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Every now and again the wheels of history turn with an increased moment. Not only does the speed of turn increase, but so does its direction. Often this changing momentum is closely associated with a severe trauma, giving meaning to the Oxford English Dictionary's definition of the word 'crisis' as a 'turning point, an opportunity for change'.

South Africa is indeed at such a crisis-point in its history. For the mass of the population the trauma did not begin with the advent of Nationalist Party rule in 1948, but goes back (and perhaps beyond) to the colonial settlement at the tip of Africa in 1652. But now, after many decades of struggle, the opportunity exists to redress the inequities of domination and exploitation which characterized the old order. These inequities not only had racial characteristics, but also encompassed class and gender; they were also not confined to the realm of income, but permeated social and political structures at virtually all levels of society.

The elections of April 1994 provide the first opportunity for these challenges to be confronted by democratically elected bodies. But the stakes are high and the dangers are many. To name but a few - the intensity of inequity and violence bequeathed by the past political dispensation will not subside easily; there is a poor tradition of civil society and the non-violent settlement of disputes; there are a variety of well-resourced groups with a vested interest in the destabilisation of the new order; not only are the developmental challenges urgent, but these have to be confronted in a context in which per capita incomes have been declining for almost a decade; and the political transition occurs in the context of global economic slowdown and the exhaustion of high-yielding gold-deposits which funded past rounds of accumulation in South Africa.

Transition to a democratic political dispensation thus suggests the possibility for an alternative approach to meeting the needs of South Africa's population. The room for manoeuvre is constrained not only by exogenously determined factors such as global trading conditions, but also by the fetters placed upon the

incoming administration by the terms of the political transition from the old order. Nevertheless, there is room for a substantial departure from the old order, an 'opportunity for change'.

The readings in this Bulletin are designed to explore some of the policy terrain which would allow an incoming administration to meet the needs of the population more effectively. They are inevitably selective and there are important omissions in the policy agenda, some of which are glaringly obvious (for example, the question of gender).

Two factors have guided the choice of policy issues considered in this Bulletin. The first is that we have been concerned to set out agendas for change which are **imbedded in current political processes**. This is because the printed word generally has much less significance than the ongoing process in which resources are allocated and political structures are mobilized. Thus most of the South African-based contributions are not so much provided by individual actors, but by individuals who are deeply involved in the process of policy formulation for a post-apartheid South Africa.

The extracts from the ANC's Macroeconomic Research Group (MERG) framework for a post-Apartheid policy agenda reflect the deliberations of a large network of progressive South African researchers over the past 18 months. It not only provides an overall framework for economic and social policy but is also closely linked into the evolving policy thinking of the ANC, which is likely to dominate the post-apartheid political process. Similarly, Tito Mboweni, the Deputy Head of the ANC's Department of Economic Planning, has been centrally involved in the evolution of the ANC's economic thinking and has played a particularly important role in liaising with the business community. His views on the political pressures which an incoming policy administration face provide an important insight into some of the factors constraining policy evaluation in the future.

It is widely agreed that the key to South Africa's economic future lies in a revival of industrial growth.

There has been a agreed division of labour between the ANC, the Congress of South African Trade Unions (COSATU) and external funders of strategic policy formulation that the definition of an industrial policy agenda would be undertaken by a large research team working closely with COSATU. The article by Avril Joffe, David Kaplan, Raphael Kaplinsky and David Lewis summarizes the results of approximately 30 person years of research effort into industrial strategy and follows from detailed sectoral investigations domestically and abroad. Claudia Manning and Angela Mashigo participated in this research programme and were responsible for the evolution of policy thinking directed towards black microenterprises. This is obviously a critical area of policy, given the very high levels of unemployment (in excess of 40 per cent of the labour force) which currently prevail. Policies towards foreign direct investment are closely allied to the revival of industrial growth and form an important context for South Africa's external relations. Max Sisulu was formerly Head of the ANC's Dept of Economic Planning and will be heading the new National Institute of Economic Planning. His collaboration with IDS scholars on the evolution of policies towards foreign investors is thus also likely to be reflected in the policy agendas of the new administration.

Without a peaceful environment in which there is space for civil society, there can be little hope of any policy agenda working in South Africa. The Institute for Democratic Alternatives in South Africa (IDASA) has been centrally involved in monitoring violence in the past and will play an important role in the monitoring of the elections on April 27th. Thus Paul Graham's contribution reflects not only his personal views but also the role which IDASA has played in the evolution of policy-thinking with respect to the promotion of civil society in the post-apartheid era.

Finally, but perhaps most importantly, South Africa's future lies in the hands of its own population. The inequities of apartheid have also been reflected in the low level of investment in education and training for the mass of the population. Thus human resource development lies at the heart of policy formulation for a viable economic future. The article by Pundy Pillay and Christopher Colclough addresses these critical issues at the level of primary and secondary education; Pundy Pillay participated in the COSATU industrial strategy project, and also plays an important role in the evolution of ANC policy

towards education: Christopher Colclough is also advising the ANC on educational policy. The contribution by Brenda Gourlay and Michael Morris concentrates on the challenges facing the tertiary education sector; Brenda Gourlay is Vice Chancellor of the University of Natal and Michael Morris was formerly the convener of the trade union of progressive university teachers.

The second factor determining the choice of content for this Bulletin concerns **the extent to which policy-thinking in South Africa can be informed by the experience of other countries who have confronted similar challenges.** We have particularly concentrated here on those areas in which IDS Fellows have practical experience, and in which they are linked to the policy process in South Africa. Merle and Michael Lipton have just begun a large project with the ANC's agricultural policy group. Their contribution addresses the major challenges facing agricultural policy - particularly with respect to small scale black farmers - and is based upon their experience in other developing countries. Charles Harvey and Carolyn Jenkins reflect a combination of policy experience in sub-Saharan Africa and research into the financial system in South Africa, and address themselves to the problems entailed in using the financial system to promote redistribution. Philip Daniel has worked on mineral policy development in a large range of developing economies and he considers what relevance this comparative experience has for the evolution of policy towards South Africa's large mineral sector. Finally, Roland Brown, Christopher Colclough, Michael Faber and Raphael Kaplinsky all bring the insights obtained from comparative international experience in policy development to their collaborative projects with emerging South African policy makers.

As we have observed, the contributions in this Bulletin only reflect a slice out of the policy challenges facing a democratic South African government. Not all subjects could be tackled, in part because of the constraints facing many potential South African contributors as they struggle with the challenges of transition. But hopefully the 11 contributions in this Bulletin will be of relevance to those within South Africa who are confronting the challenges of policy development in a post-Apartheid South Africa in other areas. For those outside South Africa, it is hoped that this Bulletin provides an overview of the broad issues which are being confronted in restituting the wrongs of the past.