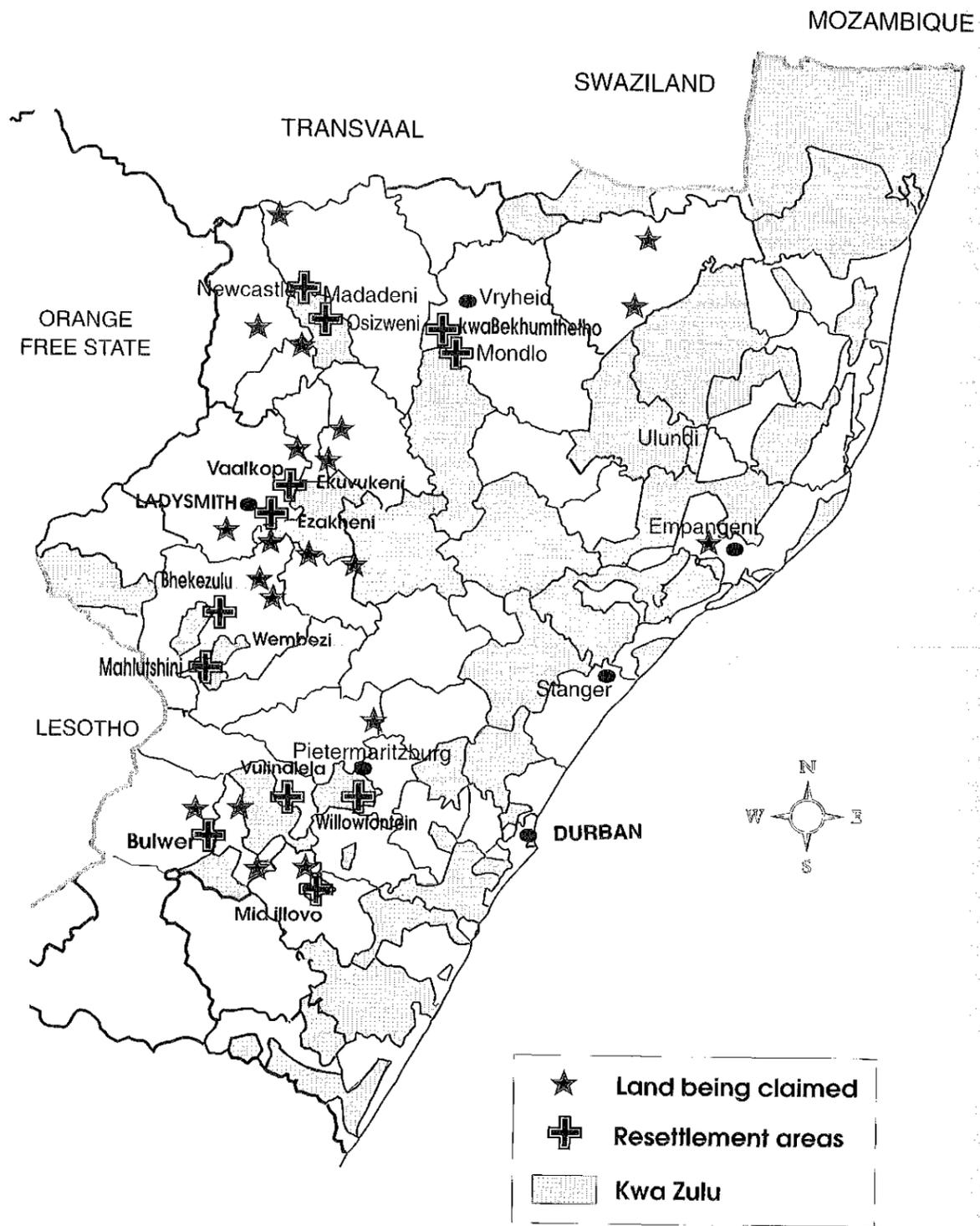
- ✧ The Land Claims Commission. The Commission will have offices in every

*It is important to contextualise land claims within a district land reform and development programme*

*The Restitution and Land Rights Bill entitles about 1,4 million people who were forcibly removed to make restitution claims*

*It is believed that restitution claims involve fewer than 100 white owned farms and that the rest relate to state land*

## Locations of land claims in KwaZulu-Natal



province and will proactively investigate claims on behalf of communities and propose solutions. It will try to settle land claims through mediation where feasible, but arbitration may be done through the courts.

- The Land Claims Court, which will operate as a circuit court with a panel of judges. The Court's main focus will be claims arising from forced removals, and it will only address cases where people have specific claims. It will be a court of law at the level of the Supreme Court, and appeals against its decisions will go to the Constitutional Court.

All land claims for restitution are to be lodged within three years of the start of the restitution process. Claims will go first to the Land Claims Commission, and where agreements are reached they will be referred to the Land Claims Court for ratification. Land claims the Commission cannot resolve will also go to the Court, as will all cases now before the Commission on Land Allocation (COLA).

The Land Claims Court will have the power to order the transfer of state land, and the expropriation or purchase of land which has passed into private ownership. If privately owned land is expropriated, the state may have to compensate current owners, taking into account the history of the property's acquisition, its market value and the interests of the parties involved.

Awards will take into account whether parties refused to negotiate. The Court will be able to award ownership, joint ownership and division, and will have the power to quantify compensation. The Court will also be able to award claimants alternative land, just compensation or alternative remedies, if it does not restore land.

Where land awards are made, they may take into account compensation claimants received at the time of their dispossession, and this will be deducted from the award. Thus the Land Claims Court may be able to resolve potentially conflictual situations where ownership is unstable and contested.

Initial estimates are that rural communities who have valid claims will cost about R180 million to be resettled. Returners will receive support in the form of health care, education facilities and agricultural support.

The Department of Land Affairs has already received more than 63 rural land claims, most of which are communal, and 2 250 urban land claims, most of which are individual. Estimates now suggest that about 700 000

urban people and about 100 rural claims involving another 700 000 people, could be eligible for restitution.

These mainly involve 'black spot' removals and forced removal categories created under apartheid laws. Rural claims may include some categories of labour tenants who were removed in the 1970s, but not people who were affected by mechanisation in agriculture or the ending of contractual relationships.

## Problems

The Land Claims Court is unlikely to be able to solve all the land claims, since it cannot help those who did not manage to maintain their identity and links to their land. It will deal with the relatively few cases where black people did have land, and will not deal at all with the issue of redistribution. There are many problems associated with the Court, including expense, time and the problem of under resourced communities having to research their own claims.

The question of group rights to land has become an urgent priority, as most rural claims and land acquisition schemes are undertaken on a group basis. These include:

- Claims to restitution by communities or tribes who lost their land under forced removals
- Claims by groups such as labour tenants to have their historical rights legally recognised
- Land purchase endeavours by Africans since the 1991 repeal of the Land Acts
- Church schemes to transfer ownership of land to black occupants who may or may not have historical links with the land.

The issue that affects the largest number of people is how to upgrade or give legal status to the complex web of occupation rights existing in the former homelands. A legal vacuum was created under apartheid because group ownership was frowned upon and never given legal and institutional recognition and support.

There are a number of lessons which could be learned from the experiences of ACLA (and COLA). Instead of the Commission being advisory it should have the power to make decisions which would be binding on all parties, including the Government.

The Commission should also have jurisdiction over all land, and not only over state owned land which has not yet been developed or allocated for another purpose. It should be seen as a necessary but not sufficient part of the land reform process,

*Claims will go first to the Land Claims Commission, and then to the Land Claims Court for ratification*

*Initial estimates are that rural communities who have valid claims will cost about R180 million to be resettled*

*The Land Claims Court cannot help those who did not manage to maintain their identity and links to their land*

*Land invasions have taken place where people have felt that their claims against forced removals have been treated unjustly*

*It is imperative that restoration be dealt with swiftly, and in parallel to land redistribution*

#### ACKNOWLEDGEMENT

This article is based on research commissioned by the Land and Agricultural Policy Centre in Johannesburg, and coordinated by Data Research Africa in Durban.

aimed primarily at achieving justice and allocating land to communities.

The process should be as rapid as possible to avoid long periods of frustration. Land invasions have taken place where people have felt that their claims against forced removals have been treated unjustly. The previous government dealt heavily with these people. Under a democratic government, such invasions may be legalised.

Despite persistent opposition, mainly from civics, to the continued role of chiefs in land allocation and development issues, the Interim Constitution allows for the role of chiefs regarding land to continue. In KwaZulu-Natal vast tracts of land are now held in trust by the King under the KwaZulu Ingonyama Trust Act No 3 of 1994, and will continue to be controlled by chiefs.

There is a need for democratic participation in determining the need for and feasibility of the re-ordering of the existing land and agrarian order. Evidence from the Eastern Transvaal suggests that land allocation, development and the provision of services should be taken out of the hands of tribal authorities, and that responsibility should be given to elected local government committees.

Institutional arrangements should ensure that land allocation is transparent and residents have land tenure options. The land reform programme and development process should be informed by local participation and the incorporation of knowledge into development planning and implementation.

## Conclusion

Although the Restitution of Land Rights Bill suggests a far reaching restructuring programme to address historical injustice in land allocation, there are several problems associated with this process. The programme is likely to be cumbersome and subject to appeal. Experiences in Latin America suggest that land restitution favours the rich, who are able to turn the legal system to their advantages, and not the dispossessed as intended.

Since it may take some time to set up a representative Land Claims Commission and nine regional offices, it would be useful to clarify the role of the Commission on Land Allocation in the interim as land claim hearings are apparently continuing in some areas of KwaZulu-Natal.

The Reconstruction and Development Programme recognises the importance of

maximum democratic participation in policy formulation and implementation.

Participatory research has a crucial role to play since it facilitates the process of democratic interaction which strengthens organisation and the potential for collective action.

Given the nature of South Africa's transition, a Land Claims Court established under the Interim Constitution is likely to exclude the victims of forced removals from meaningful and direct participation in the process. It is imperative that restoration be dealt with swiftly, and in parallel to a land redistribution programme: the issue is potentially explosive.

The challenge for the Government of National Unity is to set in place structures necessary for other pillars of land reform: security of tenure, redistribution, structural and institutional capacity building, and consolidating some progressive processes already initiated.

The proposed land reform process is inadequate to introduce a fundamental programme to restructure power relations in the allocation and control of land. Apart from entrenching existing property rights, the Interim Constitution seems to limit the scope for public participation while preserving the status quo, and to limit people instead of empowering them in the land reform process. **IPAA**

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# DURBAN-STYLE DEMOCRACY

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*Setting up a Transitional Metropolitan Council for the Durban area, which comprises 3,4 million people and 1,8 million potential voters, has been a complex and fraught process, as it has been elsewhere. But interim boundaries have been agreed, councillors nominated and by the end of November Durban should have in place a TMC capable of steering the city towards local government elections next year.*

**T**here's no doubt that 1994 will be recorded as the year of the Big Change in this country. People are still reeling from the heady days of national and provincial elections in April. With the end of the year approaching, political parties are still squaring their books and the people of KwaZulu-Natal are still waiting for signs of decisive provincial government.

The transfer of power to an African National Congress (ANC) Government brought South Africa back into the international community, a development welcomed by everyone. As with all relationships, this brings both benefits and responsibilities, especially once the initial glow has worn off. It has taken a while, but attention is now focused on changes in local government.

It is not widely known that the Local Government Transition Act was passed by Parliament in December 1993. In retrospect, it was naive to think that anyone would have enough time, energy and finance to give to the third tier of government, when the eyes of the world were focused on the major changes taking place at first and second tier levels.

Change at local government level was pushed into the background while politicians fought over power at national and provincial levels, and it was only once the April dust had settled that politicians were able to turn their attention to transformation of the third tier. The Local Government Transition Act sets out the basic provisions which guide negotiations, but the various regions have implemented details to suit their individual circumstances.

## Local dynamics

There is a certain irony in the fact that the national transition to democracy aroused unprecedented interest and received massive media coverage, both nationally and internationally, while equally far reaching change at local level - change that will have a greater impact on people's daily lives - has not received attention and interest anywhere near relative to its significance.

The situation in KwaZulu-Natal, as might be expected, is particularly interesting. Within the Government of National Unity, the ANC has a substantial majority. In the KwaZulu-Natal Provincial Legislature, the Inkatha Freedom Party has a slim majority. This makes the balance of power at local level, a significant issue in this province.

Guided by the provisions of the Act, the Greater Durban Metropolitan Negotiating Forum was established in June this year. Initially four metropolitan forums were set up: in Johannesburg, Pretoria, Cape Town and Durban. They were followed later by Pietermaritzburg. Metropolitan was defined as a densely populated, industrialised urban area, with shopping and commuter patterns across the metropole, but the choice was left to each region.

Throughout the rest of the province, it is intended that local government will be the responsibility of appropriate local authority structures. Rural areas will have Regional Councils, groups of small towns will have Local Government Coordinating Councils and some towns with sufficient resources will elect to be Stand Alone Towns.

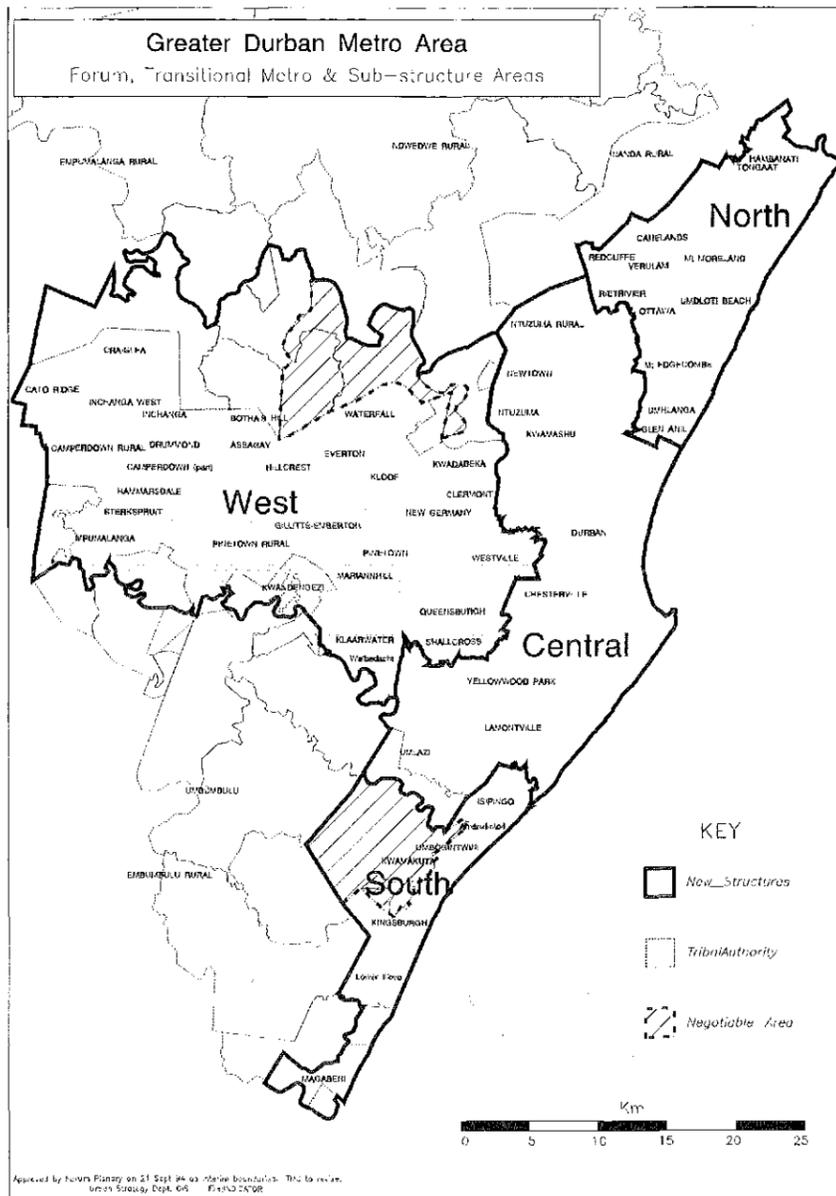
*The balance of power at local level is a significant issue in KwaZulu-Natal*

*The Greater Durban Metropolitan Negotiating Forum was established in June*

*The Transitional Metropolitan Councils will continue the work of local authorities until local government elections*

*Election by proportional representation alone cannot work at local government level*

*By and large, the metropolitan negotiating forums are proceeding slowly and carefully towards their stated goals*



The main aim of negotiations is to install nominated, inclusive local government structures - Transitional Metropolitan Councils - preferably in November this year. These nominated structures will continue the work of present local authorities, ensure the provision of services such as water and electricity, collect payments and generally keep things going until local government elections take place.

Election by proportional representation alone cannot work at local government level. This is the level closest to the people and elected representatives must have a defined constituency in which to work, by whose residents he or she is mandated.

The interim solution, that of nominated representatives, depends largely on hitherto

untapped resources of goodwill and cooperation between what are essentially political rivals. Deadlines have to be flexible and - depending on progress with further negotiations, registration of voters, the compilation of voters' rolls and voter education - the first, inclusive local government elections are likely to take place towards the end of 1995.

### Progress in Durban

By and large, the metropolitan negotiating forums are proceeding slowly and carefully towards their stated goals. Often its a case of two steps forward, one step back, but those participating are trying to negotiate within the spirit of the Local Government Transition Act.

It is important to keep in mind that those negotiating are there to make decisions, but if they fail to reach agreement, the Act empowers the Province to impose local government structures and systems. The Pietermaritzburg Metropolitan Forum negotiations ground to a halt early in October. At the time of writing, any further decisions or progress was in the hands of KwaZulu-Natal local government and housing minister, Peter Miller.

The Greater Durban Metropolitan Negotiating Forum has made steady progress since its inception in June. But, like the other forums, it has had its fair share of problems and potential stumbling blocks. On the statutory side, some sitting councillors are insecure, unhappy about proposed changes and perceived loss of power. On the non-statutory side, it was almost impossible to overcome the basic mistrust that forms a barrier between the two major players.

There is also the perception in some quarters that new local government structures are the third carriage in the government 'gravy train'. Having missed the first two, there are plenty of opportunists ready to jump aboard this one.

Nevertheless, negotiations between statutory and non-statutory components of the Forum, bilaterals, trilaterals and countless small discussions on either side have laid the foundations for the nominated Transitional Metropolitan Council and Sub-Structure councils in what is defined as the Greater Durban metropolitan area.

While the basic aims of the Negotiating Forum were straightforward the process was complex. The Forum Constitution, negotiated by the Convening Committee, outlines the objectives. They are to:

- Negotiate the area of the Forum and the boundaries of the council and sub-structures,
- Negotiate the total number of seats for the council and sub-structures,
- Negotiate the powers and duties of the council and sub-structures,
- Negotiate the nomination of council and sub-structure members,
- Handle any other matters that may need negotiating in terms of the Local Government Transition Act.

Given these parameters, it was agreed that five sub-committees would be convened to handle these objectives. They are the:

- Boundaries Sub-Committee
- Credentials and Nominations Sub-Committee
- Finance, Powers and Functions Sub-Committee

- Management, Administration and Training Sub-Committee
- Legislation Sub-Committee.

Once they were formally constituted, with equal representation from both statutory and non-statutory components, these sub-committees met twice weekly to discuss pertinent issues and make recommendations.

## Operation

An important aspect of these negotiations lies in the principles of consultation, transparency and accountability. Cynics might contend that politicians have a poor record here, but optimists hope that the new spirit of openness and democracy will prevail amid the politicking.

Negotiating Forum committees and sub-committees and lines of communication had to be structured to try and create a balance between broad representation, expertise, democracy and the time constraints of the Act.

It was agreed that the sub-committees would report in the first instance to the Coordinating Committee, which includes the co-chairs of all the sub-committees plus the six members of the Strategic Management Committee. In turn, the Coordinating Committee makes recommendations to the Joint Technical Committee (JTC).

The 84 members of the JTC - 42 each from the statutory and non-statutory components of the Forum - represent a broader constituency that further considers decisions before putting them to the Forum Plenary.

The Plenary, which meets in the Durban City Hall whenever important decisions have to be made, but at least once a month, is composed of approximately 1 000 non-statutory members and 500 statutory members. Most statutory members are sitting councillors from boroughs throughout the metropolitan area.

Membership of the Forum itself has been an ongoing process, driven partly by growing awareness of the Forum in the different communities. Each application is considered by the Credentials and Nominations Sub-Committee according to criteria laid down in the Act.

This sub-committee is also responsible for ensuring that nominees on the statutory and non-statutory lists comply with the criteria for admission to the Transitional Metropolitan Council and Transitional Sub-Structure Councils.

*Some sitting councillors are insecure, unhappy about proposed changes and perceived loss of power*

*It was almost impossible to overcome the mistrust between the two major players on the non-statutory side*

*An important aspect of negotiations lies in the principles of consultation, transparency and accountability*

*Given the history of inequality, it is hardly surprising that the boundary itself represents a barrier*

*Once it became clear that about half the sitting councillors were likely to lose their seats, they protested vociferously*

*Forum negotiations have established structures that will work to the benefit of the people in the region*

## Boundaries

Given that all the issues dealt with by the Forum are in some way urgent or contentious, the question of the boundaries of the metropolitan area had to be resolved as early as possible to allow the negotiations to progress. The Boundaries Sub-Committee, plus an advisory Technical Working Group, presented an initial map to the Forum Plenary on August 15.

Given the history of inequality and deprivation in areas such as Ntuzuma, Qadi, Mpumalanga, Kwadengezi and others that are close to the proposed western metropolitan boundaries, it is hardly surprising that there is a strong perception that the boundary itself represents a barrier. Inside the boundary equals 'have' and outside equals 'have not'.

One result is that essentially rural communities outside the proposed boundary feel that even under a new system of local government they will be left out of any development or provision of services. It is possible that some communities' needs might be better served by a Regional Council, funded largely by the Province. Issues such as these are sensitive and arouse powerful emotions.

Many Amakhosi (tribal chiefs), fearful of losing power and prestige to the new structures, reject incorporation into the metropolitan area. More than 30 submissions were made to the Boundaries Sub-Committee and meetings with affected parties were held to try and reach agreement on this and similar issues. After much discussion and negotiation, it was agreed that the final metropolitan and sub-structure boundaries would be determined by the TMC during 1995.

As the map shows, the present interim metropolitan boundaries extend from the Tongaat River in the North down to the Umkomaas River in the South, stretching to Cato Ridge in the West. The metropolitan area has been divided into four sub-structures, which will have their own Transitional Sub-structure Councils. The Central Sub-Structure includes Durban, Lamontville, Umlazi, Chesterville, Ntuzuma and KwaMashu and is by the far the most densely populated part of the region.

The North extends from Umhlanga to Tongaat and includes Hambanathi, Canelands and Verulam. The South goes from Isipingo down to Umgababa and Mnini, including KwaMakhuta. The Western Sub-structure is geographically the largest, but has the lowest population density.

## Councillors

Once the boundaries were agreed, the next issue on the agenda was that of the number of councillors for both the Transitional Metropolitan Council and the Transitional Sub-Structure Councils.

Guided again by the Local Government Transition Act and the number of existing councillors, after discussion and negotiations the Forum agreed on an overall total of 450 councillors. The TMC itself will have 150 councillors and the remaining 300 were divided between the sub-structures.

The final figures of 130 councillors for the Central Transitional Sub-structure Council, 80 for the Western TSSC, 42 for the North and 48 for the South were hotly debated at all levels. Once it became clear that about half the sitting councillors were likely to lose their seats, they protested vociferously. Eventually this was resolved and the process moved another step forward.

Since the members of the new Transitional Metropolitan Council and the four Transitional Sub-Structure councils will be nominated by the organisations and communities they represent, the Durban metropolitan area will in effect have a Government of Local Unity, which it is hoped will be proclaimed and in place by the end of November.

## Conclusion

Many small administrative details remain to be fine tuned over the next few months, but those involved are confident that Forum negotiations and decisions have established structures that will work to the benefit of the people in the region.

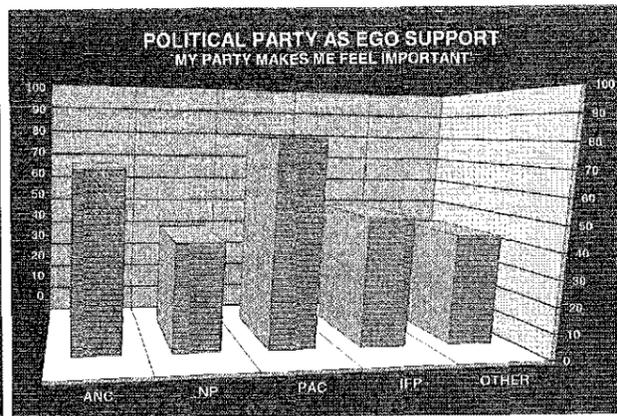
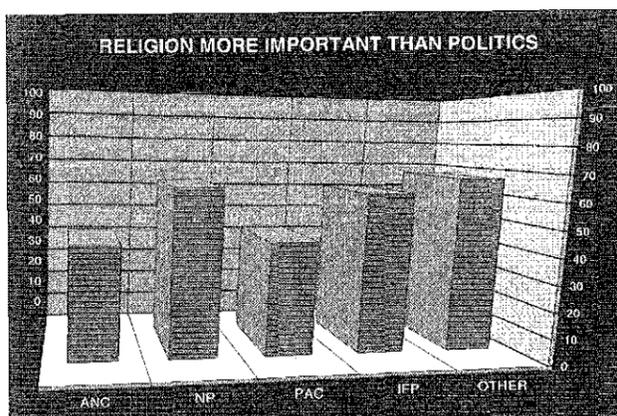
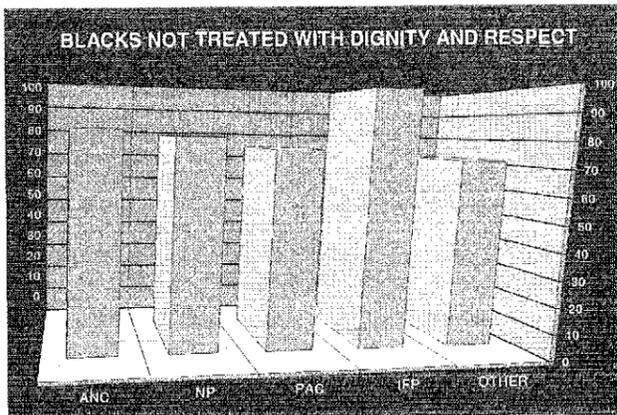
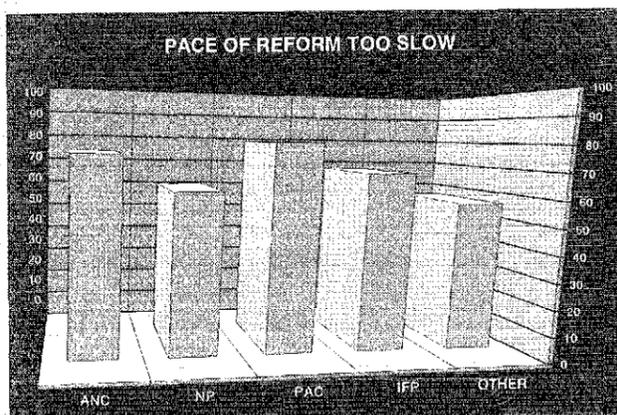
Apart from the issues of the provision of services and infrastructure, payment for services and other local government concerns, there is the question of voter registration and the compilation of voters' rolls. Extensive and intensive voter education, both of new and previous voters, will be an urgent priority before the local government elections. At this stage it looks as though voters will be faced with a combination of proportional representation and the ward system.

Nobody should be under any illusions about the complexities and difficulties of the whole local government transition process, and the problems that lie ahead. But if the final product is true democracy - government by the people for the people - then all the effort and expense will have been worth it. ~~1994~~

# COMPARATIVE

M O N I T O R

## ATTITUDES



Source: Lawrence Schlemmer and Ian Hirschfeld (1993/94) 'Founding Democracy and the New South African Voter',  
Update Vol 3 No 2. Human Sciences Research Council, Pretoria.

# The IRA: Peace by Analogy

By Adrian Guelke  
Jan Smuts Professor of International Relations  
University of the Witwatersrand

*The ceasefires announced by paramilitary organisations in Northern Ireland have paved the way for peace. But unlike in South Africa and the Middle East, with which Northern Ireland is widely compared, there is no political settlement to support peace and no apparent way of solving the Republican-Unionist impasse. Like Cyprus, Northern Ireland appears more likely to remain a highly polarised society with a bloodless conflict and no political settlement.*

*Ireland was partitioned to accommodate Protestant opposition to Irish home rule and remove the Irish Question from British politics*

*The Unionists ran Northern Ireland on the basis that Catholics were rebels at heart who could not be trusted*

At 11 am on Wednesday August 31 this year the leadership of the Provisional Irish Republican Army (IRA) issued a statement saying it had decided that as of midnight that night there would be 'a complete cessation of military operations'. The statement contended that 'an opportunity to secure a just and lasting settlement had been created'.

At the same time, it noted that the Downing Street Declaration did not provide a solution. The announcement of the ceasefire prompted the following banner headlines reaction from the main evening newspaper in Northern Ireland, the *Belfast Telegraph*: 'Its Over!'

There had been some advance warning that the Provisional IRA would call a ceasefire. The *Observer* had carried a story to that effect on August 21. However, previous predictions of that sort had been confounded a number of times since speculation started in earnest in 1993.

As recently as July 24, Sinn Fein - the political wing of the IRA - had held a conference giving an essentially negative response to the Downing street Declaration of December 15, 1993. So why did it happen? What does it mean? And, just as importantly, what does it not mean?

## Background

Before I get to these questions, let me say a little about the background to the present situation, starting with the creation of Northern Ireland as a political entity. Northern Ireland, comprising six of the 32 counties of colonial Ireland, came into being

in 1920 as an autonomous political entity within the United Kingdom.

The partitioning of the island of Ireland was designed to do two things. Firstly, to accommodate Protestant opposition to Irish home rule by excluding the part of the island with the heaviest concentration of Protestants from Dublin rule. Secondly, partition was designed to remove the Irish Question from British politics.

It achieved its first purpose of accommodating the Protestant minority. However, it did so at the price of creating a new minority of Catholics.

The size of that minority - more than a third of the population of Northern Ireland - eventually undermined the second purpose of partition: removing the Irish Question from British politics. However, that did not happen quickly, so for almost 50 years the British political system was insulated from events in Northern Ireland.

Northern Ireland had its own parliament, government and even prime minister. The British Home Office had a residual responsibility for the province, but it treated this duty lightly. Northern Ireland was dealt with by the section of the Home Office that handled the licensing of London taxi cabs.

A monolithic Protestant party, the Unionist Party, dominated the government of Northern Ireland. The Unionists ran Northern Ireland on the self fulfilling basis that Catholics in general were rebels at heart who could not be trusted. That provided the justification for widespread discrimination against Catholics that did nothing to reconcile them to the existence of partition.

## Unrest

Change came to this system in the mid-1960s. Economic decline prompted reform by the Unionists themselves. However, reform raised expectations among Catholics that the government failed to meet, and led to a civil rights movement modelled on that in the United States.

At the same time, there was a backlash among hardline Protestants who suspected that a plot to bring about a united Ireland lay behind the civil rights movement.

The result was growing unrest. Generally, the start of the Troubles in Northern Ireland is dated from October 1968 and clashes between the police and civil rights protesters in Londonderry-Derry: it is Londonderry to Protestants, Derry to Catholics, and is sometimes referred to as Stroke City.

It is worth noting that the Provisional IRA, which came into being in December 1969, did not even exist at this point.

Another key moment came in August 1969 when the British government sent in troops to help maintain law and order. That spelt the end of Northern Ireland's autonomy and was one reason why the troops' arrival was initially welcomed by Catholics.

However, when it became clear that the British government was attempting to put the pieces back in the box by limiting its involvement to securing reform of the security apparatus, there was a radicalisation of Catholic opinion. That provided the basis for the emergence of the Provisional IRA, seeking to bring about by force a British withdrawal and a united Ireland.

In response to growing violence, the Unionists introduced internment (detention without trial) in August 1971. That produced an explosion of violence. Eight people had died in four months before internment: 104 people died in political violence in the four months after it.

The failure of internment promoted deeper British political intervention. In March 1972 the British government imposed direct rule from Westminster, ending Northern Ireland's autonomous government. Except for a few months in 1974, Britain has ruled Northern Ireland directly ever since.

Direct rule in 1972 brought the worst year of Troubles in terms of violence: 467 people died. The intensity of the conflict was a product of the combination of Catholic reaction to internment and Protestant reaction to direct rule.

The aim of direct rule initially was to clear the decks for a political settlement. The settlement the British government had in mind had two dimensions: power sharing and an Irish dimension. With a good deal of cajoling the government succeeded in putting together a package along these lines.

The power sharing executive took office in January 1974. Linked to it was an agreement to establish a Council of Ireland. However, the executive lasted less than five months, brought down by a strike by Protestant workers. Direct rule resumed. Further British initiatives in the 1970s and early 1980s came to naught.

## Negotiations

The next major step taken by the British government was to enter into an agreement on Northern Ireland with the Republic of Ireland: the Anglo Irish Agreement of November 1985. This gave the Irish government an input into British policy in Northern Ireland.

Its political effect was to give a boost to constitutional nationalists in Northern Ireland, that is, to moderate Catholics. It was opposed strongly by Protestants and Unionists, but their efforts to bring down the agreement through protests failed.

Eventually, that failure paved the way for negotiations among the constitutional parties in Northern Ireland. The negotiations addressed three sets of relationships: between the two communities inside Northern Ireland, between the two parts of Ireland, North and South, and between the United Kingdom as a whole and the Republic of Ireland.

The initiation of negotiations among the parties was an important development, not least because of the impact it made on the assumptions of the Republican movement, as supporters of Sinn Fein and the IRA termed themselves.

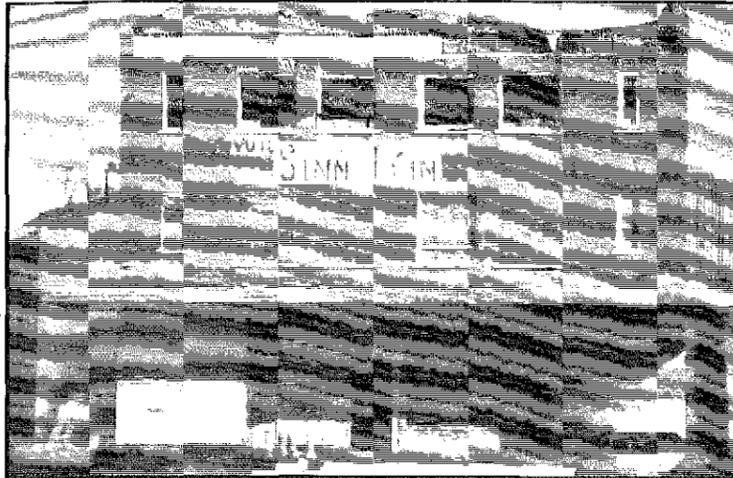
In particular, it was assumed by the Republican movement that the gulf between nationalists and Unionists was unbridgeable and therefore that the IRA had all the time in the world to achieve its objectives. In fact, the Northern leadership of the movement believed that the IRA would have to continue its bombing campaign into the 21st Century to bring about a British withdrawal.

Suddenly, the possibility of agreement among the constitutional parties confronted the Republican movement with a scenario in which it might be marginalised before its aims could be achieved.

*In 1969 the British government sent in troops, spelling the end of Northern Ireland's autonomy*

*In 1972 the British government imposed direct rule, prompting the worst year of troubles in terms of violence*

*The Anglo Irish Agreement of 1985 gave the Irish government an input into British policy in Northern Ireland*



William Saunderson-Meyer

*The British were under further pressure after revelations that they had been exchanging messages with the IRA*

*Sinn Fein and the IRA began having increasing doubts about the value of continuing the campaign of violence*

In 1990 a senior spokesperson for the Provisional IRA admitted during an interview that the British government's shift in emphasis from defeat of the IRA to emphasising that the IRA could not achieve its objectives was having an impact on Republican opinion.

To the relief of Republicans, the parties failed to reach agreement in their talks of 1991. A further set of talks in 1992 also ended in deadlock. However, whereas in 1991 Unionist had got the blame for the failure of the talks, in 1992 the leader of the Social Democratic and Labour Party (SDLP), John Hume, tended to be seen as the main obstacle to agreement.

### Pressure

Hume's concern at the SDLP's isolation among the other constitutional parties prompted him to open up a dialogue with the Republican movement through talks with Gerry Adams, the president of Sinn Fein.

The existence of the dialogue became public knowledge in April 1993. In September 1993 Hume announced that he and Adams had reached agreement on a document to be put to the Irish government. The document, has not been published, through SDLP leaders have on occasion alluded to bits of it.

Hume claimed that the document held the key to peace in Northern Ireland. That put the British and Irish governments in a dilemma despite their scepticism about the value of the Hume-Adams dialogue.

The British were under further pressure because of revelations that the government had been 'exchanging messages' with the IRA, a process that looked to Unionists and others like a breach of the government's long standing pledge not to negotiate with terrorists.

Another factor pressurising the British was the American connection. President Bill Clinton had wooed the Irish American vote in his 1992 campaign through a commitment to appoint a peace envoy to Northern Ireland. He was under pressure to redeem his promise and was in turn putting pressure on the British government to launch an initiative that he could support.

The outcome of all of these pressures was the British and Irish peace initiative in the form of a joint declaration at Downing Street on December 15, 1993. There was a huge amount of hype attached to this initiative, which promised Sinn Fein a place in negotiations if it renounced violence.

The broad content of the document hardly justified the hype. Basically, it contained nothing new. What prompted all the epithets of 'historic' was the assumption of a positive response from Sinn Fein.

### New era

The government's optimistic expectations were partly based on what intelligence sources were telling them about the state of opinion in senior ranks of Sinn Fein and the IRA. It appeared they were having increasing doubts as to the value of continuing the campaign of violence.

There were also other public indications that the Republican movement had been preparing the ground for entering an era of negotiations.

In 1987 Sinn Fein published a document envisaging all-Ireland negotiations, entitled *A Scenario for Peace*. That was followed by *Towards a Lasting Peace in Ireland*, published in 1992. In the event, the Sinn Fein response to the Joint Declaration when it finally came on July 24 this year was negative. Yet barely a month later there was the ceasefire.

A crucial role in finally pushing the IRA to this decision was a visit by an Irish American delegation. The delegation represented a grouping called Americans for a New Irish Agenda that had evolved out of Irish Americans for Clinton-Gore.

This lobby had been influential in securing Gerry Adams a 48 hour visa to visit the United States in February. It now exerted pressure on Adams to deliver a ceasefire. When the ceasefire came, the role of the American connection prompted headlines such as *The Independent on Sunday's*: 'Was it Washington that Won the Peace in Ulster?', on September 4.

## South Africa

There was a further factor at work behind the ceasefire which influenced the thinking of both Irish Americans sympathetic to the nationalist cause and leaders of the Republican movement such as Adams. This was the influence of the South African and Middle Eastern peace processes.

Throughout the 1980s Sinn Fein had sought to legitimise its 'armed struggle' by comparing it to those of the African National Congress (ANC) and the Palestinian Liberation Organisation (PLO). This was reflected in wall murals in West Belfast, a Republican stronghold, that pursued the comparison vigorously.

A recent book, *Northern Ireland: The Choice* by Kevin Boyle and Tom Hadden, uses one of the murals at what the Republicans dubbed anti-apartheid corner, to illustrate half of its cover. Nelson Mandela featured in a number of other murals in West Belfast during the 1980s.

External validation of the comparison was sometimes provided by those strongly opposed to the IRA.

Thus, on one occasion former British Prime Minister Margaret Thatcher described the ANC as a typical terrorist organisation, by implication just like the IRA.

In the same period, a proposal that the Church of England should support a declaration expressing understanding for the ANC's armed struggle ran into opposition on the grounds that it would encourage the IRA.

But if the IRA could use the South African and Middle Eastern cases to legitimise its campaign of violence in the 1980s, the development of peace processes in South Africa and the Middle East in the 1990s forced the IRA into a position where it either had to have its own peace process or it had to admit that the comparison no longer held.

As the comparison had particularly taken root in the United States, the changes in South Africa and the deal in the Middle East raised expectations among Irish Americans of a peace process in Northern Ireland.

## Analogy

The papers in Britain, Ireland and the United States have been full of the comparison since the ceasefire. Indeed, so widespread has this been that the prevalence of the comparison has itself become a topic for debate in political columns.

*The Independent* in London described the ceasefire as 'the Mandela manoeuvre'. The *Irish Times* filled a column about the prevalence of the comparison, and carried a news story of a speech by Adams in which he quoted Archbishop Desmond Tutu as saying that the end of apartheid had been a signal for the end of unjust systems elsewhere 'and in Ireland also'.

The editor of the British *Sunday Times*, Andrew Neil, complained that the failure of the British and Irish governments to counter Republican propaganda in the United States had left Gerry Adams 'looking like another Gandhi, Yasser Arafat or Nelson Mandela'. Even *The Star* of Johannesburg got into the act with the following banner headline: 'IRA Takes the SA Option'.

I am not saying that the comparison is a correct or exact one from the perspective of academic analysis. My point is slightly different. It is that the comparison has become a real influence on political behaviour and that this is much more significant than whether the comparison is valid in academic terms. It is almost as if Northern Ireland had achieved peace by virtue of an analogy.

I was struck when I visited Belfast shortly after the ceasefire announcement by the fact that people generally speaking were convinced that the ceasefire was for real and that the campaign really was over. By contrast, British opinion outside of Northern Ireland tended to be far more sceptical. What has changed, they asked?

In Belfast it seemed as if it would be impossible for the IRA to resume its campaign in the light of the relief in Catholic areas that had borne the brunt of the conflict. Even the traditionally suspicious and sceptical Protestant community gradually came round to the opinion that the IRA campaign had ended for good.

Admittedly the Loyalist paramilitary organisation did not cease their violence immediately. But much sooner than most people expected, the Loyalist paramilitaries called their own ceasefire on October 13. The statement announcing the ceasefire made it clear that the end of Loyalist violence was entirely conditional on the permanence of the Provisional IRA's ceasefire.

Nonetheless, the announcement was a major boost for the peace process, particularly as it was evident that the Loyalist paramilitaries had taken their cue from the moderate Ulster Unionist Party rather than from Ian Paisley's Democratic Unionist Party, which remains deeply suspicious of British intentions.

*Sinn Fein sought to legitimise its 'armed struggle' by comparing it to those of the ANC and PLO*

*It is almost as if Northern Ireland achieved peace by virtue of an analogy*

*Much sooner than expected, Loyalist paramilitaries called their own ceasefire on October 13*

*There is no political settlement to support peace, nor is an early end to the political impasse expected*

*In the future Catholics might form a majority and vote in a united Ireland*

**ACKNOWLEDGEMENT**  
This article is based on an address by Adrian Guelke to the Durban branch of the South African Institute of International Affairs, on September 23 1994.

## Problem

But a major problem with the peace process remains and it is this. There is no political settlement to support it, nor is an early end to the political impasse between nationalists and unionists expected. Admittedly, the way is now clear to all inclusive talks. The British government announced its acceptance on October 21 that the IRA intends its ceasefire to be permanent.

The next step is supposed to be publication by the British and Irish governments of a framework document for negotiations. This is expected to propose power sharing within Northern Ireland and a series of cross border institutions. The two governments will also propose enshrining of the principle of consent in their basic constitutional law.

The principle of consent is simply the proposition that Northern Ireland will remain part of the United Kingdom as long as that is the wish of a majority, and that if a majority in Northern Ireland wish to become part of a united Ireland, the wish will be granted.

What has given life to this principle and made it more acceptable to nationalists have been changes in the make up of the population of Northern Ireland. The proportion of Catholics has been growing, raising the possibility that at some time in the future, Catholics might form a majority of the population and that a majority for a united Ireland might emerge.

In short, the principle of consent works because of uncertainty about the future. It would be utterly empty if the answer was certain to remain the same.

The problem with this is that it depends on each side having different expectations of the future, a tenuous basis for a political settlement to say the least. A more radical option that would avoid the numbers game would be that of joint sovereignty over Northern Ireland by Britain and the Irish Republic. The attraction of such a solution is that it would permanently guarantee the identities of both communities in Northern Ireland.

However, the Republic of Ireland does not like the economic and tax implications of this option and the British government remains fearful of Unionist reaction to such a policy. And while there appears to be agreement between the two governments on the broad outlines of the framework document, negotiations on the details have proved difficult.

Even if the two governments can agree on a form of words as guidance to the Northern Ireland parties, it is hard to foresee agreement between the nationalists and unionists, especially with Sinn Fein's participation in the negotiations among parties.

## Deeply divided

In the absence of agreement, it is possible that Northern Ireland will come to resemble another deeply divided society with a bloodless conflict and no political settlement: another Cyprus. Of course, Northern Ireland is not as totally partitioned as Cyprus, but the degree of residential segregation between the communities is very high.

Northern Ireland may remain a highly polarised society. Indeed, it is easier to envisage such an outcome than the one in which Northern Ireland overcomes its sectarian divide.

Could peace survive without a political settlement? Peace is perhaps the wrong word since the threat of violence is likely to remain. Neither Republican nor Loyalist paramilitary organisations are likely to surrender all their weapons.

*The Observer* reported on October 30 that members of the IRA were continuing surveillance of British troops and the City of London, indicating that the IRA is intending to remain prepared to return to armed struggle and that there are influential people within the organisation who are sceptical about a settlement.

Truce would be a more accurate way to describe the current absence of violence. I can certainly see Northern Ireland having a long lasting truce, given the weariness of both communities with the continuation of political violence.

A political settlement seems less likely unless the two governments choose to impose one on the Northern Ireland parties, but they would find that hard to justify in terms of what they have said about the principle of consent.

In fact, developments in the new few years are in my opinion likely to underline that Northern Ireland is following a very different path from that of South Africa and the Middle East, where political settlements have been the driving force in the quest for peace. Nevertheless, it will remain interesting to see how the analogies among the three societies play in the future. **DESA**

# King or Country

## The Lesotho Crisis of August 1994

By Pontso Sekatle

*The August 16 coup in Lesotho was resolved four weeks later with the reinstatement of the country's democratically elected government. It was the latest extraordinary saga in a tale of intrigue, corruption and undemocratic practice by leaders which has plagued the tiny mountain kingdom in the three decades since independence.*

**O**n August 16, 1994, supporters of the Basotho National Party and the Marematlou Freedom Party presented a petition to King Letsie III calling for the dissolution of the Lesotho government and the restoration of his father Moshoeshe II to the throne.

The following day the King issued a decree suspending sections of the constitution, dissolving parliament and deposing the democratically elected government of Ntsu Mokhehle.

He also announced his intention to establish a Provisional Council to administer the country and to set up an Independent Electoral Commission. The commission's task would be to prepare for a general election to be held on the principles of proportional representation.

On August 18 supporters of the Basotho Congress Party (BCP) marched to the Royal Palace gates to present a petition opposing the King's unconstitutional dissolution of a democratically elected government and parliament. The group was refused entry to the Palace, and in the confusion that arose four people were shot dead by soldiers and others were wounded.

The King's move was condemned in and outside the country for a number of reasons. Firstly, it was unconstitutional and amounted to a *coup d'etat*. The constitution is clear on the procedures for the dissolution of parliament and government, and King Letsie's unilateral move fell outside these procedures.

Secondly, it undermined the people's democratic rights to elect their own representatives into government. Despite this condemnation the King went ahead and

swore in a Provisional Council chaired by Hae Phoofolo.

### The crisis

To understand the factors behind Lesotho's political crisis it is important to analyse the role players in the country's political theatre. *The Star* put it succinctly:

"Observing the latest political drama in Lesotho is a bit like watching the re-run of an old film. Many of the old actors strut across the screen in...a march of folly." (*The Star*, August 25)

Leading actors in the film are the monarchy, the BCP, the Basotho National Party (BNP) and the military. Factors underlying the crisis can be summarised as:

- The shifting of alliances among the actors
- The monarchy's persistent quest for executive powers
- The military's continued interference in politics
- The failure of the BCP government to assert its authority
- The BNP's reluctance to accept the 1993 election results

Lesotho has always been characterised by politics of intrigue and opportunism. Political parties, particularly the BCP and the BNP, have switched positions to suit their interests at any given time. This pattern of behaviour was already established in the 1960s.

Before independence the BCP and BNP held opposing views on the status of the monarchy. Initially the BNP aligned itself with the monarchy in its quest for executive powers while the BCP advocated a constitutional monarchy.

*On August 17 King Letsie suspended sections of the constitution, dissolved parliament and deposed the government*

*Lesotho has always been characterised by politics of intrigue and opportunism*

*Until 1986 Lesotho was ruled by the BNP through the support of the military and not through the consent of the people*

*The BNP-military alliance collapsed in 1986 when Letsie III led a military coup against the government*

*Since independence, Moshoeshe II has been prepared to do almost anything to achieve an executive monarchy*

At that stage the signs were that the BCP would win the independence elections. But it lost, and promptly changed its position to advocate an executive monarchy. The election winners, the BNP, assumed the former position of the BCP and advocated a constitutional monarchy.

Independence was gained in 1966 under a constitutional monarchy. The BCP, the monarch Moshoeshe II and the Marematlou Freedom Party (MFP) campaigned against independence and against the constitution.

Chief Leabua Jonathan, then leader of the BNP, used the security forces to clamp down on the campaign. The King was put under house arrest and leaders of the BCP and MFP were detained by the security forces after an aborted campaign meeting at Thaba Bosiu in December 1966.

The Thaba Bosiu incident was the beginning of the misuse of the military by civilian rulers. Three years later Jonathan formalised the BNP-military alliance when he lost the first post-independence elections, refused to step down, aborted the elections and suspended the constitution. The decision to usurp power, according to Macartney, was taken with the full backing of security officers.

Until 1986 Lesotho was ruled by the BNP through the support of the military and not through the consent of the people. Jonathan suspended political activity and banned opposition publications. BCP members were detained and tortured. King Moshoeshe II was exiled to the Netherlands.

The BNP-military alliance collapsed in 1986 when Moshoeshe II's cousin, Sekhobe Letsie, led a military coup against the government. After the coup the King was given legislative and executive powers, marking the beginning of a military-monarchy alliance. Less than five years later, in 1990, Moshoeshe II lost the partnership in disgrace. The military forced him into exile and later dethroned him.

### **The monarchy**

To better understand the military-monarchy alliance we need to analyse the latter's quest for executive powers, which is well documented. Moshoeshe II's refusal to accept the status of a constitutional monarch was summarised by *The Star*, which compared him with the French Bourbon kings:

"Like the deposed dynasty, he seems to have learned nothing and forgotten nothing. Since Lesotho became

independent in 1966, Moshoeshe has refused to accept constitutional monarchy, although his political ambitions have brought him nothing but humiliation and disaster." (*The Star*, August 25, 1994)

Since independence, Moshoeshe II has been prepared to do almost anything to achieve an executive monarchy. Although the BCP had been against an executive monarchy, the King quickly aligned himself with the party when it changed its position after losing the election.

Together they campaigned against independence from Britain. However, Moshoeshe's quest failed and instead was forced to abide by the constitution on pain of abdication.

In 1986 Moshoeshe II welcomed the post-coup executive and legislative powers given to him by the military junta. It is not clear whether he played an active role in overthrowing the BNP or whether the military sought to legitimate the coup by giving him powers. Edgar argues:

"The King undoubtedly welcomed the turn of events since he had been relegated to a ceremonial function under Jonathan.... While it is doubtful that he was an innocent bystander, there is no evidence to suggest that he actively plotted with the military to depose Jonathan." (Edgar, 1987, p379)

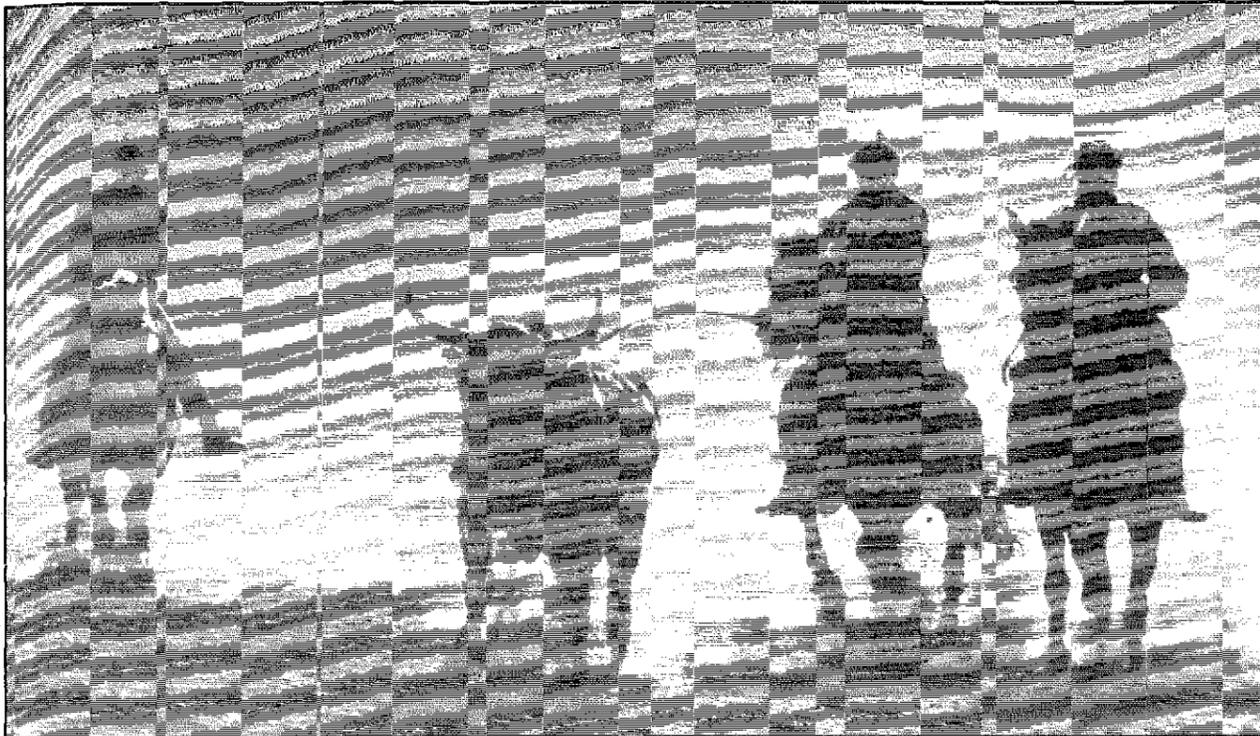
Although Sekhobe Letsie masterminded the coup he coopted Justin Metsing Lekhanya, then Commander in Chief of the military, as a front man in order to enlist the support of the military.

### **Politics banned**

The military-monarchy alliance officially banned party politics through Order No 4, blaming party politics for all Lesotho's problems. Lekhanya announced in a statement to the nation on January 24, 1986:

"For a long time this nation has been plunged into a political quagmire by politicians whose actions did not necessarily align themselves with the national interest... We have, therefore, decided that there shall be no more political activity which has been the root cause of our internal problems in Lesotho."

Moshoeshe II shared the views of the military on the question of party politics. As far back as 1988 there were reports of splits



Courtesy of Natal Newspapers

within the government over the democratisation process.

“On the one side stands Lekhanya...who would like to return to the barracks....Pitted against him is the head of state, the man who nominally holds all legislative and executive power, King Moshoeshe II. He is keen to maintain the essentially feudal power structure, which leaves considerable power in his hands. He does not wish to see a return to democracy.” (*Africa Confidential*, Vol 29 No 5, 1988)

In 1989 an ‘ad hoc Committee of Ministers’ was assigned to review certain constitutional issues. The committee was chaired by the Moshoeshe II’s brother, Mathealira Seeiso, then Minister of the Interior, Chieftainship Affairs and Rural Development. On April 6, 1989, the committee agreed that:

“The present type of government is best suited for Lesotho. The government can be described as a monarchy in which the military plays a part in Government through the Military Council and in which the King has an appointed Council of Ministers.”

The committee recommended establishing a National Council as a legislative body. The National Council was to be non-political and composed of people nominated in an open meeting chaired by chiefs. This was never implemented because the military-monarchy alliance turned sour and collapsed in 1990.

### King’s coup

Moshoeshe II returned from exile just before the 1993 general election. Before that the BCP, BNP and MFP committed themselves to resolving the issue of the monarchy after the elections. The first concrete step towards this was taken in July 1994, more than a year after the elections.

The BCP government set up a Commission of Inquiry through Legal Notice No 81 to investigate circumstances that lead to Moshoeshe II’s dethronement. The commission was also mandated, among other things, to investigate Moshoeshe II’s role since 1964.

Moshoeshe II was opposed to the investigation. He applied to the High Court of Lesotho to prevent the commission from proceeding with its work, represented by Hae Phoofolo. On August 15 the hearing was postponed at the request of Moshoeshe II and his legal counsel.

The following day the BCP government was overthrown for its failure to reinstate Moshoeshe II, and Hae Phoofolo became Lesotho’s equivalent of prime minister. These events hardly seem a coincidence.

The military backed the royal coup. It is important to note that Lesotho’s military was recruited on party political lines: from 1970 to 1986 only members of the BNP could join. The military would prefer anyone to a BCP government.

*The military-monarchy alliance banned party politics, blaming politics for all Lesotho’s problems*

*As long as Lesotho has a military which supports a certain political party there is no hope for stability*

*The BCP government contributed to the recent crisis by failing to assert its authority*

*It is highly questionable why the Royal family is opposed to an investigation intended to reverse wrongs committed against it*

*Moshoeshe II and his wife received agricultural products on credit, and never paid the bills*

The military's continued interference in politics reflects the experience of other countries. Once the military has tasted power it is reluctant to return to the barracks. Even when the military was forced to democratise its leaders tried to create space for their political ambitions.

As long as Lesotho has a military which supports a certain political party there is no hope for stability. Lesotho is a very small country and does not need an army, only a police force. In the long run it should phase out a military force. In the short term the military needs to be retrained and restructured.

### **BCP's failures**

The BCP government also contributed to the recent crisis. It failed to assert its authority, especially over the security forces. The army mutiny in January 1994 was followed by a police strike. The government failed to tackle these crises. It has also been hampered by lack of experience, strategy and policy.

The BCP did not produce a manifesto until January 1993, only two months before the general election. It was criticised from all fronts for this deficiency. As a government the BCP has displayed lack of transparency in dealing with critical issues: for example, the army and police crises early this year were never explained satisfactorily to the people.

The BCP government also failed to take necessary action against indiscipline and crime. In November 1993 some seven junior officers dismissed their senior officers, one of whom was extremely high ranking, but the government failed to discipline them. In March the deputy prime minister was shot and killed by soldiers: the government took no action and no-one has been brought to justice.

The BCP also failed to address the issue of the monarchy immediately after the election. A task force composed of the presidents of Botswana and Zimbabwe, charged with seeking a solution to the military crisis in January 1994, made it clear that the issue of the monarchy should be addressed. Its report was released in February but the government only acted in July with the commission of enquiry.

The BCP's weakness is partly the result of the suspicion with which party technocrats are treated. The issue of the party's manifesto was a clear example: the manifesto was drafted long before the elections, but the party's leadership was reluctant to launch it.

Party technocrats are alienated and ostracised, yet it was they who formed a crisis committee to lead the campaign for the reinstatement of the government.

### **The BNP**

The role of the BNP in the present crisis needs closer scrutiny. It was the only political party which did not accept the BCP victory in the 1993 election. The party contested the election outcome in court but failed to produce evidence to prove allegations of ballot rigging. Hardly 18 months after the election the BNP leader was again in power, with military support.

The leader of the BNP, Retselisitsoe Sekhonyana, was first appointed minister of Finance in 1972 by Leabua Jonathan. He served as minister until the overthrow of the BNP government in 1986, and was the only minister retained by the military after the 1986 coup. He was part of the government that dethroned Moshoeshe II in 1990, and served as Minister of Finance until his forced resignation in 1991.

It is difficult to believe that the BNP, and especially its leader since he was involved in dethroning the King, is genuinely concerned about Moshoeshe II's reinstatement. Yet together with Lekhanya the BNP led the group which petitioned for Moshoeshe II's reinstatement.

It is similarly difficult to accept that the coup makers are genuinely concerned about the constitution's deficiencies. The same BNP leaders led the framing of the present constitution, which they tried to suspend under the pretext of proportional representation.

If official reasons for the coup are not convincing, then there must be covert reasons behind the 'King's coup'. Moshoeshe II stopped the commissioned investigating the reasons for his dethronement. It is important that the nation know these reasons, and the role the King played in military-monarchy alliance.

### **Corruption**

The BCP government was reinstated after the signing of a Memorandum of Understanding between it and King Letsie III. The agreement included, among other things, the cancellation of the commission into Moshoeshe II's dethronement. It is highly questionable why the Royal family is so opposed to an investigation intended to reverse the wrongs committed against it by the military junta.

It is also surprising that the Royal family, which has suffered unconstitutional action, should feel so threatened by the truth that it resorts to such unconstitutional and drastic actions as a coup.

The Royal families allegedly owes the now defunct Lesotho Cooperative Societies. Moshoeshe II and his wife received agricultural products on credit, and never paid the bills. The cooperative went bankrupt, according to last year's Commission of Inquiry into Cooperatives, because of these and other large debts owed to it over the years by high ranking officials in previous governments.

To understand covert reasons behind the coup it is also necessary to mention the membership of the Provisional Council set up after the coup: Hae Phoofolo (chairperson), Mamello Morrison, Retselisitsoe Sekhonyana, Monyake Moletsane, Khauta Khasu and 'Mathabiso Mosala.

Hae Phoofolo was the first Deputy Governor of the Central Bank of Lesotho. He was convicted and imprisoned for accepting bribes from a British company that printed Lesotho's currency. The person behind his conviction was Retselisitsoe Sekhonyana, then Minister of Finance.

At the time of his conviction Phoofolo alleged that Sekhonyana's corruption far surpassed his own, calling him the 'big fish'. This year the big and small fish swam together in Lesotho's troubled waters.

## Revelations

Mamello Morrison served as personal aide to Mathealira Seeiso, Moshoeshe II's brother, in the military-monarchy alliance government. She was editor of *Mphatlalatsane*, the MFP mouthpiece, during and after the 1993 election. *Mphatlalatsane* contributed to the BNP's poor performance in the election by publishing allegations of corruption and scandals involving Sekhonyana and Lekhanya.

For example, the January 9 to 15 edition carried an article alleging that the Lesotho equivalent of \$4 million was transferred from Lesotho to Austria on May 29, 1990, and later to Luxembourg on the oral instruction of the then minister of finance, Retselisitsoe Sekhonyana.

A letter quoted by *Mphatlalatsane*, written by the then minister of finance in 1992, concluded that government money had been transferred from Lesotho to Luxembourg and said fraud was suspected.

The issue of February 13 to 19 1993 carried headlines such as: 'Leaders implicated in passports racket', 'Finance Man in Missing R12 million riddle', 'Lesotho's ruler admits killing, says his lawyer' - Lekhanya admitted killing a 20-year-old student at the Agricultural College in Maseru.

The passports scandal involved the sale of Lesotho citizenship in Hong Kong, revealed by a 1992 Commission of Inquiry Regarding the Issuance of Passports to People of Chinese Origin.

The commission established that not a cent of R8 million collected from the sale of passports was paid to Lesotho's government. It also found that Lekhanya was to blame 'for the passport debacle as he had applied undue pressure on the officials to mount the scheme'.

The issue of March 26 to April 2 carried the headline: 'What is technical insolvency'. This published a summons issued by the High Court in which the Lesotho Bank instituted action against Sekhonyana for failure to repay two loans of R2 316 604,50 and R769 423,87. *Mphatlalatsane* ended with the advice: 'Let's Vote Wisely to Save the Nation'. That was the week of the general election.

Recently Mamello Morrison successfully defended herself in the High Court in a case instituted by Sekhonyana for defamation of character. That these two are now in cahoots only strengthens the observation that Moshoeshe's reinstatement could not have been the main reason for the 'King's coup'.

## Military interests

The military was also pursuing its interests in backing the coup. The investigation into the mutiny of January 1994 by the presidents of Botswana and Zimbabwe also recommended that the army be restructured and that members of the Lesotho Liberation Army (LA), a former armed wing of the BCP, be integrated into the Lesotho army. The military has always been opposed to the integration of the LA.

In an effort to implement the recommendations the government established a Commission of Inquiry into the army through Legal Notice No 61. Among other things, the commission was mandated to examine the army's history, recruitment practices, standard of training, competence, professionalism and discipline.

The commission was also mandated to recommend the future role of the army,

*Hae Phoofolo was imprisoned for accepting bribes from a British company that printed Lesotho's currency*

*Military leader Lekhanya admitted killing an agricultural student*

*A commission found that not a cent of R8 million collected from the sale of passports was paid to Lesotho's government*

The military was opposed to an inquiry mandated to recommend its future role

The BCP government was reinstated on September 14, after the prime minister and Letsie III signed a memorandum of understanding

The agreement cancelled the investigation into Moshoeshe II and reinstated him

redeployment of some members, the incorporation of former members of the LA and the possible institution of legal proceedings against those involved in the January mutiny.

The army was opposed to the commission and felt that the government wanted to replace its members with the LA. It should be noted that prior to the 1993 election the BNP warned the military that if BCP was voted into power they would lose their jobs to members of the LA. Before the January mutiny Sekhonyana repeatedly warned soldiers that the government intended replacing them with the LA.

One can only conclude that the march led by Sekhonyana and Lekhanya on August 16 was a culmination of a deep plot to overthrow an elected government.

That King Letsie III received the petitioners and acted swiftly on their demands, but failed to even receive a petition from another group of Basotho citizens on August 17, strengthens the observation that the 'King's coup' was planned well in advance. Sekhonyana mentioned in an interview with the South African Broadcasting Corporation that the King had invited him weeks before the coup to participate in the provisional government.

### Postscript

The BCP government was reinstated on September 14, 1994, following the signing of an agreement between the prime minister and King Letsie III. The document, entitled the Memorandum of Understanding of the Measures and Procedures Relating to the Restoration of Constitutional Order in Lesotho, was a result of negotiations facilitated by the presidents of Botswana, South Africa and Zimbabwe.

The three Presidents also signed the agreement in the capacity of 'guarantors'. The guarantors have committed themselves to take all the necessary measures to oversee the successful implementation of the agreement. The Prime Minister and King Letsie III agreed on the following measures:

- Upholding the principles of the rule of law and the maintenance of good governance as provided for in the 1993 Constitution of Lesotho

- An immediate cancellation of the commission on Moshoeshe II and his reinstatement
- Immunity of King Letsie III against any recriminatory action (legal or otherwise) for his role in the coup
- Indemnity to members of the Provisional Council, public servants and all security personnel for their role in the coup crisis
- Observation of the neutrality and autonomy of the Public Service, the Judiciary and the security forces from political influence and abuse, and urgent steps to ensure the loyalty of the security forces to the state
- Continued consultations with political, non-governmental, religious, traditional leaders and other interest groups in order to broaden the democratic process

The Commission of Inquiry on Moshoeshe has been cancelled but his reinstatement is yet to be effected. The government has engaged the legal advice of the Attorney Generals of Zimbabwe, Botswana and South Africa on the matter.

The Commission of Inquiry on the military was not disbanded. It has completed its work and it remains to be seen what action, if any, will follow its recommendations. The situation is currently calm. ~~DDA~~

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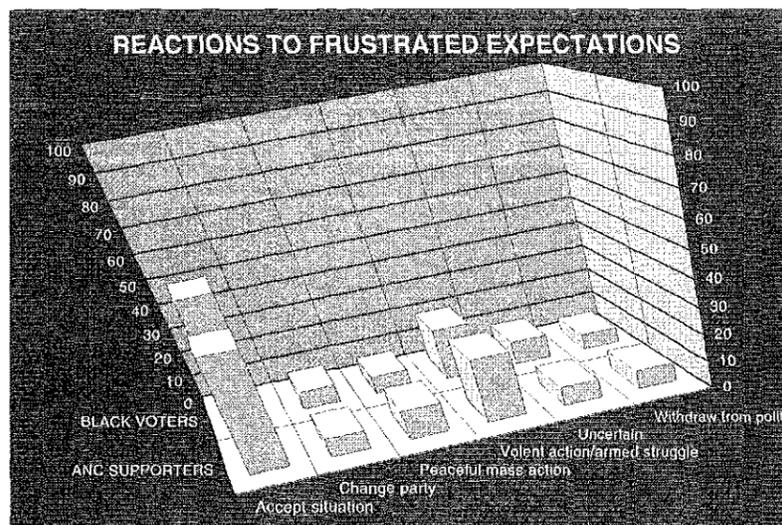
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# DEVELOPMENT

M O N I T O R

## ATTITUDES

WHAT AFRICANS WILL DEMAND AND EXPECT	
	Demand/Expect
Enforced minimum wages	58%
Subsidies to lower transport and food prices	56%
Ready-built houses provided by government	58%
Government to provide work to all unemployed	71%
Free schooling for all children	70%
White schools to accept all black applicants	71%
Black farmworkers given part of farmer's land	54%
Whites more heavily taxed for welfare for the poor	50%
Companies forced to appoint more blacks until certain goals are achieved	41%
Whites in civil service retrenched to make way for blacks	46%



Source: Lawrence Schlemmer and Ian Hirschfeld (1993/94) 'Founding Democracy and the New South African Voter', Update Vol 3 No 2. Human Sciences Research Council, Pretoria.

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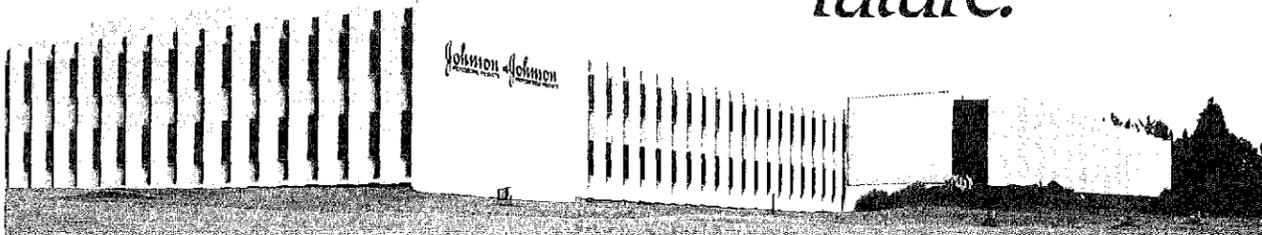
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# HOUSING: THE GERMAN SOLUTION

*By Louis Storck  
Former Director General, Ministry of Regional Planning,  
Building and Urban Development, Federal Republic of Germany  
and Norbert Eichler  
Project Manager, Friedrich Ebert Stiftung, Johannesburg*

*The Government could learn important housing lessons from Germany, where 300 000 new units are built each year. This has been achieved by changing constitutional property clauses and, crucially, devolving strong powers to municipalities, enabling them to expropriate land at affordable prices, fully control housing projects and properly plan urban development.*

**H**ousing is the most important necessity after food and clothing. International experience indicates that the market is not capable of housing everybody. Rich people can afford to live in luxurious mansions while most people cannot even afford corrugated iron sheets over their head.

A free market that is left to itself is socially blind. Government intervention is needed. The nature of government intervention, not only in the construction of housing but in the organisation of the whole urban fabric, is a cause of discussion and dispute.

Since housing is not a commodity that can be exchanged at market prices, a proactive Government policy is needed to facilitate housing for all and to formulate a well thought out urbanisation policy.

This article discusses the forms of government intervention needed to promote an orderly growth of urban centres and towns. Germany has a long history of urbanisation and urban renewal. The experiences of Germany are described and their relevance for South Africa analysed.

Planning and housing policies in South Africa are under review and are currently in the process of being redefined. This article also attempts to bring in some new ideas and reinforce others. We do not want, and are not able, to prescribe answers to the urban crisis.

Instead we will attempt to outline some aspects which could be considered in the formulation of new policy for the new South Africa.

Housing delivery and urban renewal in South Africa is of course not comparable with the current German situation. Germany has a per capita income that is roughly 10 times higher than South Africa's and the need for directed urbanisation is bigger because the population density is six times higher.

Despite these significant differences some aspects of planning policies in Germany can be looked at and might be used as a reference point for South African legislation.

## Housing policy

After World War II millions of people were without shelter. Many refugees came from the eastern parts of Germany and Europe. The promotion of construction was a priority for all tiers of government.

In the 1950s more than five million dwellings were built, a figure that was exceeded in the 1960s by approximately 500 000 units. Since the construction slump in the late 1970s and early 1980s, the net increase in new dwellings is currently about 300 000 units per year.

A variety of financial incentives are used to promote the building of new housing. New

*International experience teaches that the market cannot house everybody*

*Despite significant differences, German planning policies can be a reference point for South African legislation*

*National plans are unspecified and serve merely as guides*

*Planning at the local level is most important, and the only level at which formal consultation takes place*

*The power of the municipal administration, endorsed by the council, is almost absolute*

construction and the acquisition of old property is directly subsidised by the government through grants and loans or through depreciation allowances. In the former German Democratic Republic generous depreciation allowances are offered for investors.

Insurance companies specifically invest in social housing that is heavily subsidised and strictly controlled. Furthermore, social housing associations, cooperative and municipal utilities are offering housing on the market at subsidised rents.

### **Planning**

The constitutional requirement to promote equal living conditions in Germany is as important for housing and planning policies as the property clause which constitutes the social obligations of property ownership.

This clause authorises the state, including municipalities, to expropriate land and buildings for development purposes. Expropriated owners have the right to compensation, which they can even pursue in the courts, but they cannot claim outrageous sums from the state.

### **Different tiers**

At the national level in Germany, the Federal Ministry for Regional Planning, Building and Urban Development is responsible for the planning task. National plans are unspecified and serve merely as guides. National infrastructure, like the Autobahns (super highways) and airports, military and industrial areas, are included in the plans.

At the provincial level more details are filled into the national plan. The definition of prime, medium and lower centres is also undertaken at provincial level by the relevant ministries. The functions of the different centres vary. Lower centres, for instance, should have public swimming pools, primary schools and a fire brigade.

For German citizens planning at the local level is most important, and the only level at which formal consultation takes place. The municipalities have strong and well staffed planning departments. For example the medium sized city of Mannheim, with 325 000 inhabitants, has a planning department with 60 employees.

The municipalities have to submit a 'master plan' which serves as a guideline for development. The 'master plan' outlines traffic planning, land use and development or

redevelopment areas. It has to be approved by the council, and the public is granted six weeks for comments and recommendations. The council has to deal with these inputs at a public council meeting. The 'master plan' does not constitute any rights or obligations.

For concrete development purposes an area based special building plan has to be approved by the city or town council. The special plan prescribes in detail what can be done and built on land designated for development. The special plan constitutes rights and obligations and is very detailed, specifying where schools will be built, what type of houses can be constructed and what kind of businesses can be opened.

The power of the municipal administration, endorsed by the council, is almost absolute. It even determines the incline of roofs. The administration can also force land owners to erect buildings in the designated areas according to specifications in the special building plan. The legal justification for this drastic measure is based on aesthetic reasons because the 'city picture' could be harmed through construction gaps.

Another way to induce the building of houses is the recent introduction of higher property taxes on unused land. Municipalities have been given such powers to prevent land speculation and to make densification possible.

With the powers given to the municipality, town development can be organised in an orderly manner and development visions can be translated into reality without huge fiscal implications for the taxpayer.

The vision for the 1990s is compact cities that bring working and living areas together, reducing transport requirements. These cities of short distances and mixed use are wanted in the new town planning.

### **Renewal**

The powers of municipalities were considerably strengthened by the Urban Development Promotion Act of 1971. Councils were enabled to declare built up areas as redevelopment areas and start renewal programmes with significant changes. Neighbourhoods with predominantly single family houses, for example, could be changed into areas comprising mainly commercial property and high rise buildings.

This tool is normally used to upgrade run down urban districts in inner cities. A piecemeal approach cannot be effective

because property values would not increase. Either most or all buildings have to be upgraded to achieve a significant improvement in the character of a suburb or inner city area. The city can impose an upgrading scheme that affects all in a clearly defined district, to give the area a new character.

### Compensation

Owners do not have the legal power to stop such a project once approved by the city council, but the council has to compensate owners either financially or in kind.

In kind compensation can take various forms: owners can receive land in other locations or they can receive a stake in a commercial building that is built on their land. Compensation claims are based on the original value of the property and not the value after rezoning or renewal.

Value changes do often occur because of redevelopment or the redefinition of zoning schemes. If property values decrease because of rezoning, owners cannot claim compensation unless their area was already covered by a special building plan. Since special building plans are normally not made for a long period, such cases rarely occur. As stated, a 'master plan' does not constitute the basis for compensation claims, even if the owners lose a lot of money through the imposition of a special building plan.

Normally, land values increase because of a change in zoning. If a special building plan changes the use of land from agricultural purposes to industrial land or residential use, the value will increase significantly. The increased value can be skimmed off by the municipality. This rule applies for all development or renewal projects.

The massive housing projects of the past are gone despite the fact that more houses are being built now than in the 1970s or early 1980s. 'City repair' or 'city renovation' are the modern catchwords. The clean sweep approach of the 1960s and before is considered a mistake, explained by the desperate shortage of housing at that time.

Housing infrastructure development projects are normally carried out by public authorities. This ensures that profit maximisation is not the prime criteria for development projects, and enables the local authority to guide the development in a direction that is politically endorsed. Though local governments can subcontract development projects, they rarely do so, and when they do they always keep overall control.

Citizens have to be continually informed about renewal projects that affect them, and can officially make recommendations before redevelopment plans are approved. Councils have to take these recommendations seriously: a higher tier of government is able to dismiss plans if the municipality has ignored suggestions by citizens. The authorities spend a significant amount of time discussing concepts and work progress with the affected population.

The population has the right to consultation but does not have any say in the implementation or the day to day running of development projects. The local government, and eventually elected councillors, have the ultimate responsibility to make decisions and to implement them.

### Experimental housing

Although Germany has decades of experience with housing policy and its implementation, policies do change from time to time. This is partly due to changes in government, but also because of new needs and developments. The national ministry currently spends nearly R50 million a year on research into experimental housing and urban development projects.

Due to the huge influx of refugees and migrants, provisional solutions have to be considered. Pilot projects have been set up involving non-durable dwellings and other structures with the potential for conversion.

Housing policies, like all policies, are a matter of trial and error. In the social sciences and in real life, laboratories do not exist. Only experience can be the judge of changes in policies and practices.

### South Africa

The Reconstruction and Development Programme has set the target for housing completion at 300 000 units a year, of which 200 000 should be government funded. The new policy should ensure that those targets are achieved and that the new houses are not built as simple extensions to existing townships.

The integration of different social and ethnic groups, and the merging of living and industrial areas, are both important aspects of nation building. Bringing people together instead of separating them must be one of the prime tasks of town planning.

Local authorities should be entrusted with the task of reorganising the urban fabric. The

*If property values decrease because of rezoning, owners cannot claim compensation*

*Normally, land values increase because of rezoning, and this increased value can be skimmed off by the municipality*

*Bringing people together instead of separating them must be one of the prime tasks of town planning*

*Disincentives should be formulated to prevent segregationist practices, such as low income housing areas*

*Local authorities need more powers to direct and guide city development*

*Strong and competent local authorities are essential for new Government policy*

legal powers of local governments and staffing levels of their planning departments have to be increased considerably. Wherever needed, provincial governments might be asked to step in, particularly in cases where local authorities do not have enough capacity.

The policy of forced removal and segregation was evil and wrong, and a policy of forced integration would be inappropriate. However, government programmes and local town planning schemes have to be analysed under the criteria of integration. Policies that do not promote the economic, social and ethnic integration of South Africans should not be pursued.

Incentives could be created to promote integration and disincentives should be formulated to prevent segregationist practices, such as creating purely low income housing areas. For example, town councils could define new development areas for a mixture of low income, middle income and high income housing, commercial use and municipal infrastructure. Quotas could be set, but these should be flexible.

### **Urban decay**

Many countries have problems with the growth of slums and urban decay. A concerted effort by all role players, particularly in metropolitan areas, is needed to prevent the further deterioration of urban centres. Local authorities need more powers to direct and guide city development.

The legislature should pass laws that give councils the power to declare areas for redevelopment and also to attach strict conditions to new developments. Profits realised in the course of such ventures should go to municipal coffers if they are realised due to changes in the zoning regulations.

Furthermore, old zoning schemes should be changed without compensation because they prevent urban renewal. It would be impossible for the South African state to compensate all land use rights granted years - if not decades - ago. This approach would create the basis for a new urban development strategy that could be affordable to the private and public sector.

The change of the zoning schemes might demand the change of constitutional property clauses. As in Germany, private property should be reinstated after the completion of renewal projects. The bargaining power of city administrations would be considerably

increased if property owners could not claim compensation for loss in the market values of their properties.

### **Administration**

Proactive urban policy by councils would require a sufficiently staffed town planning department and probably an implementing agency owned by, or at the disposal of, the municipality.

Where this is not possible in the short term, private contractors should be called in. The work of private companies or developers should be closely monitored by city administrations. The council should never relinquish final control for development projects.

The above approach constitutes a huge challenge for the administration. The granting of development and building rights and the assessment of property values before and after development are difficult tasks that require a great deal of expertise.

Urban renewal might invite corruption on a grand scale. With simple decisions the value of properties can increase by millions of rand. Only close monitoring of decision makers and sufficient public participation would minimise corruption and nepotism.

### **Conclusion**

The provision of housing is one of the priorities of the new Government. There is a temptation to build new dwellings at all costs, even if the current spatial distortion of the urban fabric is not remedied.

There might be a trade off between quick delivery and proper planning. In the long run, an unplanned and chaotic approach might cost more than a slower and better thought through attempt to address the housing crisis. Few people seem able to develop concepts that tackle the reversal of land use segregation in South Africa.

Changes to constitutional property clauses, the empowerment of municipalities and a proactive approach by local and regional authorities is needed to overcome the segregation in South African cities. The legacy of Apartheid cannot be overcome by a passive and purely private sector orientation by Government. Strong and competent local authorities are essential for new Government policy. ~~UPA~~

# Environment and Development

## Preface

Simon Bekker

In the preamble to the White Paper on reconstruction and development, President Mandela defines the primary goal of his Government as being to effectively address poverty and gross inequality through economic growth.

The White Paper refers but irregularly to environmental considerations in pursuit of this goal. In particular, environmental issues are not treated as primary in their own right, and there is no clear call for environmental policy to become an integral part of other Government policies.

Simultaneously, a draft report on the environment, and on reconstruction and development in the country, has been produced by the Canadian International Development Research Centre, in collaboration with a mission comprising the African National Congress and some of its allies.

Though not an official Government initiative, this report will probably be influential in its call for a new vision of environmental security and for concomitant policy changes and institutional restructuring.

It is apparent that the issue of the role and place of environmental policy within Government driven reconstruction and development will remain salient.

The Reconstruction and Development Programme (RDP) is a framework for high priority national development which will require the initiation of projects at a rate unparalleled in recent South African history. Without an appropriate mechanism, the pace of implementation of RDP projects could preclude the adequate application of sound environmental management principles.

In fact, several projects could already have been initiated without the necessary consideration being given to environmental issues. As implied by Nicoli Natrass elsewhere in this issue, in *The RDP White Paper: A Cocktail of Confusion*, this environmental management mechanism is one which could have been included in the White Paper, rather than in a future National Strategic Framework.

The proposal that follows describes such a mechanism. It has been drafted by **Dr S J Lennon** with inputs from Messrs D Barnard, R Fowler, R Fuggle and E Hall. This work was done under the auspices of the Council for the Environment.

## CONDENSED INTEGRATED ENVIRONMENTAL MANAGEMENT FOR RECONSTRUCTION AND DEVELOPMENT PROJECTS

Stephen Lennon

It is the intention of this exposition to present a mechanism, based upon the principles of Integrated Environmental Management (IEM), which will enable environmental issues to be addressed in a low cost, pragmatic and rapid manner.

In compiling this mechanism due notice has been taken of the need to avoid delays in projects and of precedents set by national development projects. Whilst a holistic life cycle approach must be adapted it is better to avoid problems by emphasising the importance of the planning and design stages.

## Conceptual background

Considerations are set out in IEM terms as sequential actions.

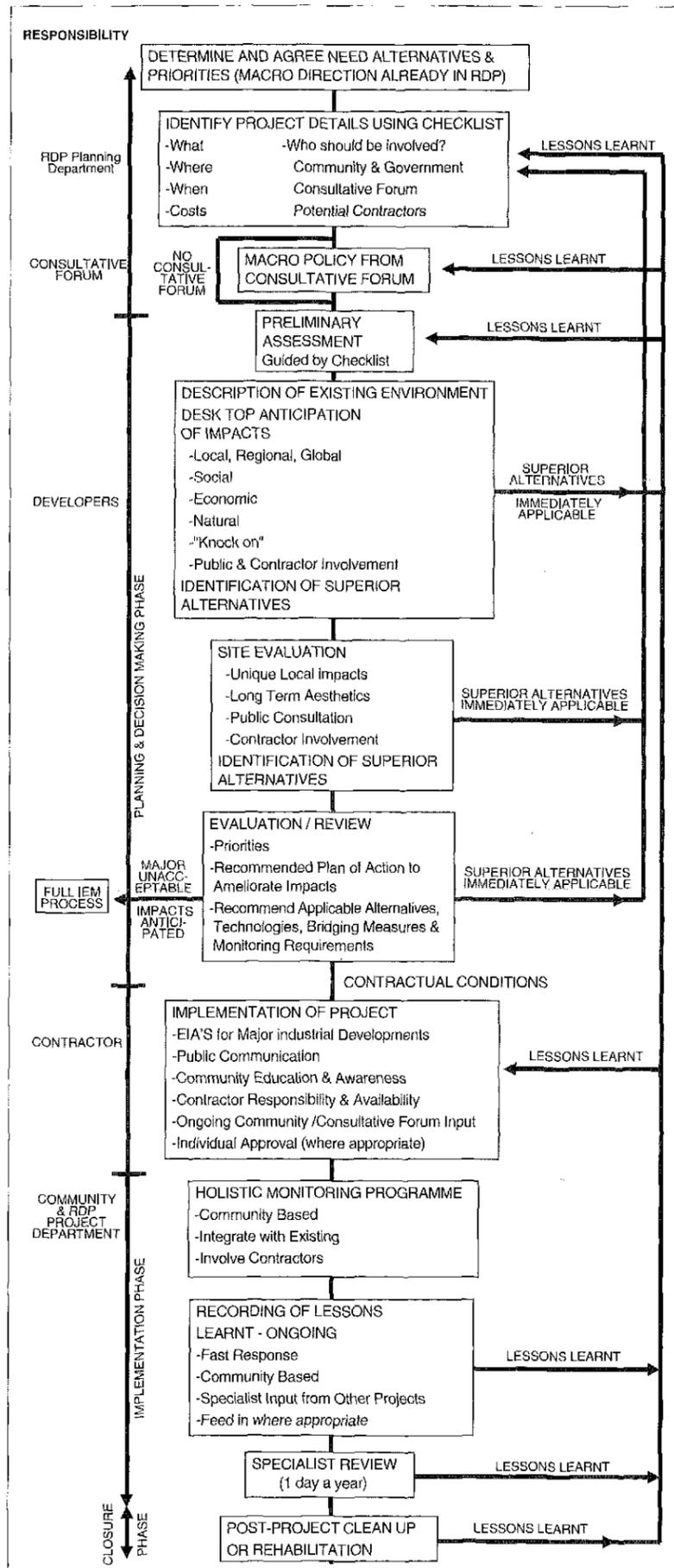
- ❖ The environmental problem in the region: set out the need in terms of deficiencies in the total existing environment.
- ❖ The change required: this is, in effect, the project proposed to meet the need.
- ❖ The existing environment assessed in macro terms: social environment (strengths and weaknesses); economic environment (strengths and weaknesses); physical environment, urban structure (capacity to adapt), urban form (characteristics flexibility), resources (land availability, infrastructure, water, power and communication).
- ❖ Proposed location: macro consequences.
- ❖ Specific location alternatives: impacts considered on a macro scale.
- ❖ Mitigation possible.
- ❖ Assessment balance between meeting needs, benefits and harmful impacts.

Public involvement is essential but often difficult to achieve. A solution to the problem could be to refer at appropriate stages to a body representative of the national, regional or community view. This body should be composed of people with contact with the public and with the credibility to represent

*The White Paper refers but irregularly to environmental considerations*

*The pace of RDP projects could preclude adequate environmental management*

*Environmental issues should be addressed inexpensively, pragmatically and rapidly*



the public. A number of standing committees would be necessary with central coordination.

## Condensed IEM procedure

The proposed mechanisms to follow are schematically illustrated below. Each of the stages covered in the flow diagram is discussed below. It must be stressed that the emphasis of the mechanism is on pragmatic, low cost and rapid implementation. As such detailed actions are proposed as opposed to structured theories.

### Planning phase

If necessary this may be 'backfitted' to projects already initiated.

If a national consultative forum such as the National Electrification Forum or National Housing Forum exists then policy and macro community endorsement should be established already. In the absence of such a body a degree of up front consultation may have to be sacrificed. This is, however, undesirable and every effort must be made to involve the local community via existing structures.

The relevant developers must be required to execute a Preliminary Environmental Impact Assessment. This is to be reported to the RDP office or the relevant responsible authority, and may take the form of a completed checklist (See 'The PEIA procedure Checklist').

Specialists with varied and relevant backgrounds, which must be appropriate to the project being evaluated, may be appointed to facilitate the process. In this regard professional responsibility for decisions made must be accepted. The compressed EIA entails the following:

- Brainstorm mode with local community reps, planners and potential contractors
- Evaluate the plan and anticipate local, regional and global impacts: social, economic, natural and 'knock-on'
- Based upon a description of the existing environment, identify immediately applicable superior alternatives. If uncertain with respect to feasibility or viability then discard
- If all looks alright then stop here
- Site evaluation with local community representatives and contractors
- Assess unique local impacts and impacts on neighbouring areas
- Evaluate long term aesthetic impacts
- Identify immediately applicable alternatives
- Evaluation Phase

- ⊗ Evaluate impacts and propose pragmatic remedial actions. Actions which would delay the project should be discarded unless a major long term, irreversible impact is identified. Priorities should be identified and lower priority issues ignored. Recommendations on high priority issues should be documented.

This does not mean that lower priority issues would 'fall off the table', but rather that they would be addressed in due course as national resources permit. The measure to be used in establishing priorities should be the best overall interests of society. This is clearly a subjective measure, but it may be qualified via a brainstormed assessment of associated costs and benefits.

Technological alternatives which are immediately and cost effectively implementable should also be identified at this stage. A team approach and local community involvement is critical. Approval to proceed with the development must be obtained from the relevant authorities, based upon the impact assessment.

Potential temporary bridging measures which could ameliorate existing negative impacts should also be identified, for example the use of the less polluting fuels while electrification is taking place. The outputs of the Preliminary Environmental Impact Assessment must form part of the RDP tender and contract documentation.

#### □ *Public participation*

Opportunities for public participation should be created via national consultative forums, the planning process detailed above and final individual agreement where relevant. Progress should regularly be reviewed by this forum.

Ongoing public participation in the project should be facilitated by the contractor. It should be noted that this participation is not prompted only by environmental factors, but rather by the need to ensure project progress through community and stakeholder participation at all stages of the programme.

#### □ *Implementation phase*

While the planning and design stages are impacted by the 'fast track' process, it is still essential that pragmatic environmental management be applied during the life of a development. As such the implementation phase of any national development programme should be regarded as a permanent, iterative process. During this phase the following issues should be regularly reviewed:

- ⊗ Environmental Impact Assessments (EIA's). Planned EIA's must be undertaken for major industrial developments or developments where major impacts are anticipated. A time frame must be established and adhered to by all parties to avoid delays.
- ⊗ Public Communication. Transparency in environmental matters is extremely important in gaining public trust and acceptance. In this regard public communication must be ongoing, open, interactive and honest. If deadlines are causing compromises to be made then say so.
- ⊗ Community Education and Awareness. An ongoing part of the programme should be Community Environmental Development. It is suggested that contractors may be a useful vehicle for developing awareness about, for example, energy and water usage and suburban aesthetics. It is relatively easy and cost effective to include such responsibilities in a contract.
- ⊗ Contractor Responsibility and Liability. Contractors must be held responsible and liable for any deliberate adverse environmental impacts due to their activities. Contractors must therefore be informed of this fact and train personnel accordingly. This is considered to be a normal facet of project management.
- ⊗ Holistic Monitoring Programme. A holistic monitoring programme which quantifies impacts with time is a vital component of the implementation phase, particularly in the absence of a detailed EIA. This programme should monitor those factors quantified in the 'impact identification and evaluation' phase and may well be extremely subjective.
- ⊗ Such a monitoring programme could easily be integrated into the curriculum of a local school. This will also ensure ongoing awareness generation, low cost and community involvement. Existing technical and social monitoring programmes, for example air quality and health, should be integrated with this initiative.
- *Lessons learned*  
It is critical to the success of the condensed IEM process that an iterative system be formally adopted. This means that, while mistakes will be made, it is essential that lessons are learned and integrated into the project.

*A team approach and local community involvement is critical*

*It is essential that pragmatic environmental management be applied during the life of a development*

*Contractors must be held responsible for any deliberate adverse environmental impacts due to their activities*

## THE PEIA CHECKLIST

### STAGE 1 : IDENTIFY THE ROLE PLAYERS

- 1.1 Name of the proposed project.
- 1.2 Name of applicant/proponent/developer/development agency.
- 1.3 Address and contact person.
- 1.4 Date of checklist.
- 1.5 Main responsible authority.
- 1.6 Other authorities.
- 1.7 Approvals/permits required.
- 1.8 Are there any applications for approval pending directly affecting the site covered by this application?
- 1.9 List any existing environmental information covering this site.
- 1.10 Identify the affected community/public.
- 1.11 Identify the community/public organisations which could/should be consulted and/or participate in the assessment.

### STAGE 2 : ASSESSMENT

- 2.1 Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers.
- 2.2 Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.
- 2.3 Estimated cost of project.
- 2.4 Source of funding.
- 2.5 **Earth**
  - (a) General description of the site (circle one) : Flat, rolling, hilly, steep slopes, mountainous, other
  - (b) What is the steepest slope on the site (approximate percent slope)?
  - (c) What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farm-land.
  - (d) Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.
  - (e) Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.
  - (f) Could erosion occur as a result of clearing, construction, or use? If so, generally describe.
  - (g) About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?
  - (h) Proposed measures to reduce or control erosion, or other impacts to the earth, if any :
- 2.6 **Air**
  - (a) What types of emissions to the air would result from the proposal (ie, dust, automobile, odours, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.
  - (b) Are there any off-site sources of emissions or odour that may affect your proposal? If so, generally describe.
  - (c) Proposed measures to reduce or control emissions or other impacts to air, if any.
- 2.7 **Water**
  - (a) **Surface**
    1. Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.
    2. Will the project require any work over, in, or adjacent to (within 70 metres) the described waters? If yes, please describe and attach available plans.
    3. Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.
    4. Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.
    5. Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.
    6. Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.
  - (b) **Ground**
    1. Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.
    2. Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example : domestic sewage; industrial, containing the following chemicals : ....., agricultural; etc). Describe the size of the system, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.
  - (c) **Water runoff (including storm water)**
    1. Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.
    2. Could waste materials enter ground or surface waters? If so, generally describe.
  - (d) Proposed measures to reduce or control surface, ground, and runoff water impacts, if any.
- 2.8 **Vegetation**
  - (a) Check or circle types of vegetation found on the site :
    - deciduous tree : alder, maple, aspen, other
    - evergreen tree : fir, cedar, pine, other
    - shrubs
    - pasture
    - grass
    - crop or grain

The results need to be collected, consolidated and fed into the first phase of the process (for macro issues) and the implementation phase (for detailed issues). Future specialist consultative teams must assess both the outputs of the monitoring programme as well as the record of lessons learned for additional phases of the same project and for new projects.

#### □ *Review-audit*

A group of specialists could be gathered occasionally for one day, say initially after one year and thereafter as required, to review the success of the project and environment interface and to recommend any additional ameliorative measures. Recommendations for long term post project clean up or rehabilitation should also be sourced from this group.

## Responsibilities

The allocation of responsibilities should not be confused by the appointment of specialists. The principal agent-planner must take professional responsibility for the project and the application of this process. The specialists must, however, take responsibility for their input to the decision making process.

## Recommendations

The system described should be formally applied to all national development projects where time does not permit the comprehensive application of IEM. A pro forma could be easily developed to facilitate the process.

An environmental manager with a staff of one or two administrative supporters should be appointed to the Minister Without Portfolio's office to manage the process.

Annual audits should be executed to determine the effectiveness of the process. These should not be too detailed or entail excessive costs. **IPAA**

# Power to the People

## **The Energy Policy Research and Training Project University of Cape Town**

*Dramatic gains could be made in improving energy services to the poor. These gains are highly symbolic, can be delivered rapidly and visibly, and can be financed largely from within the energy sector. New policies proposed by the Energy Policy Research and Training Project reflect the priorities of democratic government and are aimed at improving the material position of the poor. This is the first of two articles stemming from EPRET's work. Two more articles outlining policies for the energy sector will appear in the next issue of Indicator SA.*

**T**he Energy Policy Research and Training Project (EPRET) was a two year policy research project based at the Energy for Development Research Centre at the University of Cape Town. The main objective of the project was to identify policies which would widen access to adequate and affordable energy services for South Africa's urban and rural poor.

EPRET was funded mainly by the Dutch government and the European Community, with additional support from the Norwegian government. Work commenced in April 1992, and more than 20 person years of effort were devoted to 24 sectoral studies, encompassing investigations of energy demand, supply options, and cross cutting themes such as energy efficiency, environment, pricing and financing.

Each of these studies has been published separately and a book will be produced later this year, synthesising the work of the project. The motivation behind the research project was essentially twofold:

- ⊕ On the one hand, there are serious problems in the household energy sector, both at the structural level and at the household level, where the lack of access to adequate energy services imposes enormous economic, health and labour burdens on the poor;
- ⊕ On the other hand, there is potential to bring about real improvements in the short

and medium terms through appropriate policy measures. These can have a material impact on the living conditions of most South Africans.

EPRET addressed both of these aspects, but in addition to the content of research, the process of policy research adopted by the project was one of its most important features. This entailed active engagement with all players in the household energy sector, both formally through arenas such as the National Electricity Forum, and informally through, for example, support to civic organisations.

Another important part of this process was the 'EPRET roadshow' during which numerous presentations were made to the full spectrum of stakeholders in the energy sector. In this way, the intellectual research material of EPRET has become part of the political process.

### **Household energy**

The dominant characteristic of the household energy sector is its serious neglect from a policy perspective. Instead, energy policy for more than 40 years has been aimed at increasing South Africa's self sufficiency in the face of international censure of apartheid, at a cost of billions of rand.

In sharp contrast to the huge amounts invested in 'energy security' projects, such as Moss gas and the Atomic Energy

*Lack of access to adequate energy services imposes enormous economic, health and labour burdens on the poor*

*There is potential to bring about real improvements through appropriate policy measures*

*About 23 million people do not have access to electricity in their homes*

*Almost the entire rural population depends mainly on fuelwood for cooking and heating*

*Pollution exposure levels are a major contributor to respiratory illnesses, which are the second highest cause of death in children*

Corporation, is the fact that about 23 million people do not have access to electricity in their homes: a manifestation of the lack of a national household energy policy.

This is despite huge excess capacity in Eskom's generation system, and notwithstanding the fact that South Africa developed the ability to provide electric services as early as the 1880s. Kimberley had electric street lighting before London.

Historically electricity, along with other infrastructural services such as housing, roads, water and sanitation, has been efficiently supplied to almost the entire white population, even those on remote farms, whereas most black people have received very poor levels of service: either an unreliable electricity supply, or none at all. Instead, these people have been forced to rely on less convenient and often more expensive energy sources such as coal, paraffin, wood, gas, candles and batteries.

## **Fuelwood**

Almost the entire rural population, comprising about three million households, depends mainly on fuelwood for their cooking and heating needs. While fuelwood is usually available from natural woodlands at no cash cost, there are enormous hidden costs attached to its use.

The burden of collecting it falls mainly on women, who make on average three trips per week, each lasting two to three hours. This is a highly under valued and unpaid service which has many negative social impacts.

Reliance on fuelwood for energy needs also places pressure on environmental resources in areas where wood is scarce, although it appears that fuelwood collection per se does not cause deforestation. Rather, deforestation is the product of a combination of factors such as clearing of land for settlements and agriculture, collection of wood for timber, fencing and firewood, and over grazing.

In addition to environmental considerations, the use of fuelwood in often poorly ventilated conditions indoors causes extremely high levels of air pollution to which people are exposed for long periods.

Recent CSIR studies found that levels of particulate matter, carbon monoxide and sulphur dioxide frequently exceed World Health Organisation (WHO) guidelines, in the case of particulate matter by a factor of 13. These pollution levels result in increased risks of respiratory illness, such as pneumonia, which were found to be five

times higher than for urban populations which use electricity.

## **Coal**

In urban areas, fuelwood is much less commonly used for cooking. Instead most people rely on commercialised fuels. In the PWV and surrounding areas most people rely on coal. It is cheap and coal stoves have multiple uses: they can be used simultaneously for cooking, heating water and space heating. Consequently, coal is very commonly used, particularly in colder areas where space heating requirements are further increased by the poor thermal performance of dwellings.

The high ash content in South African coal, coupled with Highveld atmospheric conditions which are poorly suited to the dispersal of pollution emissions, results in severe levels of pollution exposure in coal using households. Recent studies found that children in unelectrified homes using coal are exposed to levels of particulate pollution seven times over the WHO guidelines.

These pollution exposure levels are a major contributor to respiratory illnesses, which are the second highest cause of death in South African children. Infant mortality due to these illnesses has been reported to be 270 times higher in black South African children than in Western European children. Clearly the polluting effects of coal and wood are serious and demand policy interventions.

## **Paraffin**

The most commonly used fuel in urban areas is paraffin. It has been described as 'the fuel of the poor' because it is so widely available and can be purchased in small quantities, thus suiting the irregular cash flows of poor households. Moreover, paraffin appliances are relatively cheap and widely available.

Nonetheless, paraffin is a relatively costly source of energy for services such as cooking, heating and lighting, which could frequently be delivered more effectively by electricity, and in some cases coal. In spite of the relative ease with which poor households can afford paraffin, the end prices paid are much higher than they should be.

Several studies have reported end prices of R1,30 to R1,70 per litre. Since wholesale prices are around R0,80, with the 'regulated' mark up of 33% the maximum end price of paraffin should be around R1,06 per litre.

Another problem with paraffin is that it is often purchased from spaza shops and

transported and stored in containers which previously contained beverages. As a result, the incidence of accidental ingestion of paraffin is high, especially in infants between 12 and 36 months. Surveys show that between 3% and 6% of people experienced paraffin poisoning. Accidents with paraffin and candles often also result in fires, burns and death, especially of infants and the aged.

Information on household income and expenditure patterns highlights the complexity of behaviour patterns, and makes it difficult to generalise about energy expenditure levels. Nonetheless, it is not uncommon to find households with the lowest income levels spending between 20% and 40% of their income on energy, which suggests that energy is a need which cannot easily be economised beyond a certain point.

Therefore, policies which widen the range of choices people have in meeting their energy needs, to include cheaper and more versatile options for the range of energy services, could considerably ease the position of the poor, and particularly women.

### Policy proposals

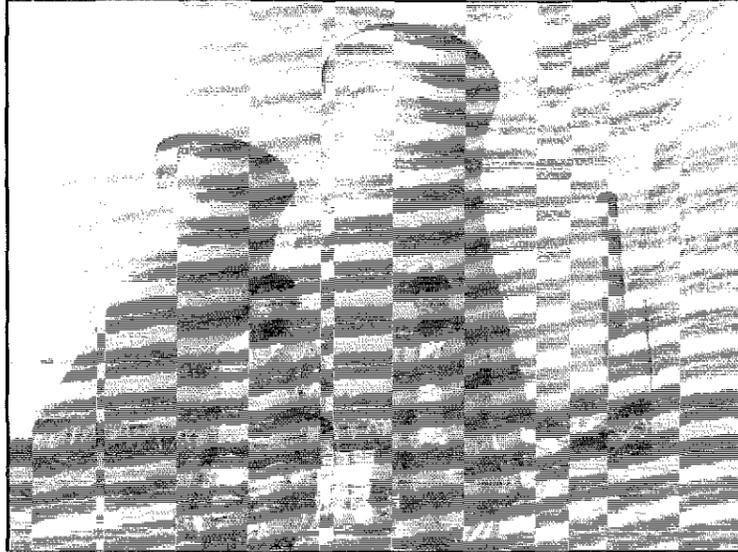
Recognising the scale of current problems, and also the opportunities which exist to address many of them, EPRET has identified a number of important policy options which are being canvassed and discussed widely in the energy sector.

Rather than focusing narrowly on single supply-side options (such as electrification or afforestation), the policy process utilised an Integrated Energy Planning methodology. In brief, this approach attempts to integrate both energy demand and supply considerations, and to ensure the consistency of energy policies with broader socio-economic and political objectives.

The policies which result from such a process should therefore take account of linkages between energy sub-sectors and linkages with the rest of the economy. The process adopted by EPRET has been an inclusive and interactive one, in which engagement with stakeholders has been seen as one of the outputs of the project. The policies proposed by EPRET can be grouped into five main categories.

#### □ Accelerated electrification

The most significant of the EPRET policies relates to an accelerated national electrification programme. It is proposed that the rate of annual connection be increased from the 1992 level of about 200 000 houses per year, to about 500 000 within three years.



Arthur Bozas

This would result in access to electricity increasing from its present level of about 42% to about 70% by the turn of the century, after which the programme would taper off slowly to a rate just greater than new household formation. By 2010, this scenario would result in almost 90% of households having access to electricity.

Clearly this is a fairly ambitious programme, which would require investment over the 17 year period of about R22 billion. With the present structure of the electricity supply industry, it is highly improbable that these goals will be achievable. Consequently, three main interventions are required:

- Restructuring the electricity supply industry (ESI);
- Rationalising tariffs; and
- Establishing financing mechanisms and an electrification fund.

The present structure of the ESI, in which there are over 430 electricity supply authorities including many black local authorities which have no capacity to electrify their areas of jurisdiction, will be unable to deliver an accelerated electrification programme. The structure of the industry needs to be rationalised into a smaller number of distributors (from one to 10) which span the racial divisions created by apartheid local government, as well as differentials between urban and rural areas.

Secondly, the electricity distribution function should be separated institutionally from the generation and transmission functions, since the nature of these functions are most suited to specialist organisations which can focus on their core businesses. Thirdly, the framework for the governance of the energy sector needs to be overhauled, including creating an independent national regulatory agency

*Between 3% and 6% of people experienced paraffin poisoning*

*It is proposed that annual connection be increased from 200 000 houses per year, to about 500 000 within three years*

*Large amounts of finance can be raised by imposing a small Electrification Levy on all consumers*

*An ambitious programme should be established to promote the use of low smoke coals*

*Policies must aim to ensure the sustainable utilisation of wood*

which will mediate the relationship between government and electricity utilities.

Linked to the rationalisation of the supply industry is a proposal to rationalise the multiplicity of domestic electricity tariffs into a single national domestic tariff system.

This would comprise two tariffs: firstly, a flat-rate tariff which would apply in an equitable fashion to all domestic electricity consumers, and which would eliminate much of the conflict which presently results from different tariffs in neighbouring areas. In addition, such a tariff would generate considerable revenue from long established consumers, significantly reducing the financing requirement associated with the electrification programme.

Secondly, a voluntary time-of-use tariff should be introduced to provide consumers with more accurate pricing signals related to their patterns of electricity consumption according to times of the day. Time-of-use tariffs should benefit both the electricity generator and high-consumption households, which may be able to shift their electricity consumption to off peak periods.

Finally in the electricity sector, mechanisms need to be put into place to finance the electrification programme. As noted already, a major source of finance will be existing high level consumers. Secondly, large amounts of finance can be raised by imposing a small Electrification Levy on all electricity consumers. This will spread the financing burden equally among all domestic and non-domestic consumers who already benefit from electricity. If, for instance, the levy were equivalent to 4% of the bulk supply cost, approximately R500 million a year could be raised.

Taking into account Eskom's price compact commitment - in terms of which the real price of electricity will decrease by 20% over five years, or an average of 4% per annum - the end price of electricity would stay constant in real terms in the first year and track the price compact thereafter.

Thirdly, in order to raise bulk finance for the programme, a national Electrification Fund should be established. The Fund could utilise innovative instruments such as Eskom's recently-issued Electrification Participation Note (or Electrification Bond) to raise private capital, especially from institutional investors.

In addition, the Fund should channel all concessionary finance, for example from the electrification levy, from Government and other donors to target groups.

Through the combination of these measures, it will be possible to keep the ESI's peak borrowing requirement for the electrification programme to below R10 billion (in 1993 rands). In other words, the electrification programme as proposed by EPRET is realistically achievable and affordable.

#### □ *Low-smoke coal programme*

The pollution levels caused by the domestic burning of coal, and the health problems which result, make it imperative that policies are adopted which will reduce these hazards. While electrification is likely to have a generally favourable impact on pollution levels, it is also unlikely that electricity will replace coal stoves in the PWV area for economic and social reasons.

Consequently, it is proposed that an ambitious programme be established to promote the use of low smoke coals to substitute for conventional bituminous coal.

Current research efforts, supported by the Government, are focused on a number of prototype low smoke coals. These efforts should be scaled up and methods sought to provide these products at a price advantage over conventional coals. Possibilities include direct subsidisation by the fiscus, and levying a small tax on conventional coal to cross subsidise low smoke products, or a combination of these options.

Further research is required into the optimal arrangements for the use of low smoke coal. This should be viewed as a high priority in view of the health and environmental hazards stemming from normal coal use.

#### □ *Fuelwood security programme*

Fuelwood is likely to remain the primary source of domestic energy in rural areas, even with widened access to alternatives such as electricity and gas, particularly for cooking and heating needs. This is because wood is generally available at little or no cash cost, and as long as rural areas remain as poor as they currently are, expenditure on commercial fuels is likely to be limited.

Consequently, policy measures must aim to ensure the sustainable utilisation of wood resources, which can potentially provide a cheap and renewable source of energy. Several policies have been proposed by EPRET:

- \* Improved management of natural woodland, which is by far the biggest source of fuelwood at present, for example by building on traditional land and resource management practices.

Fuelwood supply could be increased through social forestry programmes, which are multi-faceted in that the outputs include not only fuelwood but also timber, fruit, food products and fodder.

- The products of social forestry programmes could be supplemented by woodlots and plantations, which would produce fuelwood and other wood products on a commercial basis.
- Expansion of small grower schemes operated by large forestry companies could further enhance supply of wood.
- Finally, support should be provided to small traders to transport wood from areas of surplus (such as commercial forests and farms) to areas of deficit.

□ **Paraffin and gas: improved access, affordability and safety**

Although paraffin is widely available throughout the country, there remains scope for reducing prices paid by small consumers.

This could be achieved partly through better enforcement of price regulation, especially in cases where intermediate paraffin traders add mark-ups resulting in end prices exceeding the regulated 33% above wholesale prices.

Lower prices could be achieved for both paraffin and gas by bringing bulk supplies closer to domestic consumers, through the establishment of oil company depots and bulk buying cooperatives in townships and rural areas. This would also help tighter enforcement of regulated prices, resulting in real savings for consumers of 30% to 40% of their paraffin budgets.

Regarding the problem of paraffin poisoning, EPRET proposes that government support be provided to current research efforts managed by the Medical Research Council to develop child resistant paraffin lids for commonly used containers. Such a programme could also have direct employment benefits.

□ **Energy efficiency and demand-side management programmes**

In spite of the cost effectiveness of investments in demand-side management and energy efficiency South Africa has, until recently, neglected this area almost entirely.

Concerns have, however, recently been raised about the increasing influence of household demand on Eskom's electricity generation system, since households typically have demand profiles with high morning and evening peaks relative to their base loads.

This kind of demand profile necessitates more expensive generation capacity, and its increasing effect on the national system may bring forward the time when new investment in generation capacity is required.

Relatively simple energy efficiency strategies, however, can have major economic and environmental benefits at many levels. Some of these strategies, in which mutually beneficial partnerships can be forged between households, suppliers and the state, include:

- Adopting a 'least cost' approach to energy planning and investment alternatives.
- Improving thermal performance of houses, both through upgrading existing dwelling structures and, particularly, through appropriate design of new housing developments.
- Promoting energy efficient appliances such as compact fluorescent light bulbs and solar water heaters.
- Labeling appliances with information about their energy consumption characteristics and life-cycle costs.
- Implementing time-of-use tariffs to encourage more efficient use of electricity systems.

Most strategies in the area of demand-side management are more cost effective than conventional alternatives such as investment in additional generation capacity, but frequently face a constraint of having high initial capital costs which are then recoverable through lower operating expenses. This means that, particularly for the poor, financing arrangements are required to ensure that they share in the benefits of such programmes.

## Conclusion

The EPRET project addressed many other areas of energy use, some of which will be covered in other articles in *Indicator SA*. Ultimately, underlying this research is a sense that real progress can be achieved in the near future in widening access to adequate energy services for the urban and rural poor.

Moreover, many of the policy proposals will have positive employment effects and favourable economic spin-offs. The energy sector is thus one in which a democratic government will be able to deliver visibly and rapidly, with all the favourable implications this has for social equity, economic growth and political stability. *UPWA*

*Lower prices could be achieved for both paraffin and gas by bringing bulk supplies closer to domestic consumers*

*Relatively simple energy efficiency strategies can have major benefits at many levels*

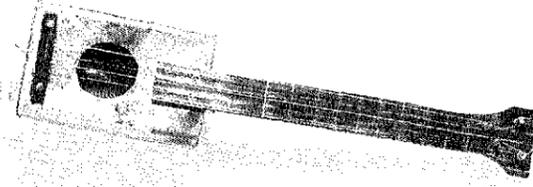
*A democratic government will be able to deliver visibly and rapidly in the energy sector*



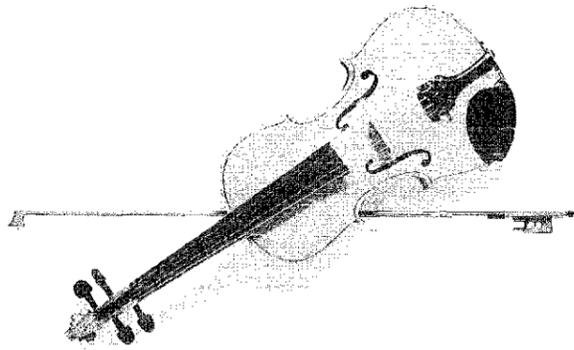
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# Watts in it for the Poor?

By Anthony Williams  
 Energy for Development Research Centre  
 University of Cape Town

*Lack of access to convenient and affordable energy, especially electricity, is characteristic of urban poverty in South Africa. Most of the urban poor rely on expensive and inconvenient energy sources such as wood, coal, paraffin, candles and batteries, which consume a large proportion of their income. Integrated policies are urgently needed to improve energy access for the poor.*

Urban energy planners are faced with a range of energy related needs and problems, all of which compete for attention with a myriad other, often more visible and politically important needs and problems faced by the urban poor such as housing, water supply and sanitation.

This study's focus group is the urban poor of South Africa. Lack of access to convenient and affordable energy carriers and more specifically, lack of access to electricity, are notable characteristics of urban poverty.

Despite a well developed national grid and current surplus of generating capacity - which enables this country to generate 52% of all electricity on the African continent - only about 40% of South African homes have access to this convenient energy source.

Most of the urban poor rely on expensive and less convenient energy sources such as wood, coal, paraffin, candles and batteries, with their range of choices largely dependent on geographic location. Poor urban households spend a significant proportion of their income on energy.

This study investigates the dynamics of the urban household energy sector, and defines policies which will hopefully widen access by the urban poor to more convenient energy sources.

## Policy developments

The urban informal category with about 1.5 million households is large and experiencing high growth. It is estimated that by 2010 there could be more than four million urban informal dwellings, which will be distributed as shown in Figure 1.

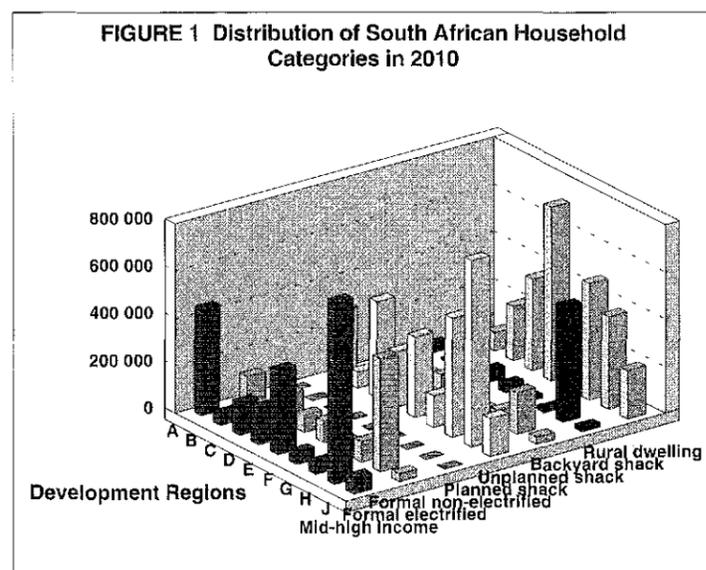
The major urban concentrations are Pretoria-Witwatersrand-Vereeniging (PWV), the Durban Functional Region (DFR), Cape Town, Port Elizabeth and East London. These areas account for two thirds of the urban poor. In the last few years about half of the formal houses in these townships have been connected to the electricity grid, while almost all the informal dwellings remain unconnected.

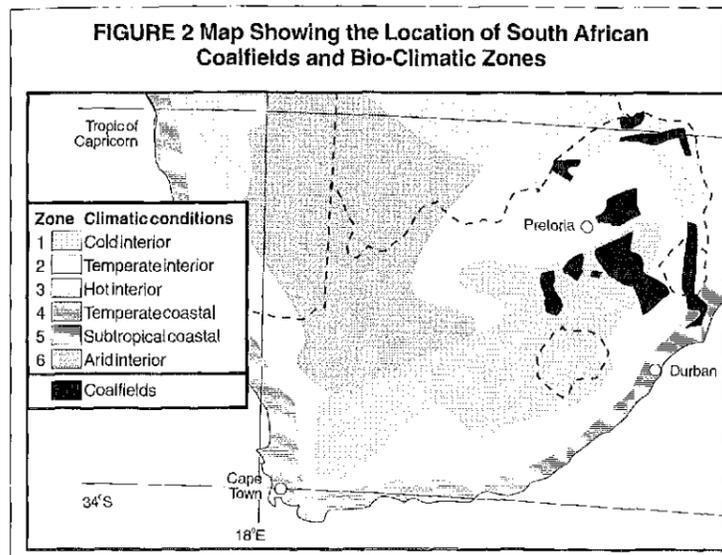
The balance of what has been defined as the urban population resides in towns and closer settlements distributed throughout the country. Poor populations in towns are generally found in townships on the outskirts of the 'white' centre.

The economic bases and commercial services of the closer settlements are the metropolitan areas, to which workers commute often more than 80 kilometers away. This category accounts for about 350 000 dwellings.

Only about 40% of homes have access to electricity

FIGURE 1 Distribution of South African Household Categories in 2010





regions, such as the predominance of coal in the PWV. It is also important to note that multiple fuel use is very common in poor households.

### The PWV

The PWV contains 41% of all the low income urban households in the country. Their overriding characteristic is a high consumption of coal, with just under 70% of households in the region using it, with average consumption at 56 kilograms a month.

More than 80% of non-electrified households use coal at a rate of between 115 and 160 kilograms a month. This results in the highest average monthly delivered energy consumption of poor households in the country.

### Energy consumption

There are many determinants of energy demand at the household level. Some are macro - external to the household - and others are at the micro level, within the household itself. It has been found that the primary macro determinants of a household's energy consumption relate to its geographical location, the two most significant being climate and access to cheap coal. The following map shows bio-climatic regions and the location of the major coalfields.

Figure 3 gives a broad picture of the use of different energy carriers in the various regions of the country. Comparing this with Figure 2 reveals some of the reasons for the difference in energy carrier use in different

*Coal is widely used because it is cheap and has multiple uses*

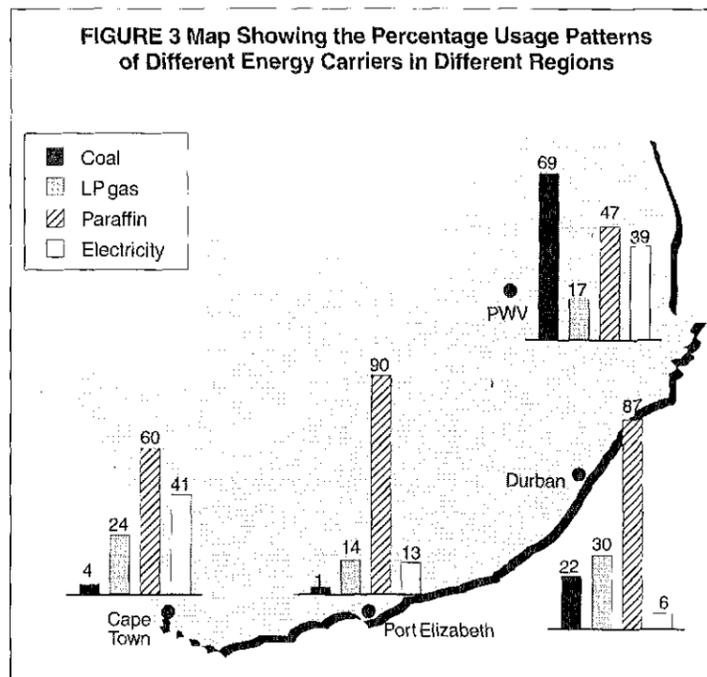
The high use of coal can be accounted for by its relative cheapness, because of the proximity of the Eastern Transvaal coalfields. Furthermore, when used in a stove it is a fuel of multiple utility, simultaneously providing three services: cooking, water heating and space heating. The value of this multiple utility is demonstrated by the continued use of coal by 45% of electrified households in the PWV.

Figure 4 shows the important role coal plays in PWV low income households' energy economics.

Paraffin is an important fuel in the PWV, particularly in non-electrified households. Its consumption drops once households become electrified, indicating paraffin's importance for illumination. It is also often used by non-electrified householders as the fuel of choice for quick heating such as water boiling or reheating food. Further, it can be bought in small quantities, making it ideally suited to the cashflow circumstances of poor households.

A survey conducted by Eskom in the PWV found that average monthly electricity consumption per household was 426 kWh per month. Another survey representing 190 000 households found that average household consumption ranged from 380 kWh to 676 kWh per month. However, it is possible that these consumption rates were inflated by survey limitations.

The second reason for possible inflation is that consumer non-payment was not considered. The effects of non-payment are shown by the findings of a recent survey in which it was found that Kagiso had an average monthly household consumption of



730 kWh, compared to the 390 kWh in Alexandra, where pre-payment meters were being used.

The lack of sufficiently disaggregated data on energy expenditure by poor households hinders analysis of this important parameter. Analysis of the data available for the PWV shows households with an average monthly income of less than R400 spending from 15% to 40% of total household income on energy.

The next category, with incomes of between R400 and R800 per month, spend between 10% and 15%. These relative energy expenditure levels are typical of low income households in South Africa. Poor households are spending substantially more on energy than the rest of the population.

## Durban

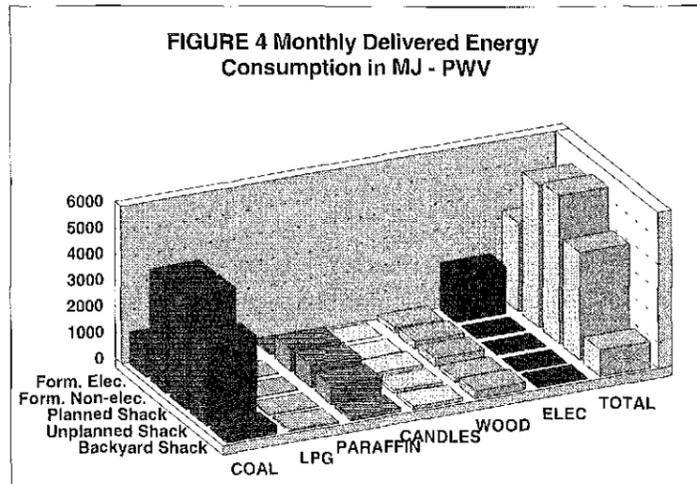
The DFR enjoys a subtropical climate, with a much reduced need for space heating, although Pietermaritzburg experiences somewhat cooler winters. This, combined with greater distances from the coalfields, results in lower coal consumption.

Nevertheless, coal is still the most important energy carrier on a delivered energy basis for formal non-electrified houses and planned shacks. These respectively consume an average of 60 and 40 kilograms of coal a month, representing 50% and 40% of their gross monthly energy requirements.

Relative to the rest of the country, liquefied petroleum gas (LPG) has the highest overall penetration in this region, with around 30% of non-electrified households using it. In energy terms it only contributes around 14% of their gross consumption, with average monthly consumption at about 7,5 kilograms.

Eskom has found that coastal area electricity consumption levels are of the order of 300 to 400 kWh per month. A recent survey found median monthly consumption levels in Umlazi to be 500 kWh per month. Once again it is significant that the median consumption in newly electrified areas with pre-payment meters was much lower, at 150 kWh.

Figure 5 shows the monthly household delivered energy consumption profiles for this region. The vertical axis has been chosen to allow easy comparisons with other regions. It is clear that these households consume markedly less energy on a delivered basis than those in the PWV, but lack of data on energy consumption by particular end use makes it impossible to provide a satisfactory analysis of this phenomenon.



## Cape Town

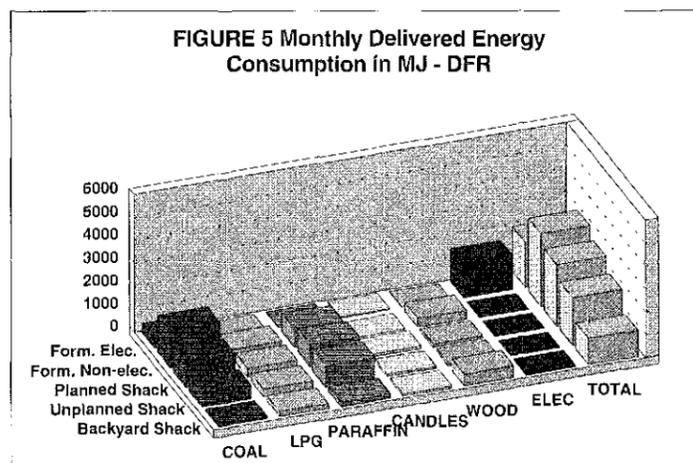
Cape Town has a temperate Mediterranean climate. As the winters are fairly cold and wet, it is surprising that the total delivered energy consumption of households is lower than that of the DFR. This underlines the extent to which the availability of cheap coal significantly increases delivered energy consumption.

Low income households in this area are dependent on paraffin as their primary source of energy, and it provides an average of 50% of the delivered energy for all non-electrified households. Figure 6 shows the consumption levels for this region.

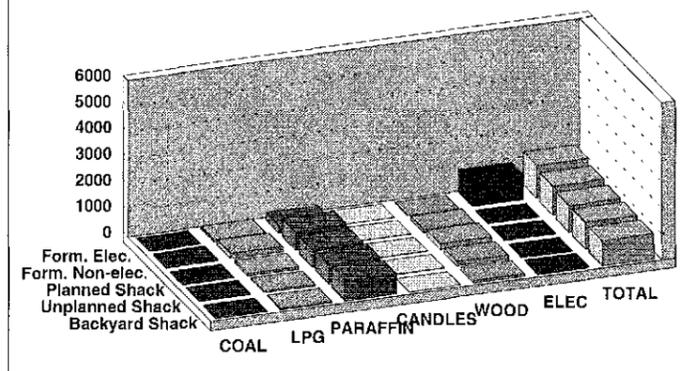
LPG is also used quite extensively in Cape Town, with formal non-electrified households using about seven kilograms a month, and planned and unplanned shacks using around five kg per month.

A 1992 survey found that annual mean monthly electricity consumption levels for Langa and Guguletu households were 497 kWh and 523 kWh respectively. The first

*Liquefied petroleum has the highest penetration in the Durban Functional Region*



**FIGURE 6 Monthly Delivered Energy Consumption in MJ - Cape Town Metropolitan Area**



*Household management and survival strategies are complex, and deserve consideration when formulating policies for the poor*

*Unpredictable cash flows in poor households limits the capacity to plan and locks them into a cycle of poverty*

households in these areas were electrified in the 1960s, and the electrification levels are currently at 73% and 89% respectively.

In both areas 85% of the households were found to be in arrears, with the average outstanding amount at R1 700. However, it was also found that there was no significant difference in consumption between those paying and those not paying for their electricity.

This suggests that these households, having been electrified for at least five years and in many cases longer, have reached their appliance ceiling, and hence, their electricity consumption ceiling.

In 1991 in Khayelitsha it was found that households which had had access to electricity for longer than five years had average consumption levels of 450 kWh per month. Those connected for between two and five years consumed an average of just over 300 kWh, while those with less than two years of access consumed around 240 kWh per month.

The increase in the first year of connection was found to be about 60%, from 162 kWh in the first month to 259 kWh in the twelfth month.

### End use behaviour

The principal end users and managers of household energy and budgets are women. Yet we know very little about how women make decisions about expenditure or how they order their priorities, particularly when survival is an issue.

Furthermore, according to Annecke, equally little is known about women's perceptions of fuel and its use in appliances. Some very elucidatory research has revealed that

household management and survival strategies employed are complex, and deserve serious consideration when formulating energy policies for the poor.

Incomes for the poor are unpredictable in their size and periodicity. This severely limits their capacity to plan for the longer term, and can lock them into a cycle of poverty which is extremely difficult to break. These cash flow patterns also tend to restrict them to the use of particular energy carriers, for two reasons.

First, they experience difficulty in accumulating enough cash to buy the appliances necessary to use another energy carrier. Second, their cashflow restricts them to buying fuels that are available in small quantities, such as wood, coal, candles and paraffin. This predicament is perfectly described by a woman named Zodwa:

"If I buy only one bottle of paraffin and one candle a day, I use only that amount, so I am disciplining myself. Also if I have only some few cents, I must buy some food, some paraffin, one candle and maybe something to drink." (Annecke 1993)

Research by Ross looked at another complex issue governing energy use in poor households, namely personal relationships and resultant decision making processes. It was found that things are not as simple as energy planners would like them to be.

Particularly important is the finding that household income and fuel efficiency are not the only criteria by which fuel use decisions are made. Obviously these findings can not be quickly and easily extrapolated to cover all informal settlements, but they emphasise the complexity of energy planning in poor households. Ross's central finding can best be summed up as follows.

"In order to examine and explain fuel use in such settlements it is necessary to look at the micro context of the residents' lifestyles, at the conditions of tenure and security which they experience and, most of all, at the ways in which they are able to use and construct social relationships around fuel. It is these relationships which shape fuel patterns in Dic Bos rather than overtly economic decisions to utilise the most efficient fuel."

It is apparent that fuel use in poor households has deep social roots and implications. It is therefore imperative that policy options be flexible and broad enough to give household decision makers, primarily women, sufficient space within which to operate.

Energy is used by people to provide themselves with a number of services, essentially social in nature, especially cooking, space and water heating, lighting, entertainment and refrigeration. Households derive utility from cooked meals, hot water, light and entertainment, from services provided by the transformation of energy through appliance-energy carrier combinations.

Although quantitative data on the relative energy consumption shares for individual end uses has not been gathered in South Africa, a few surveys have looked at the proportions of households which use certain energy carriers to satisfy different end use needs.

Some of the patterns which have emerged are similar to those reported in other developing countries. First, multiple fuel use is common, and it is not unusual to find two, three or more fuels being used for the same end use.

Second, the structure of energy use is different for different types of household. An important determinant here is economic status, but household size and location, nationally and within the city, are also significant, complicating the simple income related relationships one would expect to find.

Third, patterns of consumption are dynamic, changing as social contexts, fuel prices, household incomes and access to different energy sources vary.

#### □ *Cooking*

Cooking is arguably the most important energy service sought by households. But it is often only one of a range of services delivered by the same appliance-energy carrier combination. This makes it difficult to determine the actual efficiency of delivery of the individual services provided, as it is impossible to establish where the one ends and the next begins.

Nationally, paraffin is the principal cooking energy source, used by 44% of households. This aggregation masks area specific end use patterns. For example, in the Port Elizabeth, Cape Town and Durban regions paraffin is used by between 50% and 99% of informal households, while in the PWV 63% of electrified households cook on coal stoves, underlining their multiple utility.

#### □ *Water heating*

Water heating in low income households is often provided by the same appliance-energy carrier combination used for cooking. Thus the percentages of households using various energy carriers for water heating are broadly

the same as for cooking. It was found by Uken and Sinclair that paraffin was the most frequently used water heating fuel, used by 45% of households.

#### □ *Space heating*

Space heating requirements can as much as double energy consumption in the winter. Space heating is a difficult energy end use to quantify, since it is often provided at the same time as a cooking or water heating.

Two fuels dominate this service: paraffin and coal, which Kessel found are used by 42% and 39% of households respectively. It was found that 35% of a national sample used electricity for heating, while in the PWV Uken and Sinclair found it was used by around 55% of households.

#### □ *Lighting*

Although relatively little energy is consumed for lighting, this service has a very high utility since it can contribute substantially to achieving better living standards. The following shows the lengths to the poor will go to get good lighting:

"In one home the poor lighting was effectively boosted by waxing the newsprint wallpaper. The polished surface reflected the light and enhanced the visibility, allowing the mother and daughter to read at night." (Annecke 1993)

The poorest families generally use candles for lighting, and this can be a major expense. Obviously bulk buying can reduce this burden, but sufficient money is not always available for such purchases, and even when it is other factors could intervene:

"I tried by all means to buy a packet of six and not let my husband know, otherwise he will sit up the whole night using all the candles." (Annecke 1993)

This reveals a problem which moves into the realm of household management and authority. What is important here is that for poor families, improved lighting usually incurs substantial expense relative to their meagre means. Real improvement of lighting quality requires capital expenditure such as buying a paraffin pressure lamp, or electrical connection charges and house wiring.

All households able to afford it will use electricity for lighting, and this will be the case for the 22% of low income households currently electrified. Nationally, however, paraffin and candles are the most important sources of lighting, with 34% and 31% respectively of homes using them.

*Policy options should be flexible and broad enough to give households space in which to operate*

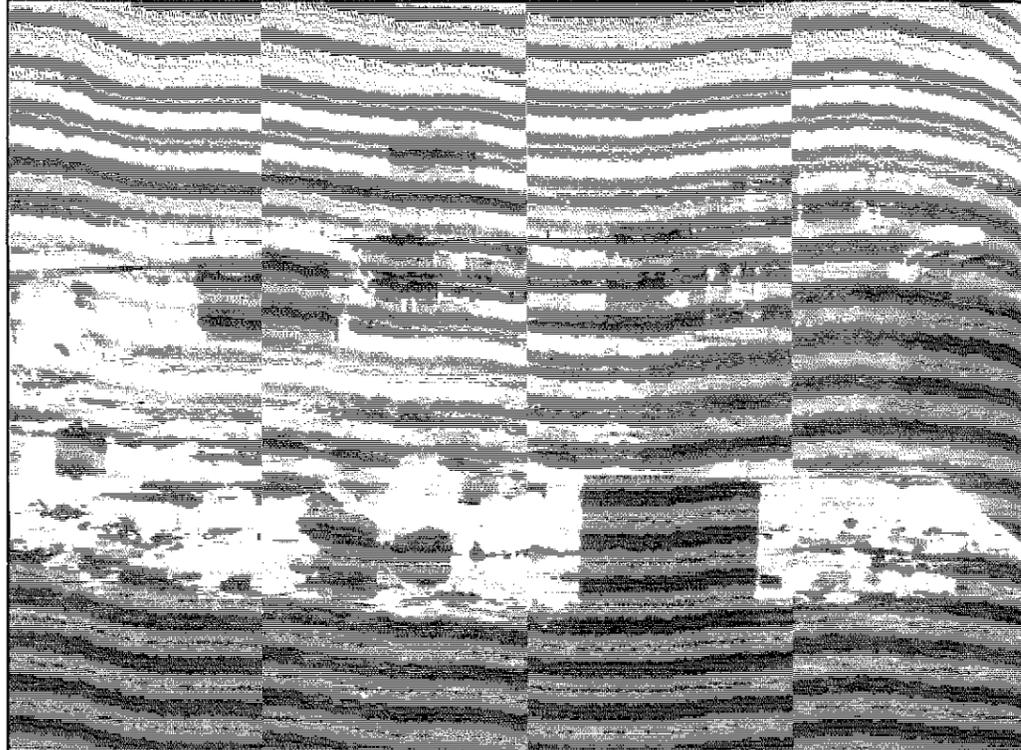
*Multiple fuel use is common. Two, three or more fuels can be used for the same end use*

*Lighting consumes little energy but can contribute substantially to achieving better living standards*

Refrigerators are the most common electrical appliances, found in 83% of electrified homes

An extensive electrification drive will spearhead the effort to widen access by the urban poor to affordable energy

An important aspect of this is introducing a single national flat rate tariff



Amur Bozas

#### □ *Televisions, radios and hi-fis*

These appliances consume small amounts of energy but play an important role in domestic life, providing recreational and educational opportunities. The value attached to these services is evidenced by the lengths poor households go to obtain them. Dry cell and vehicle batteries are used, despite both being costly and inconvenient, as they must be taken to and from recharging points regularly.

It was found by Golding and Hoets that the use of vehicle batteries differed widely over 11 townships surveyed, ranging from 2% and 47%. On average 21% of households in the PWV and 30% in the DFR used them. In Cape Town 50% of non-electrified households use dry cell batteries while 23% use vehicle batteries.

#### □ *Refrigeration*

Refrigeration is ranked very highly by low income householders. A survey by Golding and Hoets revealed that refrigerators are the most common electrical appliances, found in 83% of electrified homes. Irons were next, used in 79% of households.

Refrigeration allows bulk purchases of perishable goods, enabling households to extend their incomes. However, the entrance barriers to this service are high in terms of the capital cost of the appliance. Important income generating uses of refrigerators are cooling beer and other drinks in shebeens, and preserving perishable goods in spazas.

### Policy proposals

There are two basic household energy demand scenarios that could emerge in the short to medium term.

- ☉ The 'business as usual' scenario. In this case current trends follow their present course and no major policy interventions, other than those already planned, are implemented.
- ☉ The integrated energy plan scenario. In this case a range of policies are implemented, aimed at widening the access of low income households to desired, affordable sources of energy.

The integrated energy planning process initiated by the EPRET programme involved a careful examination of energy related data available. This process revealed that currently available longitudinal, cross sectional and micro scale energy use data is inadequate.

There is substantial scope for deepening our understanding of the determinants which influence energy use patterns in low income urban households. Developing knowledge in this area will be essential if future household energy policies are to make any significant impact and, on a more pragmatic level, if the planning of energy supply organisations like Eskom is to be based on sound assumptions.

The EPRET team was able to identify a number of policy interventions which are felt

to be consistent with emerging understanding of low income household energy use behaviour. They are described in detail in the papers which make up the EPRET series.

#### □ *Electrification*

An extensive electrification drive will spearhead the effort to widen access by the urban poor to affordable energy. For the electricity supply industry (ESI) to achieve the 500 000 connections per annum envisaged over the next decade, fundamental restructuring and rationalisation will have to take place.

An important aspect of this is introducing a single national flat rate tariff. This would allow revenue generation to cover a substantial portion of the capital outlay required for the programme. It would also have a significant effect on balancing equity in the supply of electricity to domestic consumers.

Further funding requirements of the electrification programme would be met in part from the substantial resources that the ESI has at its disposal. It is also recommended that an Electrification Fund be established to act as a channel for funds, and to seek further finance if required from national or international sources.

At the local level, most electrification projects would be defined in agreements negotiated between communities and the responsible distribution authority. The negotiation process would deal with aspects such as the level of supply and service, and include details such as overhead or underground cabling, the type of metering to be installed and the involvement of community labour. The tariff structure, however, would be set nationally.

It is our contention that the negotiating process is of paramount importance in ensuring the success of electrification projects, and will help to establish good relations between communities and supply authorities.

It is imperative that women, the principal end users of domestic energy, be included in this process. We therefore propose that the ESI treats negotiation with the seriousness it deserves, and does not seek to short circuit it, even if it results in connection rate targets not being met.

#### □ *Low smoke coal*

The continued extensive use of coal by households in the PWV causes appalling air pollution problems. Attention is already being given to this, and research has been initiated into the development of low smoke

alternatives to bituminous coal currently used by domestic consumers.

It is proposed that this work be given the highest priority, and that every effort be made to bring suitable products into the marketplace as soon as possible. If further research and development of these fuels is required, it must be supported as a matter of urgency by the state.

The successful penetration of these fuels into the market will require a thorough investigation of the current coal marketing chain, to determine the best way to stimulate the use of low smoke fuels. Support should then be given to prospective producers to enter the market, particularly if it is found that small scale, labour intensive production of the fuels is a viable option.

Finally, a high profile national media campaign should be mobilised to promote the use of cleaner fuels.

#### □ *Paraffin*

Paraffin is an important source of energy for low income households. It is therefore vital that this fuel be made more accessible and affordable to them. A restructuring of the current paraffin price is proposed, making it more attractive for oil companies to efficiently take the product further down the distribution chain, in turn facilitating better control of the regulated price.

Low income households would then be able to purchase paraffin nearer their homes, at or close to the controlled price. Measures will have to be introduced to prevent operators of diesel powered vehicles from abusing this initiative by substituting this cheaper fuel for diesel.

Paraffin poisoning needs to be addressed. It is proposed that research into producing low cost childproof bottle caps be continued, and that oil companies help fund this work. Initiatives to reduce or remove unpleasant odours associated with paraffin should also be pursued. However, the costs of these improvements should not be passed on to already beleaguered consumers.

#### □ *Liquid petroleum gas*

This is an efficient and clean fuel which is not as widely accessible to the poor as it should be. There are problems of affordability, but its distribution could also be improved. A number of interventions are proposed.

First, oil companies should investigate the possibility of introducing smaller canisters, the cost of which would be more in line with the types of cashflow experienced by low income households.

*Negotiating is of paramount importance in ensuring the success of electrification projects*

*Developing low smoke coals should be given the highest priority*

*It is vital that paraffin be made more accessible and affordable to poor households*

*An energy centre should be established in every community*

*An important role of the centres would be educating energy consumers in various aspects of energy*

*A National Energy Policy Council will provide a forum for stakeholder involvement in formulating an integrated energy plan*

Second, they should consider the possibility of marketing LPG appliances at lower cost, recovering the discounted amount through a marginal increase in the LPG price. Finally, a consumer education exercise is required to teach people how to use LPG safely, and to allay fears about its use.

### **Institutional needs**

South Africa has moved into a new era of democracy. Current initiatives in the housing and service sectors will provide opportunities for reinforcing the process of democratisation, empowering communities by putting in place community based decision making structures.

For the above energy policy proposals to be effectively implemented, institutional support will be required at a number of levels. The most important of these is at the level of affected communities. The negotiating processes that will accompany the electrification drive will engender an awareness of energy related matters in communities. One way of nurturing this would be by establishing an energy centre in each community.

These centres should represent all parties interested in household energy matters. It is therefore envisaged that 'ownership' of the centres should be tri-partite, with the community, the state and the energy service sector involved. It is proposed that an evaluation of operational Eskom energy centres should be conducted. This would highlight the shortcomings and strengths of these centres.

If the evaluation is positive, careful thought should then be given to the location of the centres and the way in which they should be linked to community based development initiatives such as small scale industry centres, building material cooperatives and community centres.

An important role of the centres would be educating energy consumers in various aspects of energy. This would include the efficient use of energy, demand side management options available, allaying fears about various energy carriers, the safe handling of fuels and help in achieving the best mix of energy carriers.

For these efforts to be successful it would be important for strong contacts to be fostered with women's groups in communities. These contacts would allow a flow of information to end users and would also provide them with a more efficient line of communication to energy suppliers and policy makers.

Improving the information flow would greatly accelerate the learning process energy policy makers will have to go through regarding the complexities of energy related decision making processes in poor households.

Information gathered through the centres would help improve the longitudinal energy database, allowing energy planners to respond more efficiently to the energy needs of communities and allowing greater sensitivity and flexibility in answering the specific energy problems of communities. Nationally it would greatly facilitate a truly integrated approach to planning the rational use of energy resources.

At the regional and national levels it is proposed that embryonic initiatives to develop integrated energy planning capacity should be fostered, and the lead should be taken by the Department of Mineral and Energy Affairs.

The proposed National Energy Policy Council will provide a forum for stakeholder involvement in formulating a nationally integrated energy plan. At the provincial and local levels, similar forums should be constituted to allow full coordination and integration of development planning. Energy centres would play an important role in this planning by enabling end user of energy the maximum possible opportunity to engage in this process. *DPWA*

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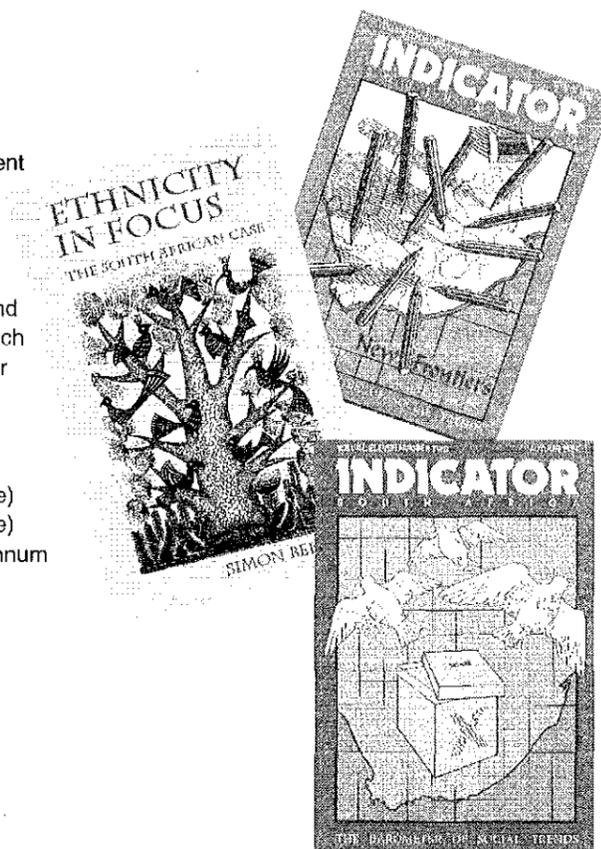
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