DISCUSSION DOCU MENT ON
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This document has been prepared to stimutate
discussion within ANC branches and other structures of
the democratic movement.
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Part I

Introduction

This document has been produced to encourage a wider discussion on the challenge of reconstruction and development that confronts our country today. It does not represent an ANC policy on development, but is intended to provide a starting point to the process of formulating such a policy.

In this period of reforms and talks there is a tremendous interest in the issue of development. Each of the major forces in South African society is advancing their own view on what development is and how it should take place. Each is entering the development field with their own political agenda and with their own vision of what the new

South Africa should look like. The reforming apartheid state, the private sector and the democratic movement are some of the key actors on the development terrain. The state and private sector remain committed to a itop-down' process of development with the aim of creating a less racialised form of a market economy while we in democratic movement are committed to a Writ that will result in fundamental

pohtical and egonomic changes. This broad commitment is not enough. We need to develop more a detailed plan of how we can make these ideas real.

The challenge facing the democratic movement is to build a coherent policy for the reconstruction and daleiggmenl of our country. This policy should be consistent with a breeder policy framework that can guide the democratic movement as we move towards the creation of a non-racial, non-sexist and democratic South Africa. This urgent task should involve the widest sections of our community, if the policy that is produced is a small contribution to encourage a dynamic discussion and debate within the ranks of the democratic movement.

This paper is based on the ideas that emerged at a national consultative seminar on development organized by the Projects Department in November 1990. The document is divided into SIX sections.

Heritage of underdevelopment;
the struggle for development and reconstruction;
defining development and reconstruction;
development strategies for the transition period;
building development institutions
where do we go from here?
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Heritage of Underdevelopment

South Africa can best be described as a third world, developing country. While a small section of its population enjoys first world living standards, the country remains underdeveloped with the majority living in poverty. The systematic exclusion of black people from any meaningful participation in economic and political life under apartheid has not only created a country that has very high levels of inequality and poverty, but has also produced a weak economy that has been in serious crisis and decline for the past decades.

Economic development under apartheid provided a high standard of living for the white minority at a huge cost to the black majority and the future development of the country as a whole. The underdevelopment that has taken place under apartheid will have major consequences for any future development.

The South African economy has been stagnating since the mid-1970S. The economy has grown at only 1,4% a year since 1982, while the population has increased at 2,5% a year, which has meant a falling average income per person. The falling areas of investment that have accompanied this decline in growth have increased unemployment to over 30%.

The major share of productive resources are in the hands of a few. Four large corporations control 81% of all the share capital. They are AngngmeLigan, Rembrandt, SA Mutual and Sgnlamf/Land ownership by blacks is limited to 13% of the land while whites own 87%.

The extent of poverty and inequality are reflected in the following facts:

I The richest 5% of the population own 88% of all personal wealth in the country.

I Over 50% of the population earn incomes well below the poverty line, resulting in severe problems of malnutrition.

I Blacks, who are 86% of the population earn only 40% of available income, resulting in whites earning nine times as much as Africans.

I Millions of black people do not have access to housing, with a shortage of over one million houses.

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I 33% of the African population describe themselves as illiterate, with an
additional 30% being functionally illiterate, having not gone beyond standard
four.
The stagnating economy, the Wties and the thh_Leygls_of
concentration of economic Bower will all act as major constraints on the capacity of
the economy to grow in the future.
This is important, noting the high exgectations that people have at the moment.
Black people, who have been denied access to bamnaeg; under apartheid, will
inherit a situation in which it will continue to be difficult to provide all the people w
ith
’ s within a short 3 ace of time. Given the statewgmy it will
remain difficult for even a democratic state to provide the millions of jobs, hysgs for
all, proper educaLon and heauusemices that are needed by the majority.
In order to meet the needs of the people we will have to develop an economic
strategy that can reverse the trend away from tagnation owards economicggrowth.)
A major part of this growth must come through distribution, which will allo poorer
people to get 10.9.3; buy more of their basrc needs and thereby help the economy to
grow. Although a democratic state can play an important role in redistribution, it will
. not be able to solve all the problems of WW We need to have a
Nbpit’nationang/glmn which includes participation by a democratic state, the
private sector, community organisations and other non-governmental organisations.
Communities and other sectors of our people will need to continue to mobilise,
organise and struggle to achieve a higher standard of life in a new South Africa that
is characterised by political democracy and sustainable economic growth.
2. The Struggle for Development and Reconstruction
Our struggle has always been about dismantling apartheid and building a non-racial,
non-sexist and democratic South Africa. It has always been a struggle for
. . reconstruction and development. The way the struggle has been fought in different
periods has been determined by the conditions existing at the time, in relation to the
strength of the apartheid government, that of the democratic movement and other
related factors.
At a point in the early eighties, the struggle was focussed on protest and raising
awareness around national political issues. The struggle matured into a phase of
building organisation and challenging the state and then a phase of ungovernability
where there was a serious attack on the local structures of apartheid. It was the
impact of our mass struggles and the international isolation of South Africa that
forced the government into making changes. While these changes are not
fundamentally dismantling apartheid, the unbanning of the ANC, the prospect of a
negotiated settlement, the removal of certain apartheid laws, and growing access to
resources is opening up the possibility to advance the struggle for reconstruction
and transformation. In doing this we need to bear in mind that the strength and
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organisation of our people has been a key factor in our achievements so far. In the transition period and when we begin to focus on developmental issues we should be looking at how this strength and organisation can facilitate and build the development process. W
'illllle 'a---%, I " '. "cf Our
tasks in the current periOo are:
1 to understand fully the South Africa we are inheriting, recognise the serious economic, political and social problems that are the heritage of apartheid that we will need to overcome;
2 to define clearly- the poJicijamewng of the future system we want with a fair amount of dgail and produce some polisynplioniin relation to all aspects of South African society, e.g. the economy, education, rural development etc. This process has begun with the production of various discussion papers on policy questions. These need to be discussed by the people at gtassroots level and in 0W so they can be reshaped to reflect their views. Policy should be made by the people;
3 It is crucial that we take WW. We need to ensure that the democratic movement has effective control over the process of dexalapment and reconstruction and that South Africa's political, economic and social transformation is carried out in the best ilLteLesIs of the majority.
To be able to make progress on these tasks we will need to orient our organisations and our struggles towards th evelopment and reconstruction of our country. For a start we need to develop an e ' ' ' which can guide our work and our organisations.

Detining Development and Reconstruction

Development and reconstruction is a process which involves three inter-related aspects.
(a) Firstly, it involves c an i cial and wer relations that exist at the moment, so that W equaly among all t e people. This must allow people to have greater democratic control over the social, political and economic aspects of their lives. This will allow them to participate fully and empower them to take decisions that affect their lives at work, in their communities and the country as a whole. These processes of democratic participation by people in decision-making need to become institutionalised to guarantee their continued existence.

(b) Secondly, alongside the process of building real democracy, there needs to be an improvement in the material conditions of the majority, ensuring greater access to food, clothing, shelter, incomes, jobs, health and education for all. These improvements must be achieved through a process which involves the maximum participation and control by the peogle who benefit, and which encourages greater sharing, equality and a W.

(c) Democracy and an imgrovement in the quality of life mu be related to a fWWg of the economy, to allow for a e $3 of change and growth in the economy. This involves a number of factors:

- improving our technology and industrial ability to make us less dependent on imported machinery
- producing more goods using decreasing amounts of resources while protecting the environment
. - doing this in such a way as to improve the capacity of people to buy and save which will allow for greater investment to make the economy grow.

If the economy does not grow continually and produce adequate amounts of goods and wealth then it will not be possible to meet the needs of the people. if there is no real democracy and a change in the distribution of both economic and political power, then, even if we did have economic growth, it will benefit only the rich and powerful, and the needs of the majority will not be met.

It is clear that a process of development and reconstruction requires all three aspects to be equally emphasised.

Part II

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4. Development Strategies for the Transition Period

4.1 Having a developmental approach

During the tnansitionaLpeLiod, we will have to continue to fight many struggles against the Gynemjpanhmaate, which is largely unsympathetic to development initiatives for thembm and mm However, at the same time, we need to move beyond short-term reactive approaches to development work, and adopt a more transformational process.

We should be thinking about development needs at national, regional and local levels and should be trying to prioritise within this. We should be t rying to ensure that our approach to development shifts from one in which isolated development projects are seen as constituting development, to one in which we develop a WWWW'MWMWLO

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programme based on an assessment of the overall needs for a particular community, district, region etc,. This would mean that priorities would have to be set within context of an overall development plan and projects would be part of $$thng de 0 nt ro ra .

Development projects on their own are often largely incapable of progressing beyond short-term responses to particularly crises. There is also a large existing degree of duplication between various development projects in South Africa at the moment.

Development programmes are based on a combination of projects in a variety of different sectors, i.e. urban, rtLral, housing, health, education, literacy etc. This means engaging in a process of networking within and between segtgts. Above all a development programme would mean that the community involved would have to 1' def' or itself all the i e s d vel me tn ce a ,and on the basis We.

of this planWWg So for example an integrated development programme in a rural village might involve improving them of the water suggly, through this aim to improve the health_oI_the_population, be able to start a communal vegetablegaLderLetc. This would mean that engineers, primary health care trainers and agriculturalists would all have to co-operate with the . community in order to make the programme viable.

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Development programmes would also take into consideration regional and ,sub¡a WW. For example in the Northern Cape, much of which is semi- desert, the provision of water to the region as a whole would be a prerequisite for any development to take place.

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Development programmes need to have both longiemggals, as well as t_r_ag__siti_gnaL strategies These goals include the establishment of self-sustainable development projects, which contribute to productive economic growth in South Africa.

Development programmes must be built around community participation and control. For this to be effective, resources, time, information, education and training are required, so that communities can take informed decisions, and participate from a position of strength. Training and human resources development needs to become part of all stages of the development cycle.

Detining priorities

Within any development programme, there is a need to define priorities. This is done so that the allocation of scarce resources can be planned.

Often when trying to define priorities, we simply draw up a)(tQtaLliMAu W. This 'shopping list' approach needs to be avoided, because it simply results in a set of principled demands, without a programme of action and a set of strategies based on definite priorities.

In addition, we often try and define priorities for people, rather than listening to what they regard as important. People who are the itargets' of development must be placed at the centre of any process of determining priorities.

It should be possible to find mechanisms and processes through which development priorities can be constantly defined and upgated. These mechanisms could include co-ordinating meetings within each development sector, where mass-based organisations, service groups and development agencies come together to determine priorities through an ongoing process.

Similarly, regional development forums, consisting of mass based organisations and service organisations drawn from the different sectors could meet to begin determining priorities for a particular region.

. 4.3 Identifying different development actors

4.3.1 Networking with progressive development actors

Within the mass democratic movement, there is a need to network among the range of organisations and individuals that are engaged in development projects and processes. These include community- -based organisations, trade u_____nions, W WWW a_ach emics and "7mm W and pzhtatemnsultams in19_ma1ign_banks and IibLaries, and progressive intematignaLdeuelopmenLagencies and ne tw.orks

4.3.2 Engaging with development actors

In terms of previous strategies of resistance, a common attitude of both mass-based organisations and service groups was to boycott various state, parastatal and private sector institutions. During the current period of transition, there is possibly a need to iengage' these structures, but on certain weII-defined terms.

. There are a number of different ways in which engagement can take place. The starting point of all approaches however is the need to continue strategies of mass action.

During the process of talks about negotiations, we have seen that the apartheid government is trying to get the ANC to distance itself from mass action. The government is trying to say that mass action is violent and contrary to the spirit of negotiations.

The ANC has stated very clearly that it is not prepared to abandon mass strategies, because mass collective action remains the right of all people, in particular those that continue to be disenfranchised. However, along side with mass action, many of our organisations have been engaging with various state and para-statal agencies over the past while in order to more effectively put pressure for demands to be met. '

One approach to engagement, known as tchal level negotiations has been
developed by the civic movement over the past eighteen months.
In this process, the main negotiation protagonists have included a wide range
of actors engaged in development, inter alia the:
provincial administrations;
various local authorities;
Department of Planning and Provincial Affairs;
Department of Development Aid;
Regional Service Council;
Eskom;
Rand Water Board;
Development Bank of Southern Africa;
Independent Development Trust (Jan Steyn Fund).
In addition 911% have also been negotiating with private sector bodies
involved in development issues, including:
Private corporations, and corporate social responsibility funds;
private housing developers;
financial institutions, including banks and building societies;
Urban Foundation;
Consultative Business Movement. (C. EIY))
Many of the negotiations with state bodies have focused on specific local
issues such as the writing off of arrears, the payment of an interim service
charge, the upgrading of services and the creation of single fiscal systems for
local authorities. However, most of the negotiations have invariably moved
towards the establishment of Ionger-term development programmes for a
particular township or region.
Civic organisations have therefore gained an immense wealth of knowledge
from this process of negotiations, including an understanding of the current
key actors in the development process, and the nature of state, parastatai
and private sector development institutions.
The experience of negotiations has, in some cases, begun to raise the
debate about the ways in which existing 3 tate departments and institutions
can bet Mransfgtmed This is a more realistic approach to that which is based
on expectations of being able to create W in the
future.
Civics have also been able to participate in negotiating forums with real
powers, but which do not co-opt them into taking co-responsibility for the
current management of the apartheid city. This has not always been the
case in several other sectors, where progressive bodies have been

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persuaded by government departments to take co-responsibility for a
particular crisis, without having suiticieanower and resnurieito do so.
Civic organizations have begun to establish a number of criteria for
successful Iocal-level negotiations. These include having a clear set of
demands and objectives; well organised structures, and a regular process of
reports to gain further mandates; fuIl-time trained civic members, with an
office, a telephone, a fax and other equipment; training in negotiating skills;
technical support and backup, including lawyers, town planners, accountants,
engineers, architects; and contact with other civics, through regional civic
structures.

International development agencies
There is an additional set of actors in the development process, namely
international donor and development agencies, and some of the foreign
embassies through which they operate. As the international isolation of
South Africa recedes, these agencies are increasingly becoming involved with
development projects and programmes in South Africa.
It is important that the ANC, mass-based organisations and service groups
learn to deal with the international development world on a more
sophisticated basis. There is a wealth of international experience and
expertise that our organisations need to learn. However, there is also a need
to retain our organisational autonomy and independence. There is a great
need for igquwamg and co-ordination in relation to these agencies,
so that a common approach to them can be developed.

Financial planning and administration
There are two key fwslions to be answered: how do we raise money for
development, and: how do we use the money that we raise?
There is a need to develop an understanding of the general macro-economic
constraints on resources in this country. Development programmes should begin to
be based on multiple sources of funds, including state allocations, local and
international aid, and the self-generation of funds.
There is also a need for us to move away from a dependency attitude towards
development. Most development projects up until now tend to exist on foreign aid
only. There is no attempt at full or partial cost-recovery. Projects are not assessed
in terms of their economic viability. There are very few attempts to link development
work to production and economic growth.
The need for self-sufficiency and for development that results in productive economic
growth will become central priorities for a democratic state. We need to begin now
to shift our thinking away from how to get foreign funding to how to use resources
for self-sustaining growth.

Many progressive development projects do not have proper accounting procedures and controls. As more finance for development becomes available, there is a need % to create a culture of Wation and Milky, so that money raised is well spent.

Training for capacity

Very few of our organisations currently possess the necessary skills to manage large scale development projects. This makes them dependent on the resources located within organisations based outside communities.

There is a need to develop training programmes that begin to address the shortage of development skills. In particular, there is a need for training in administration, management, financial planning, community participation, educational processes and different approaches to development.

These skills can also be learned in practice, through the establishment of pilot projects for the specific purpose of empowering participants. However the creation of training programmes and institutions is also a priority.

Building Development Institutions

Role of the state in development

It is generally held that the future democratic South African state will play a central and leading role in launching development programmes, aimed at redressing historical inequalities.

A key question is how the future state should play this role. A starting point is to examine the existing state institutions that a future government is likely to inherit. These include, for example, various government departments, homeland structures, the ' the National Housing Committee, the South African 'Houfsing Tr st, the Human Sciences Research Council, parastatals like Eskom, etc. 04me .

The state is also divided into different levels of government, including provincial administration, regional services councils, and local authorities.

It is important that we begin to assess which existing state institutions could continue to play a development role, and what new institutions need to be created. We also need to examine different levels of government to assess which could perform various development functions. Of particular importance are the powers that could be given to local, metropolitan and regional authorities to embark on development programmes, and the channelling of development finance from the central to the local levels of government.

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Limitations of state involvement in development
Central governments and local authorities undertake development work within the
constraints of their budgets and their borrowing capacities. The future democratic
st te in South Africa will emerge at a time when severe demands will be placed on
its W. This means that there will be
financial limits on what the state will be able to allocate to development projects.
In addition to financial limitations to state involvement in development, there are also
structural, institutional and political restraints.
Worldwide experience points to the negative role that state bureaucracies can play in
stifling and even undermining development projects. State bureaucracies can delay W
development work through endless red tape. Many civil servants do not have the
necessary skills to initiate, administer and manage viable development projects within
communities.
There is also the danger of an over-reliance on the state being expected to provide
all forms of basic needs. This attitude could disemgower communities that have
effectively mobilised around grassroots issues for the past decade.
A future development policy should be premised on the right of all communities to
continue mobilising and organising, sometimes in conjunction with state structures,
and sometimes in opposition to state policies. This will ensure that stagnation and
complacency does not set in.
The role of civil society
If we accept that communities have the right to continue to organise themselves
around the provision of basic needs, and that strong community organisation and
control is the basis of successful development initiatives, then there is a need to
continue to create strong structures within communities that are independent of
government. This can be referred to as the W
The creation Of a SW can act to increase the effectiveness of
development programmes. Well-organised and autonomous community structures
can ensure continuous community participation and of devel t ro'ects.
This points to the need to continue to promote mass- -based community organisations
such as 9M0, ngth and WW, as well as non-governmental
development agencies such as service organisations, professional bodies and
research groups that can work for and be accountable to community structures.
The role of the private sector
Many communities have had negative experiences of private sector development
initiatives to date. Many private sector agencies have not encouraged or even
allowed a process of community participation. The need to make a profit places
limitations on the ability of private sector institutions to target the very poor. Some

private sector developers have engaged in dubious practices such as bribing local authorities to get access to land, or using land for speculation rather than development purposes.

In general terms, the private sector is hostile to the future democratic state playing a leading and interventionary role in development. Instead, there is constant and dogmatic support for privatisation and individualisation of development work. This has had many destructive consequences over the past decade, including fragmenting and dividing communities into those that can afford and those that cannot afford health care, education, housing, land, etc.

Despite the limitations of the private sector, it would be a mistake to ascribe no role to private companies and private development agencies.

The private sector possesses a considerable amount of expertise, technology and development capital. If private sector initiatives can complement rather than contradict state and community development programmes, and if the private sector can develop some notion of accountability to communities in this process, there is no reason why the resources and energy within the private sector cannot be harnessed.

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W Develo ment is a political process, and it is important for the ANC to have a coherent anth policies/This is particularly necessary if the ANC is going to form part of a future democratic government.

However, worldwide experience seems to point to the need to separate development projects and programmes from Wigs. It is important that development projects continue to function, even when governments change office. This means they should not be linked to . spec' ic olitical a .

Political parties should not use development projects to try and ibuy' support from people, particularly before election time. No persons within a community should be disqualified from being part of a development programme, because they voted for a different political party.

Development projects should be designed for the whole community, and not just for particular groups of people organised on party-political lines. If this does not happen, communities will be divided in terms of access to resources, which could result in bitter conflict.

Where Do We Go From Here

A starting point is to make an accurate and honest assessment of the state of our development agencies and organisations.

Many of our organisations have not yet even begun to discuss the issue of development. Priority number one is to put the issue on the agenda of the mass democratic movement, not as an intellectual exercise, but as part of a process of providing basic needs for all South Africans.

It is clear that as yet we do not have a coherent national development policy around which discussion and debate can take place. Priority number two is to involve all mass-based organisations, ANC branches and progressive service and professional organisations in the process of formulating such a policy. It is hoped that this paper can help facilitate this process.

Many of our organisations are not structured to undertake development work. Many lmass-based' organisations still consist only of groups of activists rather than genuine mass structures. Many service organisations are not accountable to communities they are assisting with development work. Priority number three is to e ' struct and a a 'ty of all our organisations, and to make necessary adjustments.

Within many organisations, there is a lack of administrative, financial, technical, managerial and training skills to undertake development work. Priority number four is to initiate training programmes within organisations to develop capacity.

There is a considerable duplication of resources amongst groups and organisations doing development work in South Africa. This has a negative effect when it comes to international funding. Priority number five is to establish forms of co-ogergtm' between development agencies within specific sectors to try and minimise the amount of duplication. This does not mean centralised control or uniformity.

Many development projects are still confined to specific sectors. Priority number SI'X is to eStab'iSh W8. This means working to establish the necessary links between organisations working in different sectors.

Most progressive development initiatives in South Africa are wholly dependent on foreign funding. Priority number seven is to seriously examine ways in which dev ent ro ra can be self-sustaining in terms of the generation of an economic return.

Despite our rhetoric, there is still a tendency within our ranks to embark on "top-downl development projects. Very few of our projects are people-centred, and often rely entirely on the efforts of development workers and service groupings outside of communities. Priority number eight is to encourage geogle and communities on the receiving end of developmnt to begin playing the central role.

For this to happen, the debate around development must start now. It must be a debate which is carried on in all of our structures and at all levels. The key to successful development is the extent to which our organisations and the people they

represent, feel that they are in control of the development process and are
responsible for its viability and success.