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EDITORIAL

THE BEST OF ALL POSSIBLE WORLDS'

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THE TRUE BELIEVERS' PRAYER

"()IH' Ilrgmmwur Ihnw'r li/m" ()l(/ Mum'v Supplv'

THE DEMISE OF EXTREMISM

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TWO HUNDRED YEARS ON...

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SASH magazine

SASH magazine is the official organ of the Black Sash. While editorials and editorial policy adhere broadly to the policies of the Black Sash, the views and opinions expressed in other material do not necessarily reflect the opinions of the Black Sash.

The contents of this magazine have been restricted in terms of the Emergency regulations.

All political comment in this issue, except where otherwise stated, is by H Zille. 5 Long Street, Mowbray 7700.

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Published by the Black Sash 5 Long Street. Mowbray 7700.

Printed by Blackshaw Desktop Publishing by Roger Millington.

SA ISSN 0030-4843

Subscriptions

5 Long Street. Mowbray 7700

Local subscription price (postage included):

South Africa: R1500

Burkina Faso, Mozambique, Zambia and Zimbabwe: R3000

(overseas subscription price per year (airmail postage):

UK and Europe: R3700

United States and Canada: R4500

Australia (including New Zealand): R5000

NB: If paying in foreign currency please add R600 to cover bank charges.

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 editorial

When Lewis Currollis Ruhbit looked at his watch and said, th dear! I shall
 he too Izttei. his reasons for haste and his destination were unclear. But
 Alieeis curiosity was amused by his air of purpose so she followed where he led.
 and continued to explore utter the Rabbit disappeared.

With this issue of SASll the editorial committee intends that an important
 exploration will be set in train. Economic issues and options may seem
 labyrinthine und. to many. arcane but the urgency of addressing them scarcely
 needs to be explained. Whether (me is more concerned to conceptualise the
 process of transition to a future South Africa. or to understand the linkages
 between economic pressures and political change, or to cope lon the ground with
 problems olijohlessness and poverty (the list is endless). the question requires a
 grasp ol'eeonomies. We are grateful to our guides - the numerous contributors to
 this magazine who have been at pains to present complex issues in accessible
 terms.

The expluration begins with it discussion ofztltternutive economic systems. NO
 ithSIlIlltllOn. is prescribed. but eritieul considerations are outlined and the lucid
 test' of any system is defined as tWill it fly? Economists. historians and
 political theorists debate. or simply share their perceptions of long-temt trends.
 recent turbulence and what the future holds. The sanctions question has the
 potential to divide the Black Sash. us it has done in the wider society. Mary

Burton describes the way in which the organisation strives to encompass diversity. It is also noted that WW will be the 200th anniversary of the French Revolution. The comic side of similarities between that lrevolutimmryi situation and our own cannot conceal the tragic repetition of doomed patterns from the past.

A lkious on LI x'ttst subject such as economies cam he introductory Ltt best. Though the Rabbit. bows out. the mud to further exploration is marked. for example. h) reading lists xx hieh point the wt) for independent quests.

WNW

sash Um A'w/w IUNN 5
lthe best of all possible worlds,
debating alternative economic
systems in south africa
sean archer
Panglnssss 'Tis clemmzstralvc/ I/Iul things ('ummr be ()rlzclwiw;
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Most of us have lived all our lives in one kind of socio-cconomic
system. Unless we are unusually reflective and critical. we are likely
to assume it is the only workable system. From there the slop lo the bclicl'
that it has evolved lnaturalyl over a long time. and is therefore the best. ls
short. The discovery that many people do not share this view. indeed reject it
on perfectly respectable intellectual grounds. can come as revelation Or
ShOck. The following discussion may assist in umlcrslanding why lumlamcm
tal changes in our existing system are being debated.

6 sash Deremhcr 1988

The role of
the state in
the elastic
capitalist
model has
been likened
to that Ufa
night
walt'ltmalz.

?ternmon HOSE W

-l :3 m l' , 4

The goals of any economic systemt whether
eapitulistt socialist. or hybrid like the welfare
state. include the following:

- poverty elimination:
- ' efficiency of functioning:
- growth in gross national product:
- . adequate consumption levels of the popula-
tion;
- ' equity in the distribution of income:
- . resilience. udztptztbility and autonomy in the
thee of adverse Change.

This list is not a ranking and neither is it ex-
haustive. but these objectives are without doubt
amongst the most important. Some inter-
relationships should be noted. indeed. a little
retlection will show that all the listed goals are
related in one way or another. For instance, per
capita consumption in South Africa. when
viewed as a simple average, is at a reasonable
level by international standards yet. because
equity in the distribution of income (which
governs consumption) is so low. poverty
remains a major problem.

Another illustration is furnished by the large
group of Third World economies that rely
heavily on a single or small range of com-
modity exports for growth and international
exchange: copper in Zambia. oil in Nigeria
sugar in Cuba are cases in point. Under
favourable demand conditions in the world
economy most of their goals can be met and the
potential created for developement. Yet their
position is that of the proverbial tail of the dog.
extremely volatile and dependent so their
economies atre short on resilience and autonomy
in the face of adversity.

These goals may ulso mutually eonllict
rather than complement each other. Equity. for
example. entztils decision-taking that is
democratic and therefore slow; collective
responsibility which carries the danger of buck-
passing; solidarity and economic security that
generate complacency and a weak commitment
to work. Thus a single-minded pursuit of equity
can jeopardise the other goals. In practice.
compromises - ttrztde-ot't's' - characterise the
functioning of any economic system.

What is capitalism?

lt denotes a system characterised by private
property in the resources (natural and man-
mude) used in production and exchange. That
is, the tinstrumentsl or means of production are
held by individual owners. singly or corporate-
ly. for profit. Note that property is not a thing; it
is a right to a revenue or income.

Wage labour is the second defining feature.

That is. the worker is employed by a boss or
company who owns the land, buildings,
machines and tools and pays for labour services

at regular intervals on a time or piece-rate basis. Other characteristics are monetary exchange through the market - of means of production and means of consumption - and free enterprise in the sense of unfettered scope. or legitimacy in law. to pursue profit as the maximum surplus over production costs.

The role of the state in the classic capitalist model has been likened to that of a night watchman. Its functions are to guard property rights. to maintain the law of contract. and to hold the arena for capital and labour. as free and equal parties, to enter into mutually beneficial exchange.

What is the merit of this system? Historically speaking it has generated high rates of accumulation. in some countries at certain times. By the mid-nineteenth century. two political economists destined to be capitalism's severest critics could write:

The bourgeoisie. during its rule of scarce one hundred years. has created more massive and more colossal productive forces than have all preceding generations together (that Class) by the rapid improvement of all instruments of production. by the immensely facilitated means of communication. draws all. even the most barbaric nations. into civilisation.

(Marx and Engels)

V Accumulation means the way in which. within a given structure of (management of resources. the surplus of output over the consumption needs of those working is extracted. mobilised through financial channels. and invested for replacement and new productive capacity. like farms. factories and infrastructure - roads. powerlines, including schools, hospitals and the like.

Within
capitalist
societies -
markedly 50
in the (me we
all know best
- gross
inequities
abound.

Capitalism has liberated the creative potential
of humanity on a large scale. Our globe has
been transformed by industrialisation. urbanisa-
tion. and advances in applied science. The
resultant material prosperity of some of its in-
habitants is without historical precedent.

Problems with capitalism

The original and still-enduring criticism of
capitalism points to the contradiction - an in-
compatibility increasing over time - between
the private ownership of resources by
capitalists, for the generation of profit that is in-
dividually appropriated. and the 5mm! nature of
production. Concentration of economic power
conflicts with growing interdependency in the
division of labour. It is held that the sequence
from individual capitalist enterprise. to cor-
porate forms of ever-greater complexity. to the
rising economic role of the state. is a law a his-
torical regularity, not simply a trend amongst a
set of possibilities open to capitalism. This
metamorphosis will lead to a system some call
socialism. So runs the prediction.

Secondly, some critics contend that
capitalism is inherently incapable of stability.
Development of the forces of production in the
form of modern technology has so altered
economic choices that the market cannot handle
them. Co-ordinated action beyond the market
mechanism is essential to deal effectively with
problems posed by:

- ' length of time horizons:

- scale of risks:

- 0 cost of information dispersal;

- ' increasing impact of externalities (effects
outside private responsibility and the
market) like pollution, and the depletion of
common property resources in the oceans
and atmosphere:

- ' degradation of the work environment;

- ' social responsibility for welfare;

- ' equality of opportunity.

At best the markets necessary to handle these
phenomena function imperfectly; at worst they
do not _ some say, cannot - exist.

Current events remind us that the primary
instability in the system. its propensity to boom
sash Dct'embcr 1988 7

and slump. remains pervasive in modern
capitalism. Once upon a time it seemed that the
state could fine tune the economy by judicious
monetary and fiscal policies (taxation and
public expenditure). This seems much less
evident today. In peripheral economies like
South Africa these fluctuations are accentuated:
when the developed centre of the world
economy sneezest we have a seizure.

Thirdly. it is not a world system. Capitalism
exists fully fledged in only a small minority of
nation states. Some of these are growing. some
are stagnating. Brazil and the small lmiracle
economies of South-East Asia - Hong Kong,

Singapore. Taiwan South Korea - are examples of the former: Britain and, arguably, certain other West European countries are instances of the latter.

There is a joke in which Reagan, on becoming president and surveying the world, asks his advisors anxiously: Can we have capitalism in only one country? So, the relevant question is not Will capitalism become a world system? but rather Could it do so? There is an answer of wide currency in the Third World, notably in Latin America, which is emphatically negative. To think otherwise is to misconceive the history and nature of capitalism: some nations are wealthy and powerful because others are poor. Thus, to postulate global capitalism is to postulate a contradiction. Exploitation is not a reciprocal relationship: I cannot exploit you, and you me, and we both get rich in the process. In this view the material standards achieved in developed capitalist countries do not constitute a mirror of the future for the vast population of the earth because they are impossible to emulate.

Finally, capitalism is an unjust system. Within capitalist societies - markedly so in the one we all know best - gross inequities abound. These negate common notions of distributive justice. The pertinent issue, however, is whether they can be overcome within the system. This is to be doubted, some assert, in that the ultimate causes are systemic, built in rather than contingent. Economic agents enter the market place not on a basis of equality but with differences in power. At root such differences stem from

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IA

Capitalism
might be even
worse than it
is if there
were no
socialists who
thought that
the world
(7) might be made
better.

oneself. Men and women become self-
managing no longer exploited or alienated.
- (Co-operative participation. Released from
subordination. i.e. from the compulsion to
work for owners of the means of production.
association between producers becomes freely
chosen and co-operative. 'technical
progress. being in the social interest
is the standard and the principle of the
production are adopted hence there is no
vested concern for the
knowledge in private hands.

' Social scale rationality. What appears to be
technical effects and interests from the
vantage point of a capitalist would disappear
away. In production and exchange the
stimulus for micro-level action by individuals
along with their co-ordination
through micro-level planning would be im-
dertaken on the social not the private scale.

- Distributive justice. A more just system
will come about via three key changes: the
abolition of wage labour; the disappearance
of unearned income stemming from the
private ownership of natural resources, capital
and intellectual property; and the community
will freely determine the principles of dis-
tribution This does not mean immediate
equality. nor does it presume new socialist
men and women imbued with idealism and
altruism. The effects will come by change in
social conditions. not from the internal moral
transformation of individuals.

This smacks of utopianism; agreed. but not in a
pejorative sense. These ideals have emerged
from an historical tradition that has itself
sought the analytical and ethical basis of the sys-
tem now labelled X (the idea of the tree of life
term (1827) by many generations of ideas. An
association in which the free development of
each is the condition for the free development
of all remains an eternal principle. Yet the
cleavages of many have made it a motor for
major events this century. and continue to do so
in our own lifetimes.

Indeed. capitalism might be even worse than
it is if there were no socialists who thought that
the world could be made better.

retention of

sash length of the man's hair 9

Problems with socialism

Coming to industrial socialism. by which we
mean the thirteen countries currently following
the Otts-Civilist or. more narrowly. Marxian
principles. what are the distinguishing features of
these systems? In combination and varying
proportions they are claimed to comprise:
economic planning; total central co-ordination;
state or public ownership; conscious striving for
equality; and worker participation in decision-

mtiking. 'lihc tlcliicncics oll those systems ill
the political and bureaucratic lcvcls 7 rcprcss
sion. culturttl stagnation. rcpunliution of in-
dividual rights lllttl civil lihertiCs - ill'C well
known, so discussion hcrs will concentrutc
upon the economic sphere: although us we
shall see. thc two dimensions arc intimzttcly
linked.

(lcntrzt planning couplcd to thc othcr institu-
tional l'cziturcs has hccn highly successful
vicwd in :t long-term pcrspcctivct ('ounti'ics
ccconomiczttly and socially amongst the most
backward have been industrialised rapidly;
educztion. hcttlth. science and ccrtztin ztrts raised
to levels comparable with (lcvclopcd capitalist
countries; ttml full employment oli labour matin-
tztincc with the price level held constant. The
list of zichicvcmcnls is long. In its speed 7 3() to
(l ycztrs. talking (lhinz and the USSR us
cxzimplcs - it is unique.

'llwo conclusions can be drawn. First. where
the set of output tttgcts Ltrc low in number. arc
homogeneous (limited in variety). 2lnd rcquit'c u
rcclutivcly uniform technology with economics
of lzirgc-sculc output. an important historical
lesson is that central planning can be highly
productive. lixzimplcs oli such outputs rzmgc
through fuel and power. housing. medical catrc.
transportation. schooling tmtl httsic consumer
goods like Clothing. Sccontlly, whcn sttcril'iccs
limit the population arc nccdccl. u pltlllnCtl
economy C2lll impose (lcmuntls 2lnd (lclivcr
rewards on it sculc incompatible with the
market mechanism.

Why arc these systems today rather lcss
attractive to poor countries than they wcrc
twenty ycurs ago?

' On it technical level their vaunted growth

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performance, while still positive. is marked-
ly lower since the early seventies:

' they now appear more not less dependent
upon capitalism for technology and food im-
ports. and as outlets for exports;

' consumption. both of goods and services
purchased privately and of education. health
care and other items supplied collectively,
has levelled off:

a agriculture supports a si/cahle fraction of the
population and yet remains the Cinderella
sector despite the diversion of huge invest-
ments to it.

In sum. the picture is of deteriorating economic
pcrtonnance. despite the high rates of saving
built into the system: a quarter to a third of the
income flow is reinvested annually to boost
production capacity. The economic model of
lcenti'alised socialisnf has been likened to a car
locked into low gear: large quantities of fuel
(accumulation) pass through but only low
speeds can be attained.

It is important to realise that many trained
and gifted minds - advisers. intellectuals. tech-
nocrats. leaders at many levels - are acutely
aware of their system's inadequacies. Why then
is there no reform and why do attempts in the
past appear so half-hearted and ineffectual?

One answer is that technical problems of
co-ordination are now much more formidable.
The growing and unavoidable complexity in
production (that is. in variety. technical choices.
intermediate linkages. scale of operation)
generates a demand for intormation in
geometric ratio. The existingv apparatus of plati-
ning cannot meet this demand. Nor is it solv-
able by adding more and more hardware like
computers. What is needed is decentralisation
of authority. devolution of decision-making. use
of incentives and space for enterprising activity.
and recourse to indirect methods of reconciling
competing through the market
mechanism. This is obviously controversial.
Here we see that the major obstacle is. in
tact. political. (fentralisation oli power is a
fundamental precept in the interpretation of
socialism that is orthodox in these systems. It is
upon this rock that attempted reforms have
come to grief. and continue to do so. In the
claims

post-Stalin era this concentrated power is less
malevolent than ambiguously benevolent in its
effects, except for dissidents. This dimension of
the states role in the Soviet Union and the
people's democracies is exemplified in the

joke from Hungary which has a boy scout coming home and saying, Phew what a job I had doing my good deed today! His mother asks. 'What was it?' 'TI helped a blind man across the road' But why was that so difficult?'" Because he did not want to go! The level of politicisation of the population in a planned economy, it is argued, must be higher than that of other economies, because economically relevant information is highly dispersed and its free flow is absolutely essential for economic calculation by the central planners. For this flow to occur democratisation and participation of a high order are required so that people actively identify with the goals of the system; in addition, there has to be social not elitist control over accumulation and growth. There is historical irony in the fact that as long as this does not happen, i.e. that power is not dispersed to create a feed-back mechanism. then by default capitalism draws strength and adherents from the negative example of these socialist dictatorships. The best system?

Some mixed economic formation. some amalgam and compromise between the mechanisms of plan and market seems to be inescapable for a workable embodiment of the socialist idea. Direct producers - whether on the factory floor, or working the land. or providing services - know best what input-output combination maximises surplus or minimises cost. Consumers again can more effectively signal their preferences - whether. what and when to buy - by revealing them in buying behaviour rather than by confronting a shopping list which the planners have based on hypotheses about demand. 'Menu construction - deciding what will be produced - requires a two-way information flow in which consumers (including intermediate producers) play an active not reactive role. This M.C.Eschal 1966. Metamorphosis Ills

sash Det'emher 1988 11

VYou whites

have

dominated us

blacks

politically for

three

centuries

you exercised

this power to

ensure that

you were first

at the starting

line

presupposes market instruments and scope for

bargaining on the shop and factory floors.

Similarly, a major economic role for the

state appears to be an essential precondition for

capitalism with a human face, This emerged

during the 30 years after 1945 in which the late

capitalist countries experienced the most rapid

burst of economic growth in their history. The

visible hand of the state (to invert Adam

Smith's metaphor for the market) manifested

itself in measures of planned co-ordination and

steering, price and wage interventions. and

income redistribution. Notwithstanding the

resurgence of laissez-faire rhetoric this past

decade, there is little evidence of regression to

the 19th century model of competitive

capitalism.

A second area of compromise and recon-

ciliation must be that of incentives. What

motives, in addition to self-advancement. can

realistically be expected to spur action in the

economic sphere? And under what conditions

are private and social interests perceived by

individuals to compete with as well as comple-

ment each other? Wishful thinking about

altruism and the community-identification of

ordinary people can be painful and disillusion-

ing to those who subscribe to socialist goals.

Tanzania since the late sixties and Hungary

under the New Economic Mechanism. to Cite

intentionally disparate examples. are national

experiences that have demonstrated the com-

plexity of devising incentive structures which

reconcile the goal of productive efficiency with

that of equity in distributing its fruits.

We need to talk less about systems and to

talk more about mechanisms. Yet we have also

to beware of the supermarket fallacy. System

construction does not resemble pushing a trol-

ley past the shelves of system components -

economic instruments, policies. value systems.

institutions - in order to put together that

composite hybrid which we rank most highly

by a set of criteria like those already discussed.

The acid test has always to be posed in the light

of empirical precedent and current circumstan-

ces: But will it fly?

A South African Perspective

How do we draw together this discussion into a

form that will throw light on the Choice of a

best system for South Africa? Suppose your-

self to be a defender of the existing order if

liberalised in some degree. You meet a black

political activist here or. more likely. abroad.

You agree together on the necessity for

economic reform in the post-apartheid period.

In response to your arguments extolling the vir-

tues of a market system (allocative efficiency, growth. dispersion of economic power), he says:

You whites have dominated us blacks politically for three centuries. In all that time you exercised this power to ensure that you were first at the starting line. You accumulated capital: you acquired education and skills; you took title to exploitable land and natural resources: you constructed a legal and administrative framework for these processes; and the government you elected guided the market in ways declared to be in the national interest.

He continues.

Where does this put us today? In the economic sphere, along with more political democracy. you advocate the freeing up of market institutions and the greatest feasible scope for individual advancement. I translate that into the slogan: 'Equal starts for all'. That is we blacks shed our handicaps and everyone is at the starting line together. What is going to happen? Here your predictions and mine diverge fundamentally. History will have left us with an economy oriented towards satisfying your consumption demands. while the educational system will still favour those who already have the major share of skills and material goods. Similarly with the infrastructure. the spatial location of productive activity. and the legal and regulatory apparatus: of contract, right to strike. factory acts. industrial health, taxation and subsidies. These. along with social welfare policies operating outside the market as safety nets. were instituted in response to the needs of pressure groups

12 sash Dct'ember 1988

What we need
is directive
intervention
in the
economy by a
democratic
State'

M C Ember 1955 Liberation

now forming part of the elite.

You say: treat all these features inherited
from our economic past as by-gones. as
given. and let the free market run. This way
you will generate positive incentives, high
rates of saving. entrepreneurial activity, in-
novation and growth. because the most
potent solvent of bottlenecks and vested in-
terests is the pursuit of self-interest by free
individuals.

lsay: this will entreneh the existing disv
position of economic poweiz The growth
process will be neither impartial nor equi-
table: to that extent it is ol'dubious value be-
cause it will be disrupted by frustration and
unrest. My people can be forgiven for
seeing this as a ploy by the capitalist elite
and the labour aristocracy for holding on to
what they got through skewing the system
their way in the past.

The philosophy of lt/i.x'se:_/klirv and equal
life ehanees will condemn the bulk 01' South
Africans. now and in the coming genera-
tions. to poverty and deprivation at unaccep-
table levels. What trickles down will barely
suffice to employ the increase in the work-
ing age population. let alone the vast num-
bers now permanently without proper jobs.

And the rich will grow ever richert

What we need is directive intervention in
the economy by a democratic state. A
restructuring of property rights or endow-
ments, as you term them. is inevitable.

Those self-regulating mechanisms of the
market that are compatible with our
redistributive objectives will be retained.

Thus we shall use the price system. but as
an instrument. a servant of our political and
social endeavours, not as our sovereign.

This statement will ring with greater or lesser
authenticity to different readers. But it can hard-
ly be denied that the obscene disproportions in
the wealth and income shares of our society
generate much hostility amongst black leaders
and intellectuals not to the regime alone but
also to the system.

This implies a sobering consideration for
reflective South Africans. There is a substantial
segment of our population for whom even
authoritarian socialism promises to confer large
and tangible benefits within their own lifetimes.
To them it appears to mean. at worst. the same
degree of regimentation and interference with
personal freedom that exists now. Set against
that cost is the promise of significant gains in
material living standards. since such a regime
would directly address basic needs: shelter
nutrition. health. education.

Why might these be forthcoming? Because.
whatever its faults. that is a fundamental objec-
tive of such a system, and it would consolidate
political support. Why could they attempt to do

so? Because the accumulation process has provided sizeable means. There is a large infrastructure, plant and buildings, a labour force with industrial skills and work discipline, sophisticated educational system, administrative framework and so on.

One has to tread here with great care. But it will surely be conceded that the negative consequences of a system of centralised power with socialist aims, initially will be remote for many in the population. Is there another way of satisfying their needs and aspirations? If you doubt that capitalism will deliver the goods within an acceptable time horizon and still remain extant, then the real challenge to be faced is clear. This is what the choice of a socio-economic system for the future South Africa is all about. D

Condensed version of E(wmmmit'x Learning Remurre NO. 11, University of Cape Town 1987; the assistance of Candy Malherbe and Sarah-Anne Raynham is gratefully acknowledged.

Further Reading

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'Rehgmm'people gung IO Hmvvn'
IApclngics m B.Khban)
sash December 1988 13
the true believerst prayer
(to be chanted in the Anglican Or Gregorian mode)
Matins: Congregation of the Articulate Faithful
Our Hegemonic Power Bloc
Who art in conjuncture
Hallowed be Thy contradictions.
Thy Social Formation come,
Thy Mode of Production be done
In Praxis as it already is in Theory.
Give us this day our daily base
And forgive us our superstructure
As we never forgive those who deviate against us.
Lead us not into petty bourgeois utopianism,
But deliver us from false consciousness,
For Thou art the thesis, antithesis and synthesis,
Until Classlessness.
Amen.

Vespers: Congregation of the Chicago Evangelicals
Our Money Supply
Who art in circulation
Hallowed be Thy equilibrium.
Thy deregulation come,
Thy floating exchange rate be done on earth
As it is in the Stock Exchange.
Give us this day our daily margin
And forgive us our overdraft
As we forgive taxpayers who bail out bankrupt corporations.
Lead us not into price control
But deliver us from minimum wages,
For Thou art the market, the brokerage and the dividend,
For ever and ever - at interest.
Amen.

Keith Gottschalk is a political science lecturer at the University Of the Western Cape

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3

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could not hc run on gt'cml ulunc:

they hutl to have a moral dimension

its wcll.

(lunscqucnlly. there were two

uspccts (n wciulism which were also

rcquircd. The first was a social

conscicncc uhout the community and

llIC xccuntl. which was very relevant

to South Al'ricu. wits participation in

the economic and political process.

Sunter said the 'purudigm of mass

ranks of capitalism vs muss ranks of

lubout" was becoming less and less

I'ClCVLml. particularly in developed

countrix.

Modern technology. noted

Stntcr. lwus changing the game con-

xitlcrtibly' by dispersing people into

smaller production units. In

countries such as Britain and the
llnitctl States. thix was resulting in a
murked tlccclinc in trade union mcm-
hcrship.

'So pcuplc ill'C looking for new
visions from capitalism and
mciulismf This could be seen in
linglztntl. where those on the left
xwrc now talking about democratic
nr progrcssch individualism
limes. author of" :lngln Amw'it'un
uml flirt Rin' (g/WIUt/vrn South Afrit'u
:md lltc co-uutltor of vamv/ Apart-
/l('/'tl. said he would crudely identify
South Alricztis most pressing needs
Rlx being to establish an economic
and social 5) stcm which would en-
xurc lmth long term economic growth
and 21 major rulistributitm of that
wculllt.

'l'hc capitalist system had served
well in providing the first of these
goals. but had done precious little.
in tcrms ol' redistributing wealth.

sash Ihtt'nlbt'f IQNN 15

the demise of extremism

zenaide vendeiro

Capitalists argued that the failure to redistribute wealth was the fault of apartheid and not capitalism. but apartheid was a relatively recent phenomenon in South Africa's long history, he said.

We had racial exploitation and racial discrimination long before we had apartheid. Not only did the capitalists benefit from that exploitation and discrimination, but they helped to create it

Innes said the capitalist theory was that wealth would gradually trickle down to the rest of the population but this process, if indeed it did occur, would take many decades. In South Africa today, with mass poverty and mass unemployment, we do not have decades or centuries with which to play?

Socialism, he said, did not rely on a haphazard process - a profit-driven market - to redistribute wealth. Socialism was the conscious direction of human and material resources to build up an economy which would generate the wealth to overcome social ills.

This did not mean, qualified Innes, that there was no place for a market under a socialist system. However, no socialist society could tolerate a completely free market because it was that kind of market which allowed inequality and blatant excess.

Markets can only respond to demand, but in the rural backwaters of South Africa and among the ranks of the urban unemployed, there is no money to create any demand. Consequently the market cannot, by definition, provide for the needs of these people

Innes said he believed that a socialist system could generate sufficient wealth and economic growth to meet the needs of the people.

If the people were given a stake in the country, through nationalisation of key resources and worker participation in the running of establishments, and they saw that the wealth they were creating was going into improving their living conditions and uplifting them then they would work to make this country great?

Both speakers stressed the importance of education in the process of the redistribution of wealth.

Said Innes: 'One of the first tasks in a socialist South Africa must be to undertake a massive investment programme in education so that productivity increases and the

peoples capacity to generate wealth
is dramatically expanded
Sunter said education. for which
the government was responsible.
would ensure greater participation in
the economic system. The most
successful countries have very good
education systems
He added: tlf you give everybody
in this country a decent education.
they will express their individual
worth, contribute to society and in so
doing will be able to make whatever
wage the market will allow them. If
there are injustices. then. through the
power of a trade union. you can
negotiate with
wages.'

lnnes rejected Sunteris assertion
that money would tcaseade' down to
the people through a strongY trade
union movement and said that last
year. when the National Union of
Mineworkers tried to win wage in-
creases. its members were dismissed.
DurinEy questioning. the speakers
expanded on their visions for a fu-
ture South Africa.

Sunter opted for a plural
democracy in which those in govern-
ment were accountable to the elec-
torate a strong trade union
movement. participatory manage-
ment. the correction of past injus-
tices and giving people a stake in the
country through wider share owner-
ship. He said state-owned
enterprises had a poor record and
had not delivered the economic
goods.

lnnes saw a transition period in
which there would be a mixed
economy. state control of key in-
dustries and strategic resources and
worker participation in the running
of factories and the state.

Hopefully. South Africa could
then move to some form of
soeialisnf in which the government
was made accountable through a
system of recall and where it was
desirable to have a number of politi-
cal parties and independent trade
unions.

Both speakers said they hoped
there would be a wide debate about
the future of South Africa.

(T110 Star. 25 0t'I0/n'r I988)
employers over

Liberty leading the people'

Eugene Delacroix

sash Det't'nlhet' 1988 17

two

hundred

years on...

Our visual counterpoint to de Tocqueville's insights was

prompted by correspondences noted by economist Charles

Simkins. In 1982 he wrote: One of the classic works from which

a theory of the relation between economic structural factors and

political forces might be distilled is Alexis de Tocqueville's

L'ancien regime. Dealing, as it does, with social and economic

conditions in pre-revolutionary France, it would be of particular

relevance if one believed that South Africa is now either in a pre-

revolutionary situation or in a situation where substantial constitu-

tional change will have to be negotiated with forces "from below".

Initially I thought the book might produce a useful general orienta-

tion, but on reading it I was astonished to find passage after passage

could be applied either directly or with very little amendment to

contemporary conditions in South Africa. Illustrated here are

several of the passages which Simkins found relevant. The accom-

panying commentary closely follows Simkins's words.

The consequences of economic growth

Merging life-styles, separate privileges

At the end of the eighteenth Century it was no doubt still possible to perceive a

difference between the manners of the nobility and those of the middle Class;

for there is nothing which betokens the same more slowly than that surface of

behaviour with which we ('(JH lmatmerx'. But fundamentally all men ('ft'ank above

the common people were alike; they had the same ideas, the same habits,

they followed the same tastes, they indulged in the same pleasures, they read

the same books, they spoke the same language. They only differed in their

rights.

There can be no doubt about common tastes in South Africa - for Gough Cooper

houses, Bradlow's furniture and Mazda 323s - among men of rank above the

common people. There is emerging among these strata a common South

African culture affected by an increasingly self-confident business culture. What

prevents this from issuing in a common set of political opinions is differences in

rights.

at Dr Charles Simkins is Associate Professor in the School of Economics. L'riivethity of C
ape Town.

The extracts are from his chapter titled 'Economic Factors and Constitutional Change' in W
HB Dean

& Dirk van Zyl's 'Constitutional Change in South Africa - The Next Five Years' (Cape Town
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18 sash Deremln't' 1988

Background factors

Administrative usurpation of judicial functions

We hare, it ix true, driven_/'ttxtirelft'ant the arlmt'nistt'aw
tire .Vpherv tutu whirl) it ltazl been allowed unduly t0
('ttt't'uarlt under the Attltl nl'tler' ; but at the .VLIIH'
time.,gm'vrtmtent (mtx'tatztly ('nt'mat'lml an the proper
sphere (gl'jtm'ttre. aml we have allowed it w ta (vm-
ti/me. ax (/l/lu' ("ntt/ttxinn al'lnm'mxx wax not as
(langemux (m tlttlv .vizle ax (m the (tiller and even worse.
fur the intetj/k'rt'ttt'e aHttxt/t'e itt (ulmlttt'xtratimt ix only
hannful ta lll(' mmlm't a/latlairx. whilst the interven-
llU/l afgarerttmenl I'll I/I(' where (t/Ijtm'llttt' depraves
human lm'ttgx aml temlx to make them at (Hlt't' revalu-
tiuuat'y aml .x'et'vile.

'lth final point that dc Tncqueville makes about the
production of a mentalin 'ut once revolutionary and
scrvilleh is the important one: it' absence of democracy and
dccentrulimtion deny opportunities for ordinary people to
participate in continuous evolutionary change then this
mentality removes the desire of people for such participa-
non.

Sham democracy

Almost all the princes who have destroyed liberty have
tried at first to preserve t'tsforms; that has been the
raxefram Augmtus right down to our own days; they
flattered themselvex that they would thus unite to the
moralfaree. always treated by popular consent, the ad-
rantagex whieh absolute power ('an alone bestow. Al-
most all harefalled in this attempt and have very soon
(lisc-m'erecl that it was impossible to give long life to
these lying appearances. when the reality no longer ex-
lSlHl.

Sham democratic institutions have pervaded the South
African political scene over the last twenty years, elements
having been present for much longer. The result has been,
as predicted in the passage above. popular withdrawal from
participation to a greater or lesser extent. Such popular
alienation renders a whole set of institutions unviable
either as political agencies for resolution of conflicts aris-
mg from economic structural Change or as development
agencies.

Responses of the political system

Talk of reform

Louis XVI during the whole course of his reign did nothing but speak reforms to be carried out. There were few institutions (of which he did not make the approaching ruin foreseen before the Revolution came in fact to ruin them all. After removing it from the code of laws some of the worst he presently replaced them: it looked as though he only wished to loosen the reins and leave to others the task of fulfilling them. Stalled and confused reform is familiar to us as well. One effect of such confusion is a set of unrealistic attempts to change social practices deeply rooted in custom; this in turn provokes resistance and immobility as de Tocqueville saw:

Legislation, so contrary to all that had preceded, which changed so completely not merely the order of things but the relative position of individuals, had to be applied everywhere at once and everywhere almost in the same manner without any regard to the previous

usage (let us take the particular position of the prince; so completely he had the unfavourable spirit of the Revolution already possessed the old government, which the Revolution was to destroy.

Simkins draws attention to the fact that a major concern of de Tocqueville was to account for particular features of the constitutions of early nineteenth century France. The roots of these features he traced not just to the Revolution but to the pre-revolutionary era. By analogy we can expect that the shape of our post-apartheid institutions is being determined even now. The importance which progressive organisations attach to the creation of democratic structures, some (non-government sponsored) discussions around the concept of a Bill of Rights, and the recent elaboration of the Freedom Charter reflect a broad awareness of the truth of this argument. D

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SASH: How would you define poverty?

FW: I think what emerged from the Carnegie Inquiry, which involved at least 450 people from all over southern Africa, was that poverty could not be reduced to a single number any more than illness to a temperature. A number gives you some information but doesn't really help you to diagnose what is wrong. If you know, as we know in South Africa today, that two-thirds of families are living below the minimum level, it's a very serious fact but it doesn't help you in terms of strategies. However, if you know that two-thirds of families don't have access to electricity and yet it is one of the cheapest forms of energy and South Africa carries excess capacity because we're putting some of our power stations into mothballs, that tells you some very serious things about strategies and the whole political economy in the country.

So the first part of the book and one of the major thrusts of the Inquiry itself with the 300 papers that came from the highways and byways of South Africa was to tell in real detail what poverty meant to people. Could you describe the extent of poverty in southern Africa?

One can divide the economy into four parts.

First there are the major metropolitan areas, then there are the reserves and we hear a great deal about both of those. Then there is also the platteland which is that 80 per cent of South Africa about which few people do much thinking. Yet it is the area where one-fifth of black South Africans live under very acute poverty.

The fourth area is those countries around the edge which are in international terms, different countries but very tied to South Africa. Lesotho and Mozambique are key examples.

If we look at the metropolitan areas, where there is much more money around, perhaps the major manifestation of poverty is overcrowding and appalling housing. When you go to the reserves you uprooting poverty

Uprooting Poverty: The South African Challenge, is co-authored by Francis Wilson and Mamphela Ramphele. Due for release in January, it is the main report of the Second Carnegie Inquiry into Poverty and Development in Southern Africa, which first came to public attention during a conference in 1984. The book draws together all the basic information about poverty that came out of the Inquiry and devotes several chapters to causes of poverty and strategies against it.

In the absence of Dr Ramphele (who is on sabbatical

leave), SASH interviewed Professor Wilson, director of the Southern African Labour Development Research Unit (Saldru) at the University of Cape Town, who outlined some of the issues raised in the book.

The phnmymph (m the right, taken by Guy Tillim in mesmuds this year. appears on the (over of the hook. find a lack of basic needs such as clean drinking water or fuel although. paradoxically. shelter is quite good.

One surprising aspect of the reserves is the extent of inequality between rich and poor not because the rich are particularly rich but because the poor are so desperately poor and have no cattle. land. pensions. or money coming it. from anywhere.

Another aspect of the reserves is the sheer population density. If you look at the rural platteland. the average density is about six people per square km. In rural reserves it is about 57 which is ten times as many. And that varies widely. The Free State has 11 people per square km. Ciskei. which is certainly no better agriculturally. has 82 people per square km. The population of Qwa-Qwa. which was about 6 000 in

1916, and 23 000 in 1970. stood at between 300 000 and 500 000 in 1985!

Those people are not there because of population growth but because of the whole process of conquest - the Land Act of 1913 and the Bantustan policy which has forced people off farms and out of the cities through resettlement and the anti-urbanisation policy of this government.

What emerged from the Carnegie Inquiry is the appalling poverty in the platteland. Don't forget about the platteland. People thrown off farms are really trapped in small towns with no jobs and very little income particularly if they're African.

In places like Lesotho and Mozambique there is the fear of being cut off from an industrial economy which, through migrant labour, people have helped to build. And, of course, unemployment pervades all these areas. One of the most haunting things of the inquiry was the verbatim accounts of men and women talking about what it meant to be unemployed. It is not so much the hunger, although that is very real. but the sense of uselessness that really bites people. How have you described the history and origins of poverty in the region?

We've tried to tackle the question of causes in three ways starting with the kind of things economists worry about - inflation, recession. the slowing down of the economy, lack of economic growth. population growth - the macro-economic forces.

The second set of causes we need to understand is how apartheid has influenced poverty. Looking at aspects of state policy since 1948 we find the anti-urbanisation policy. resettlement. Bantu education. the smashing of organisations and destabilisation have clearly had a devastating effect on the very poor of this society.

The third aspect is to go pre-1948 to deal with 300 years of colonial history since 1652. We say you need to understand that conquest was a fact and remains with us in the form of the Land Act. that slavery was a fact and remained with us for centuries in the form of the pass laws whose consequences are still with us because that's what made the migrant-labour system possible.

We've tried to trace those parts of our history which are impinging on the present. Clearly the distribu-

tion of land has got everything to do with who is rich and who is poor which is not quite the same thing as saying that a redistribution would put everything right. The migrant-labour system effectively impoverished the rural areas over the century which, again, is not to say that to end the migrant-labour system would make the rural areas rich. It won't. The Group Areas Act we describe as a piece of scaffolding

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which was put into place in order to help build the apartheid edifice. to keep the centre of the city white and blacks on the edges. Once that is in place for 30 or 40 years. you have set a particular pattern to your city. So much of what happened in South African history has to do with scaffolding of this kind. You take away the scaffolding but the building remains intact. That is the problem we are going to face in the new South Africa.

Have the poor benefited at all from the process of technological development in South Africa? Technological development. with its capacity to produce goods at lower costs. has resulted in the diffusion of material goods. such as clothing. throughout the society and this has also reached poor people. although the very poor rarely have access to the benefits deriving from technological progress. It is. however. important to note that during the 1970s, real wages rose for a substantial portion of black South Africans and there was a shift in the distribution of income from whites to blacks. The one employment category for which we have statistics in which the opposite trend has occurred is domestic service. Real wages of domestic workers fell by 16 per cent during the same period.

What about South Africa in the context of sub-Saharan Africa? Is there any point in such comparisons?

One of the things we've tried to do in this book is to situate South Africa as part of sub-Saharan Africa. In the first instance South Africans wealth has got everything to do with labour that came in from Mozambique or Lesotho; Malawi. Botswana. Zambia, or Tanzania. Also, South Africa has been industrialising since 1867 and a large proportion of our population lives in urban areas compared to most of the rest of Africa which is still rural, although places like Zambia are urbanising very fast.

The per capita income in South Africa on average is very much higher than the rest of sub-Saharan Africa until you start looking at African income inside South Africa particularly in the reserves. If you look at other indicators like infant mortality you find huge variations between black and white and within the black part of South Africa. But when you look at places like Transkei. infant mortality is considerably worse than. for example. Zimbabwe.

There's a tremendous amount we have to learn from the history of the last 15 to 20 years in Africa both from what has been achieved and from the mistakes that have been made. We've tried to point to some of those issues towards the end of the book.

Has a stronger union movement altered the situation in any way? We argue that the unions are fundamental to any strategies for change and for dealing with poverty in our society.

The best way to explain this is to sketch very briefly how one needs to look at strategies. First of all, fundamental political change has to happen if you're serious about tackling poverty in South Africa.

But we focus on two other issues which we also think are important. One is what can be done under present political conditions that will make a difference to the lives of the poor, keeping long-term objectives in mind.

Secondly, if it were possible to wave a magic wand and move to a non-racial democratic South Africa, what economic policies would be able to deal with poverty given a history that one can't change? Land reform, nationalisation and all those issues need to be thought through now. There needs to be an interaction between the short-run strategies within non-governmental organisations and long-run strategies looking at what a non-racial, democratic government would be doing to counter poverty.

It is in this context that we talk about the unions and say that the rise of the unions in the 70s and 80s has without doubt brought about a major shift in the balance of power inside South Africa.

Where does that leave the unemployed?

That's an question.

One of the questions the unions have to focus on is whether their activities are exacerbating the situation of the unemployed. Our assessment at this stage is no. The unions are working to break down barriers rather than build them.

The danger of the unions becoming a kind of elitist group is always there, as it is with any power group in a society, but this particular power structure is fundamentally necessary to the process of political change without which nothing is going to happen as far as the poor are concerned in this country.

extremely important

What about immediate action?

In the immediate term the heart of the strategy to overcome poverty lies in establishing and building non-governmental organisations such as trade unions, co-operatives, and rural and urban projects of various kinds. These are the kinds of organisations that can make a difference to peoples lives and build a base for transforming our society.

Non-governmental organisations are not peripheral to the struggle, they are essential to it and they must be thought through as part of the long-term process.

One of the top priorities for any organisation must be finding ways of enabling people to find more jobs because unemployment is right at the heart of our problem - particularly for women.

It might be interesting for an organisation like the Black Sash to look very carefully at the experience of Latin America and Asia regarding the role of different types of credit organisations in providing credit to very poor women in a way that doesnt burden them with debt but enables them to release their own energies to create jobs and income for themselves. El

why cosatu

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has supported sanctions

How has it come about that many trade unionists support sanctions and disinvestment, strategies which could weaken the economy, worsen unemployment and, in so doing, undermine the unions' powerbase? Alec Erwin, Education Secretary of the National Union of Metalworkers of South Africa

In this brief article it is not possible to deal with all the issues that have been discussed within the unions. What will be attempted is to outline the broad strategic role that the COSATU (Congress of South African Trade Unions) group of unions see sanctions as potentially fulfilling and the main reasons why COSATU adopted a resolution supporting sanctions at its 1987 Congress.

Economic pressures and policy

The increasing support for disinvestment and then sanctions over the last decade or so has largely coincided with the re-emergence of a non-racial and independent union movement.

Another factor that has coincided with the growth of the unions is the persistent increase in unemployment.

A situation has therefore existed where unions - clearly dependent on employed workers - have had to formulate policies in response to rising unemployment and, simultaneously, increasing advocacy for disinvestment and sanctions which threaten further unemployment. This is clearly a situation with an inherent degree of tension.

For most of the opponents of disinvestment and sanctions these circumstances have provided powerful propaganda material. They have argued that in these circumstances only radical agitators acting on political instructions could encourage unions to call for disinvestment or sanctions. While the general public environment has on the face of it been very unfavourable to union support for sanctions it is important to understand the development of the sanctions debate. The present policy position adopted by COSATU has developed over a number of years in response to a worsening political and economic situation.

Disinvestment

Following the limited success of Codes of Conduct such as the EEC Code and the Sullivan Codes there emerged increasing discussion on disinvestment. This became much more intense when legislation to stop new investment in South Africa was implemented by Sweden. (In fact, very little new foreign capital has come into the country since 1976.) Nevertheless, looking at the size of foreign investment in South Africa

and the wealth of its natural resources. unionists remained somewhat sceptical about the likelihood of actual significant disinvestment. Overseas lobbying for disinvestment increased its pressure. Alongside this, but largely unrelated to it, the rate of retrenchments in South Africa increased rapidly from 1982. As a result, for union leadership and increasingly for rank and file membership, the questions being addressed related to the overall economic crisis. Unemployment that might result from disinvestment was only a component of this and a relatively small component. On the ground, hostility to the

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performance of the economy increasingly developed into a critique of the South African political economy. Although no concrete programme emerged there was no doubt that socialism was firmly on the agenda and there has been a growing belief in the need for worker control of production.

This generalised attitude has intruded into disinvestment policy. It seemed unacceptable that foreign multi-national corporations (MNCs), having benefitted from the labour of South African workers for so long, should simply withdraw with their productive assets. This was a waste of social resources and might impede reconstruction.

This position essentially sees disinvestment as a form of political pressure that would not denude the economy of productive assets. It made sense to many unionists who are sceptical that all foreign capital would withdraw from an economy as potentially wealthy as South Africa. To a wider public, the position always seemed a little contradictory and to contain a component of self-interest on the employment front. There is no doubt that the unions have always moved carefully on the question of employment.

Faced by a barrage of anti-disinvestment propaganda the unions embarked on their own awareness campaign. Meetings, discussions and many seminars were held. An important component of this was more careful studies of foreign investment as a whole. These studies very largely confirmed the views that unionists had gained in their negotiating experience.

- Firstly, the workers view that it was their labour that had been largely responsible for developing the productive assets of the foreign MNCs was confirmed.

- ' Secondly, it became clear that significant disinvestment was being carried out by South African MNCs. The outflow of capital had been increasing rapidly for some years whilst investment in job creation was virtually static.

- Thirdly, the state, through its heavy foreign borrowing, stood to be most hurt by disinvestment moves as these were likely to include lending to the South African state.

- Fourthly, it was clear that unemployment was a structural problem and had been rising for some time. Disinvestment had not been a cause of this nor, on its own, is disinvestment likely to be decisive in the future.

There was a sharp divergence between what was actually happening and what

the pro-investment lobby claimed: It was, in fact, the state that feared disinvestment both in its effect on borrowing (this being before the debt moratorium) and for its political effect. Once this divergence was brought to light, shop steward leadership was quick to see through the expediency of the pro-investment lobby. This was important in dealing with rank and file questions. Similarly, in Natal Inkathals propaganda campaign had limited success. An important reason for this was conditions at many growth points where most new investment was being placed. The poor conditions served to discredit the claims made for foreign investment.

Sanctions and the
disinvestment debacle

Two new developments rapidly inserted themselves onto COSATU's policy agenda in 1986. These were the real possibility of certain sanctions being imposed and the discovery that disinvestments could be everything but disinvestment.

The escalation of foreign pressure followed the intensification of the crisis in South Africa after the November 1984 stayaways, which also had a major impact on union membership and leadership. Economic conditions had continued to worsen. On all fronts the unions became directly involved in the struggle against a repressive regime. The Living Wage Campaign, launched in 1987, was an example of this.

It was widely believed that the Botha government was an obstacle to any significant political and economic reform. Unemployment, violence and repression would continue for as long as this government remained in power. The strategy had changed from one of pressuring the government to one of ensuring its removal as a matter of priority. Its removal would require many forms of pressure and sanctions were seen as an important component of that pressure. A perception grew that sanctions, rather than causing unemployment, were a step in eliminating unemployment in the long term since they would contribute to removing the Botha government.

Exposure of the way in which disinvestment was being carried out had the general effect of hardening views. Exactly what disinvestment might mean in practice had not been given detailed attention by the unions. Now they were faced with a situation where foreign assets were clearly being held in a warehouse, where local companies were benefitting and where unions were not being consulted about this transfer of owner-

ship. Disinvestment withdrawals were becoming a slightly more complex variant of the endless retrenchment battles unions had to fight. Disinvestment calls may have continued to exert political pressure but as views hardened people were prepared to turn to harsher and more effective pressure in the form of sanctions.

Evaluating sanctions

If sanctions were going to be implemented then there was a very real threat of job losses. This had to be carefully evaluated and discussed amongst our membership. Once again as part of this process COSATU commissioned a number of studies, which are now nearing completion.

From the initial findings of these studies we have begun to draw a number of conclusions.

- Firstly. it seems clear that the unemployment effects of sanctions that were being bandied about as propaganda were exaggerated.

- Secondly, there needs to be a careful evaluation of piecemeal or selective sanctions. Sanctions on a narrow front would not affect monopoly capital and would not place any serious pressure on state economic policy. Given the internal political processes in Western countries and the economic interests at play it is likely that certain commodities would be targeted first. In identifying the most likely targets it is clear that they would have distinctly regional employment effects. Such selective sanctions and their effects need careful consideration. In the resolution at the second COSATU congress other areas of selective sanctions were identified as pressure points that could be effective in COSATUs view.

- Thirdly, the implementation of comprehensive and mandatory sanctions could not be easily circumvented and the much lauded incremental growth path or Rhodesian example would not apply in South Africa.

The COSATU congress resolution attempts to bring together these strands of thinking.

What are the likely effects of sanctions?

The reason for tracing policy development is to provide a basis for understanding the union approach to sanctions and what they are likely to achieve. Hopefully it also indicates that policy has resulted from an interplay of the experience of workers, growing foreign pressure and the process of dealing with massive anti-sanctions propaganda.

Because employment is at stake there has been an ongoing discussion and debate within COSATU and this is reflected in the committees that shape the policy resolutions. Over time certain basic agreements have been reached and then elaborated on as new pressures emerge.

The base line from which all positions start is that this regime is an obstacle to change and must go.

Achieving this requires a combination of pressures, and sanctions are one of those. Sanctions are unlikely to be decisive in themselves. Even if they threaten certain hardships, this is preferable to prolonging the life of this regime. If organised labour were to be opposed to sanctions this would weaken international pressure and provide the regime a great deal of political breathing space.

The political analysis made at national committee level is broadly as follows. At present the regime feels confident that Western governments are not likely to force it to go too far

and too fast on reform. These governments are acting to secure their long-term economic interests.

The regime also feels that it has capital firmly painted into a political corner. Capital may not be wholly supportive of the regime but it is unwilling to push it too far because it fears the consequences of rapid change. Without decisive pressure from influential and powerful forces, the government can rely on open repression to perpetuate itself. A weakened opposition will allow for the insertion of more politically compliant allies. Such a situation will allow present interests to dictate the pace and content of any reforms and to set the parameters of any negotiations.

Such a strategy can in COSATU's view only be defeated by a well organised united front capable of mass action. Sanctions if applied comprehensively will complement such a strategy since they will impact upon the imperial link between Western powers, capital and the present regime. Such sanctions will force capital in South Africa to act decisively against the regime. A successful implementation of sanctions would also reflect a change in the balance of forces in Western countries away from the conservatism and open protection of imperialist interests characterised by Reagan, Thatcher, and Kohl to a more liberal approach to democracy in the developing world.

Since sanctions are now also a

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component of the struggle between liberal and conservative forces in Western countries they are a political possibility. In attempting to achieve sanctions we are building links with more democratic forces in these countries and such allies are preferable in our future to those forces that are anti-sanctions. International pressure and solidarity in winning union recognition at a foreign MNC, and the imposition of sanctions in assisting the struggle for democracy, are far apart in the spectrum of issues at stake. However, they may not be that far apart in the quality of their strategic implications. The unions have understood this process and see sanctions as a complement to the strength of organisation and not a replacement for it. Sanctions open political space by destabilising a powerful and determined alliance of interests. A short struggle against this regime will be less costly than a long struggle and for that reason the

former will be preferable. A combination of strategies that shorten the struggle without sacrificing our cause is what must guide our actions. These are the reasons for suggesting sanctions. If our analysis is wrong then we will have to evaluate it and change if necessary. At present we can see no need to change our analysis. The anti-sanctions lobby is effectively propping up an undemocratic, repressive and violent regime. E1

This article is extracted from Sanctions Against Apartheid. edited for the Community Agency for Social Enquiry (CASE) by Mark Orkin. The book will appear in January 1989 and is published by David Philip. PO. Box 408, Claremont 7735. Telephone: (021) 64 4136. The book contains analyses of the moral, legal, political, economic and international implications of sanctions against apartheid.

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refining the debate
candy malherbe

Millions of South Africans yearn to replace the apartheid state with a just, unified, non-racial and democratic government. Friends in the Outside world promote a range of strategies to bring this transformation about. The strategy of economic sanctions has been fiercely defended and as fiercely denounced. Beyond the heat which has enveloped the sanctions debate, can we at last detect some light? Here we look at two recent attempts to Clarify the issues and refine the debate.

Some of us are overwhelmed by questions about sanctions and how they actually work. Others have strong opinions - too strong to budge. perhaps. Whichever the case. most will be curious and/or grateful to find out what leading analysts can tell us on the basis of hard thinking and careful research.

Sanctions and South Africa: The Dynamics of Economic Isolation is an Economist Intelligence Unit Special Report, prepared by Merle Lipton, which appeared in January 1988. Sanctions, a recent Leadership publication, gives space to plain-speaking pro and anti-sanctioneers along with contributors who hold their cards much closer to their chests.

The Lipton book is strong on the history of sanctions as a policy instrument. Its tone is dispassionate. It sets this country in the context of international trade and finance and looks at. e.g. The Changing Costs and Benefits of Doing Business with South Africa. It examines the impact of sanctions to date and asks, What Next? It carries the reader forward through a wealth of useful detail. until the final page is reached where the author spells out the view that sanctions are producing almost wholly negative results.

Lipton argues thus: There seems to be a threshold beyond which the initially often helpful effects of external pressures become counter-productive. While sanctions are unlikely to unseat the government. they are likely to impede reform (deracialisation) and strengthen government authoritarianism.

Among the counter-productive effects of sanctions is the fact that they have encouraged the internal opposition to overestimate its strength. while reinforcing verkrampte demands for a clampdown on the press (whose reporting on political repression and resistance is seen to stimulate international pressure). Sanctions, she thinks. have contributed to curbs on political activity. resulting in the destruction of limited but valuable political space. They have encouraged the government to retreat further into a siege mode while, increasingly. anti-apartheid

activists have been driven underground. Meanwhile the ranks of the disaffected are being swelled by the growing numbers of the unemployed. Thus, far from ensuring rapid and peaceful transition, sanctions can be seen to escalate revolutionary and counter-revolutionary violence. In short, sanctions reduce the chances of evolutionary change towards a post-apartheid South Africa.

The Leadership publication is differently organised in the sense that topics may be plainly featured or they may be buried in the texts; they may recur, that is, be dealt with by different authors from different viewpoints. or be sketchily addressed. But the result is powerful and readable, and an appealing human element is introduced by means of interviews and photographs. The editor acknowledges that stringent security measures prevent a full and open discussion' around the sanctions debate since those who call for sanctions risk heavy penalties. Readers will decide for themselves to what extent this accounts for the fact that, here too, sanctions emerge in sum as an unsatisfactory instrument. Having said that much, let us treat these publications as a resource for answers to important questions in the sanctions debate:

What are the attitudes of blacks in whose name sanctions are advocated?

Leadership's contributions include: tHead Counts in which Patrick Laurence analyses six major opinion surveys carried out since 1984; sA Lesser Evil: Kenneth Kaunda, president of Zambia and chairman of the frontline states, strongly supports sanctions; 'Queuing for Bread': Mangosuthu Buthelezi, chief minister of KwaZulu, firmly opposes them; Blowing Hot, Catching Cold: Riaan de Villiers explores the policy stance of largely black labour unions. Stephen Gelbis Out of Tune: which looks at changing attitudes and strategies, demonstrates the fact that readers must browse widely to glean what is relevant. Lipton's brief treatment of this question is titled Black Politics and Sanctions. Here, as elsewhere, she draws attention to the unintentional (tperverse) effects which force sanctions advocates to re-evaluate this strategy from time to time. In this context, Lipton refers to the policies

of the black businessmen of Nafcoc (National African Federated Chambers of Commerce), trade unions and political groups, especially the ANC. Much-quoted has been her assertion that frequently the public utterances of participants in this debate differ from their private, off-the-record assessments, because many people feel constrained from saying publicly what they think'.

How are sanctions meant to impact on politics? How have they affected the South African economy until now, and can we calculate their future impact?

These questions permeate the Lipton book. In Chapter 6 (Politics, Propaganda and the Aims of Isolation) she examines the claims of pro-sanctions authors, for example, that sanctions will reinforce black bargaining power: like other claims by special pleaders on both sides, this one is neither absurd nor self-evident. Discussion is complicated, she points out, not only by the extravagance of propagandists but also by the conflicting assessments of sober analysts. In two more chapters she looks at the economic and then the political impact, ending with the verdict already mentioned (see above).

Readers should consult a number of the articles in Leadership but the big gun is Ronald Bethlehem's High Stakes. His theme is that hope for South Africa's Third World population which is largely black, lies in continued economic growth and this depends on capital accumulation, i.e. precisely what is threatened by the sanctioners. A host of other questions may bewilder readers who still need to be convinced that substantial investment will empower blacks, encourage redistributive trends, and so forth. Read also here: The Art of Empowerment by John Kane-Berman; Hackles Rising by Robert Schrire; Raymond Parsons, A Rising Tide - articles which also help in answering the next question. Could business, do more to influence government policy, promote reform, and stem the sanctions tide?

Lipton briefly explores The Attitudes and Power of Business, concluding that capitalists have less influence than is assumed. Referring to the disinvestment side of sanctions, she alludes to the fact that loss of confidence has prompted sizable investment outflows. In B. Erwin, p.241. In an interesting aside she cites a business leader's view that the tendency of nervous investors to avoid the risks which entrepreneurship

and job creating activities generally involve means that internal disinvestment poses a greater danger at present 1986 than external disinvestment.

In Leadership, the Parsons, Schrire and Kane-Berman articles apply. See also 'Seizing the Moment', an interview with Gavin Relly, chairman of the Anglo American Corporation - although what enlightened business needs and wants comes out more clearly than any advice as to what this sector can and ought to do. In 'Pack up your Troubles' Duncan Innes provides an interesting evaluation of the way in which the disinvestors have actually behaved. Although the local white business sector has undoubtedly been the major beneficiary of disinvestment so far, it could turn out to be something of a pyrrhic victory over the longer term, he says. Drifting down to Zero by Sheryl Raine details the winding down of corporate social responsibility programmes since sanctions and disinvestment began to bite.

Is there a gap between the theory and practice of sanctions in effecting change? Whatever the answer to this and other pertinent questions may be, have sanctions a momentum of their own? Some answers may be found in Lipton and Leadership. Lipton names additional sources for readers with the stomach for more. E1

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The Sanctions

Debate

and the Black Sash
Ordinary South Africans
cannot travel overseas without
being questioned about their
views on sanctions and
disinvestment. For Sheena
Duncan, who is a
Vice-president of the South
African Council of Churches
and widely identified as a
former National President of
the Black Sash, it has been
imperative to present a
reasoned and consistent
response. Abbreviated (and
sometimes inaccurate)
accounts of her views have
caused some debate at home
and so we publish them here.
She makes the following
points:

1. The South African Council of Churches has called for comprehensive sanctions.
2. The Black Sash has not made any statement on sanctions because

we have no common mind on the issue which is an indication of how difficult the subject is.

3. I personally would support the call for comprehensive mandatory sanctions if I thought they were politically possible in the foreseeable future. If South Africa were to be totally isolated by every country in the world simultaneously, apartheid would probably not last a fortnight but I do not think that this is possible. I am not thinking of the West here. We have all kinds of trading partners outside the Commonwealth, the European Community, and the United States.

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4. Because I do not think comprehensive mandatory sanctions are unconditionally possible I have urged people to think strategically about the sanctions they can apply. I believe they must be carefully chosen to have the maximum and most rapid impact on the South African government in the first place and on the white electorate in the second place. After a sanction is imposed it must be carefully monitored to see if it is achieving the desired effect.

5. I believe the disinvestment campaign has not achieved any significant political effect and I have used the 'Oca 'Ola example to point out that the really effective sanction would have been if (loke was withdrawn from the South African market. I have said that the withdrawal of the company had no more than a one night news effect and I think it a pity if people expend resources of energy on such campaigns when there is so much else they could focus on.

6. Financial sanctions seem to produce the most rapid and long term results. When the banks refused to roll over the South African loans in WXS it was only a matter of ten days before the State President announced that the pass laws would be repealed and that citizenship would be restricted to those from whom it had been taken. The first has been done and the second has been partially done. and the process is still ongoing. I believe that the South African withdrawal from Angola and our apparent sincerity in letting the Namibian 4,15 process go ahead is caused by our severe balance of payments problem. In other words. the transfer of foreign money to South Africa should be a major loss.

7. I think the sports boycott has been one hundred percent successful in that it has changed white attitudes in a way which makes thousands of white South Africans more receptive to political change and that it is now beginning to have political effects in the travels of Ian (I) and others. However I have doubts about the cultural and academic boycotts because they tend to lead to a narrowing of our thoughts which could open our minds while they allow in the doors of 'lower civilisation', such as Frank Sinatra and all coming to South Africa.

8. I have been against the coal embargo because of the Mozambique mine workers who are the first to be laid off when the old labour intensive mines are closed and who, because

they are foreign migrants. have no
(wonder no wonder WANI to me umm Vol/ (IPI/u/ (If)
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Arum'm (t) llnIIs(') IUXI.

right of residence in South Africa.
however long they have worked
here, so they are deported back into
that hopeless situation in Mozam-
bique and do not even have the very
limited unemployment Insurance
It's undeniably because they are
foreign migrants who are excluded
from the UIIJ Act.

However, after a good conversa-
tion with Iddic Iiundc. the AN(''
representative in Australia. I have
known the point that coal is one
of our major earners of foreign cur-
rency and that the Chinese go is consis-
tent with the attempt to reduce
foreign earnings. This is an example
of the dilemma in which we find
ourselves when we are convinced of
the necessity of sanctions as a non-
violent weapon for bringing change
but have to leave our responsibility for
those who will suffer stiller. in un-
derstandably and personally. because of our
calls.

In this regard, when someone
challenged me about a mythical
black mother whose 14-year-old
is in detention, asking if her
suffering could be made worse by
sanctions, I said it could be if her
14-year-old were to die of a mal-
nutrition-related disease because the
herdwinner had lost his job. Suffer-
ing cannot be quantified. It is ab-
solute in the loss of a child whether
through detention or through hunger
and only people who have not ex-
perienced it can talk about its degree.

9. I challenge the right of South
African businessmen to go around
the world opposing sanctions be-
cause they will cause black un-
employment. They were the ones
who caused our structural unemploy-
ment in the first place which had
reached a level of 25% before sanc-
tions were imposed. In the last cen-
tury mine-owners devised the
homelands policy when they created
the reserves in order to deprive black
people of their land and force them
to work on the mines by the imposi-
tion of taxes. If they are now so
concerned about black unemploy-
ment. why are they investing their
money in other countries all over the
world? I suggest that this is a
worthwhile locus wherever South
African businesses are establishing
themselves in other places. It should
be prevented. and this also implies
the necessary element of sacrifice for
the country refusing their investment
which ought to be a part of all
non-violent commitment.

1 0 However it is not true that all the opponents of sanctions are pro-apartheid. Some of those who most vehemently oppose sanctions have also opposed apartheid in a committed and sacrificial way for years and years.

1 1. I think the ban on landing rights for airways is excellent and I think the people's sanctions such as the boycotts of South African fruit are very good. They do not have

much financial effect because they are easily avoided by sanctions busting techniques but they are invaluable as vehicles for raising the level of awareness and information in the electorates of other countries.

12.1 am opposed to the withdrawal of diplomatic representation because those services are invaluable in getting sound information out of this country but such withdrawal could be of immense importance at the end when we have reached the point where a dramatic thrust could push the whole thing over. I am in favour of the kind of specifically targetted sanctions such as threats by Europe in response to the fund raising legislation earlier this year.

13 . As for the findings of different surveys of black opinion on sanctions, I use the Schlemmer and Orkin ones as examples. Professor Sash Dw'cmht'r 1988 29

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Schlemmer and Mark Orkin hold very different views on sanctions. Both of them conducted surveys of opinion in black urban communities countrywide. Both surveys came out with remarkably similar results, within a percentage or two. The results showed 24% entirely in favour of sanctions, 25% against and 51% in the middle in favour of sanctions provided they do not cause a loss of jobs. That just highlights how difficult the subject is. D

A CORRESPONDENCE ON SANCTIONS

The author of the following letter addressed to Mary Burton, National President. has asked to remain anonymous.

I have resigned regretfully from the Black Sash. An inactive supporter, I'll not be missed but I am reluctant to leave without giving reason.

For about six years I have been disenchanted by the lack of protest by Sash against sanctions and the disinvestment campaign. It will be said that Sash has no policy in this matter. In fact some years ago when Sheena Duncan was overseas, she gave tacit approval of the campaign. Not being an ivory tower academic nor up too close to black hardship like the clergy but, as the wife of an entrepreneur, close to the harsh realities of keeping a business viable, I cannot go along with Sash's attitude. To create and maintain job opportunities for unskilled black people in today's uncertain economic climate is a difficult task. I consider it criminal. Indeed, une Christian for prominent people to call for sanctions or merely to stand by and assist by omission in the

destruction of the South African economy. Once destroyed it will take decades to rekindle and will thus deprive (particularly black) people of employment and the power and dignity which that labour could give them.

Sash's stalwart stand against apartheid and all its attendant horrors is undeniable. But this wonderful work is rather like treating the symptoms and not the cause. The bottom line is a viable economy to absorb our unskilled labour; this is the real machinery to bring about change and upliftment. I had hoped that a strong statement to this effect might be made by Sash; none has been forthcoming and thus it seems that Sash agrees with the campaign. Please do not trouble to reply to this letter. As far as I am concerned, I had to try to make this point before resigning and do not wish to take it further.

Mary Burton's response:

Thank you for your letter of 1 August giving me your reasons for resigning from the Black Sash. I discussed it with other members of the National Executive and we think it is important to reply.

The questions which you raise are serious ones which have often been considered by the Black Sash. There are many complex issues we face, of which sanctions is only one, and we discuss them often. Sometimes we can reach agreement only on the fact that there are powerful arguments and strongly held views which are valid even when they conflict with one another.

There are those, like you, who wish to see an end to apartheid and believe this could be achieved by a process of evolutionary change which would not destroy the economy but would lead to greater employment and prosperity for all. There are others who believe that unless the South African government is forced by economic and political pressures to reverse its policies there will be such war and devastation that irreparable harm would be done not only to the economy but to the whole fabric of South African society.

We know that these views are honestly held, and that even while they are at variance they come from a common determination to see apartheid and injustice brought to an end.

Those of us who serve as representatives of the Black Sash do our best to reflect the complexity of such views. We know that we are more fortunate than many other South Africans in that we have the space

and the freedom to debate them. Our primary goal remains unchanged: to work for a society in which all will have equal rights to participate in government, in decision-making, and in generating and sharing the wealth that South Africa has to offer. We are not seeking to persuade you to withdraw your resignation which was clearly prompted by serious thought, but we should like you to know that we do not dismiss your views nor regard these issues lightly. We believe that it is part of our strength to encompass diversity of opinion within our organisation. and that other sections of our society would benefit if they were to encourage similar debate. Thank you once again for writing to me. E1

30 sash Det'emher 1988

t mourning song

wendy woodward

We are publishing Wendy Woodward's poem to mark the Federation of South African Women's focus on the plight of women prisoners. Mourning Song, was prompted by two newspaper reports of injustices meted out to women.

In May 1987 the Weekly Mail reported that a young girl, Emily Patel, had been stabbed to death in the back of a police van. Unable to pay a R20 admission of guilt fine for disturbing the peace in the squatter camp near Bredasdorp where she lived, Emily had been placed in the van with what the Weekly Mail called 'hardened criminals' - one of whom stabbed her repeatedly with a scissors. This man had already killed his girlfriend and had sworn to kill the next woman whom he saw.

In February 1988 the Cape Times told of the many women murdered in Kashmir by their new husbands when they failed to receive the promised dowry from the bride's family. Often the woman is burnt and the death is blamed on a stove that was knocked over.

Emily Patel,
your dowry was contracted
in the back of those vans
to Caledon and Kashmir
Found to be lacking
you were beaten
by primus stoves
that cooked the evening dal
stewed the potjiekos
and boiled milk for the baby
you didn't have time to conceive
But your aunts and mothers
noted the stain you left (so
domestically careless)
as you splayed / unthinkingly
against
the sunbright yellow of the
prison van,
as you bled / unceasingly
into the blackening floor
into the dirt of Akbar's palace
into the wheat of citadelled
farms
into the fountains of Shalimar's
gardens
Pithed and gutted
your scissoring body
pressed, like last seasons
leaf
veined,
on the yellow wire
And you died -
a fish out of its lake
gills bloodied
in the paraffined air
on the floor of those vans
We remember you -
We mourn your deaths
From Bredasdorp to Srinagar.
We have noted the stains.
Wendy Woodward is an English lecturer at the
University of the Western Cape

aw?
Isithebe Industrial
Park 1983
(Isithebe was
established as a
growth point'
100 km North of
Durban in Kwa
Zulu.) The st'ene
illustrates the
formal /
informal-sector
interface described
in the article.
sash Dcu'mlwr 1988 31
south africa,s growing
informal sector,
wolfgang h. thomas
hlnformal sector' is probably the most prevalent economic huzz-phrase
Ofthe moment. What does the term mean? Haw significant is the
informal sector in our day-to-day economic lzfe andfor South Africa's
transformation from a dualisric First World vs Third World economic
model to an integrated semi-developed economy?
ike all buzz-words. tinformal sectorh
means different things to different people.
Television viewers may visualise Street hawkers
or flea markets; established dealers think of the
unfair competitionh of sidewalk traders. Many
people consider the informal sector somehow
hillegalh - shebeens, unlicensed taxis, and back-
yard panelbeaters operating without municipal
permission. Many whites equate the informal
sector with black business in general or, more
narrowly, African economic enterprise in or
around the townships.
All these examples - and a lot more - fall within
the broad spectrum of the informal sector. All
activities which fall outside the formal net of
registered, taxed, licensed. statistically docu-
mented and appropriately zoned business
enterprises comprise the informal sector.
One can distinguish two broad components
of the informal sector: activities within the
Third World segment of our society - amongst
township dwellers and in the rural areas - and
those within the First World (middle- and
upper-income) segment.
Cednc Nunn / South Amca The cordoned heart

32 sash Deventhw' /988

a ("loser look at

the hundreds

()fbLaC/t' .

entrepreneurs

reveals that

most of them

started Xs'ni(1// ')

Tailor with wife.

Amnuli, Inumlu

In the Third World,

Third World' informal-sector activities com-

prise two inter-related groups: the S(tvCiliiCd

tsurvivul entrepreneursI and proper embryonic

entrepreneurs. The former encompass the un-

employed who are looking.y for regular employ-

ment. hut Lire meanwhile dependent on making

11 living through tselteEemploymenti. This class

of tentrepreneursi covers :1 wide range. from

piekpockets. drug pedlurs. pimps and money

dealers to private tttxiwdriverst huwkers. sheheen

owners. shtick hlliidCrSt seeond-hand clothing

vendors, etc.

While the tsurvivul entrepreneurs' are tryin5y

to earn :1 minimum income for mere existence

the other group is taking 1111 initial business step

en route to a larger, more lucrative and (if

necessary) formalised (taxed. licensed. properly

aeoommtxiuted. statistically registered) busi-

ness. An example is the person who starts

selling a few groceries from the homeshaek to

next-door neighbours. hoping to open a small

general deztler toutleti and eventually own or

run a proper shopi in a shopping centre.

Empirical evidence shows that very few of

the survival entrepreneurs start proper busiA

nesses or make suffieient net profit to be

regarded as successful entrepreneurs. Yet. a

Closer look at the hundreds Of black

entrepreneurs reveals that most of them started

'smallli. i.e. indistinguishable from the first

category.

In a country where formaI-sector. capital-in-

tensive employment Opportunities grow slowly.

it is essential that an increasing share of new

jobs is created and maintained in the informal

sectort This raises a most important question:

how can int'ormttlwsector job creation be en-

couraged and stimulated through appropriate

publiee and private-sector support?Some ex-

perience has been gained in recent years - e.g.

through the minirloan scheme of the Small

Business Development Corporation. training

programmes offered by business institutions.

assistance to eo-operative ventures and market-

ing support for informal-sector operators. But a

huge task still lies ahead.

In the First World,

It is also important to consider informal-sector

ttetivities in the First World segment of our

raee-eluss stratified society. Here again we can

distinguish two categories: purtAtime. moom

lighting and hobby-related activities (which are

often untuxedt unlicensed and home-based)

and embryonic entrepreneurial activities aimed

eventually at establishing a 'properi business.

Close observation of this range of informal-

sector activities reveals an equally astonishing

diversity. It includes a multitude of recreational.

sport-related. training/tuition-Orientated. artis-

tic, home-care. retailt catering and professional

services or activities. Quite often people doubt that these informal activities are significant in number or economic contribution - until one asks them to list and estimate the income value of all such activities known to them within their own circle of relatives and close friends.

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...it seems
reasonable to
assume that at
least about four
million people...
are involved
in. .

informa/wecmr
activities.
A townshipfooa'

Stall: living
through self
employment,

Deregulation and informaI-sector growth

From the above, it should be clear why
lderegulationi - another economic buzz-word -
is so important. Rigid enforcement of
municipalt tax. licensing and other regulations
and controls dampens the development and ex-
pansion of this complex pattern of self-initiated.
informal activities. Municipal prohibitions on
business activities on residential premises. for
example. are not motivated by the need for job
creation. Similarly, organised. established busi-
nesses that complain about the 'unfair. competi-
tion of hawkers in front of their shops are either
selfish or ill-informed about the interaction be-
tween formal and informal businesses. (In some
towns. vegetable and grocery dealers have
learned that hawkers in front of their shops ac-
tually attract customers and constitute lucrative
wholesale clients.)

Because of the difficulty of accurately con-
ceptualising linformal sectorl activities and due
to the understandable elusiveness of these
operators when it comes to the documentation
of their turnover. costs. or profits. estimates of
the informal sector's overall contribution to
South Africa's Gross Domestic Product (or
National Income, both concepts measuring ag-
gregate economic activity) range from Free
Market Foundation director Leon Louwls wild
guess of 60% on top of measured GDP to no
provision at all by the prestigious S.A. Reserve
Bank in its lofficiall GDP statistics (without
even a footnote conceding the possibility that
these figures might exclude informal sectorl
sash Dct't'nt/wr 1988 33
production).

To get a feel for the relative size of the
informal sector we should look at a number of
measurements. none of which reveals the full
picture.

' In terms of contribution to the GDP it
seems safe to argue that about eight per cent
should be added to the official GDP figures
to account fully for lFirst World informal-
sector activities (some of which undoubtedly
are included in the official figures) and
another 12% for Third World informal-sec-
tor activities. Percentages twice as high have
been mentioned. but it is likely that these
refer to the understatement of the GDP
(which also relates to formal-sector ac-
tivities) rather than the informal sector only.
Nevertheless the 20% is most certainly a
conservative estimate.

' With respect to employment it seems
reasonable to assume that at least about four
million of the six million people attac-
counted for in formal employment statistics,

but part of the labour force. are involved in parttime. temporary. after-hour or even full-time informal-sector activities. In addition, probably another one or two million of the eight million employed are more or less regularly engaged in some non-formal sideline activity or supplementary earnings. Thus. out of a total adult population (15 years and older) of 121 million. about six million are likely to be involved in this sector. - It is often forgotten that informal-sector activities can also contribute significantly to

Omar Badsha

34 sash I)rt-r'mlu'/' IURH
 ...(/ll(' In
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 growth, it is
 most probably
 not true that per
 ('upilu (I'DP
 (/('('/ill('(/ in
 South Afrit'u
 during llll' IQHUs.
 the uphill formation process. llor example,
 shack building in urban and rural lsqttattcr'
 areas comprises an average per shack of at
 least RI 000 in capital, none of which is sup
 plied by either the state or l'ormal-scctor
 financial institutions. Thus, the IOU 000mm
 squatter shacks erected in greater (lapc
 'llown during the past seven years constttutc
 a capital investment til at least R l()) million
 (excluding later upgrading as well as llurni-
 lure and other tlttrahlc consumer
 gootlst
 ' In some suhsccctors ol' the economy - like
 shhccns. taxis. hawkcrs. and township
 moncy-lcntling,y 7 inlormalsscctor enterprises
 constitute the hulk ol'establishments.
 A further crucial point about the relative sigA
 nil'icancc til the inl'ormal sector challenges
 much ol' the conventional wisdom about South
 Africa's alleged near-zcro economic growth
 rate. With the rapid increase in African ur-
 banisation (th l'ttcto urbanisation has reached
 55% amongst Africans, notwithstanding census
 figures of less than 40% t, and the ttlccpcningl
 of urban economic growth amongst all races.
 the informal sector actually increased (lis-
 proportionately last during the past five years.
 Since little of this sectorls contribution to the
 (EDP is measured in official statistics, the
 higher total share implies a significantly higher
 annual growth rate in the (iDP - as much as one
 01' two per cent higher. 'l'hus. (lUC to informal-
 sector growth. it is most probably not true that
 per capita (iDP declined in South Africa during
 the 1080s.
 IIHH?
 The formal / informal-sector interface
 There are two seemingly contradictory views of
 the role and significance of the informal sector.
 Critics on the progressive left have for a long
 time regarded the black (Third World') infor-
 mal sector as little more than a tparasitic' way
 in which the unemployed (or those living below
 subsistence levels because of the inequity ol the
 capitalist system) keep alive. It is argued that
 these marginalised pscutltrentrcprcncurs have
 neither the capital. knowahow. contacts or busi-
 ness experience to grow beyond mere tsurvivall
 income generation. ()n the other hand.
 capitalists are seen to tusel this sector to
 produce goods at lower prices. ahsorh second-
 ratc goods from the formal sector and maintain
 a stock of surplus labour. 'l'hus, the informal
 sector is regarded as highly dependent on the
 formal sector and powerless vis-itevis the latter -
 a relationship of capitalist exploitation.
 lJI'CL' nutrktccrs holtl a sharply contrasting
 view of the informal sector. 'l'hcy marvel at
 what they see as the highly competitive and
 dynamic training formal
 field for more

enterprises. Besides, through the resourcefulness and adaptability of these operators, unemployment is reduced if not eliminated altogether. Thus, people still without a job are assumed to be 'voluntarily unemployed'. The informal sector is also often seen as a useful counter to the wage-pressure from trade unions, to monopolistic tendencies by larger enterprises and to inflationary pressures caused by rising costs of business premises, rigid regulations and high business overheads. In short, some proponents see the informal sector as the factor that could transform South Africa's stagnant post-colonial economy into a vibrant Taiwan- or South Korea-type developing economy.

These two schools, even if not quite so extreme, seem difficult to reconcile. Nevertheless, it is possible to do so if we take account of (day-to-day developments and contradictions at the formal/informal-sector business interface. Anyone who has visited African squatter settlements is easily convinced of the 'Lumpenproletariat' explanation of the informal sector. Rows of hawkers try to eke out a living by selling some fruit or vegetables; Yet, once one takes a closer look and pierces through the networks of personal and business relationships, it becomes clear that the turnover of individual enterprises is often higher than would be expected. That performance differs widely from one business to the next and there is a complex and often intensive learning and growth curve.

The outcome of these processes can be seen in the dramatic transformation of, amongst others, the black taxi, shebeen, cosmetic and haircare, construction, hawking and clothing sectors, all of which offer examples of entrepreneurs who have overcome small beginnings and almost insurmountable obstacles. This growth is, to a large extent, the result of the expansion of the township economies, where the black informal sector has so far been protected from 'unfair' competition by large supermarkets, factory stores and other outlets. The boycotts of white businesses between 1984 and 1986 actually assisted the townships in a quantum leap of inward growth. Since then the process has become much more diversified:

' With greater calm in the townships large white-owned wholesalers and other enterprises are keen and have succeeded in concluding business deals with township entrepreneurs;

- the consolidation of the urban settlement process and three years of mild economic boom have boosted black spending - much of it inside the townships;

' trade union pressures on wage levels have given impetus to big business search for

the structure
of South
African
business is
now changing
dramatically
black sub-contractors willing to supply inter-
mediate production services;
the franchise system of establishing branches
or outlets inside black townships - with
black management - has caught on in a big
way:

bigger companies are getting interested in
selling off some of their activities (like
delivery services) to black staff. whom they
treat as independent entrepreneurs;
with the rapid increase in black matriculants
and a variety of post-matric training, the
range of black people able and willing to un-
dertake entrepreneurial functions is increas-
ing rapidly;
almost every month new black business in-
terest groups are established, contributing to
a change in the image and leverage of black
enterprise - until recently the Cinderella
and Uncle Tom of the black political
economy - and making people much more
aware of opportunities in this field;
efforts to strengthen the informal sector,
train its participants and expand the interac-
co-operatives

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tion with the formal sector are also increas-
ing rapidly. with institutions like SBDC, Get
Ahead and Get Up, company-specific
projects and broader training efforts sup-
plementing each other.

What does all this mean? Undoubtedly formal-
sector business still controls the bulk of all
economic activity in South Africa. Yet. with
more than 50% of all (measured and estimated)
consumer spending passing through black
hands, the structure of South African business
is now changing dramatically. The informal
sector is an important factor in this transforma-
tion and its growing strength is playing an im-
portant role in black/white economic relations.
Till very recently critical observers of the
black socio-political scene in South Africa
considered the trade union movement (and the
Clergy) as Virtually the only significant
grassroot force(s) reshaping the black/white
interface of power. With the growth of the
black informal sector and its intricate link with
the formal business sector this perception may
be in need of revision. El

research is currently being un-
dertaken at the Institute of So-
cial and Economic Research at
Rhodes University into the co-
operative model as a means towards
social and economic empowerment.
According to the researcher, Neal
Barratt, the work seeks to answer a
number of questions about co-
operatives.

The first of these asks, quite
simply, what a co-operative is. In
South Africa, the term has been
used to explain practically any ac-
tivity in which people get together

and make something - a definition which is not entirely accurate. The research aims to arrive at a more concrete explanation of the term. Secondly, so-called co-operatives have had an alarming record of failure in South Africa. The work hopes to identify what the major problem areas are, and suggest ways of overcoming them.

Thirdly, a distinction needs to be made between the different kinds of co-operatives that exist, as some

we plan to have more on co-operatives in the next issue of SASH.

Some types have proved more successful than others. Producer co-operatives, for example, involve a group of people who produce items, such as a sewing co-operative that makes dresses. Many difficulties have been experienced in setting up this kind of venture. Consumer co-operatives have generally been more successful. For example, a group of people may get together and decide what basic foodstuffs they are going to need for a certain period of time. Each member contributes a given amount, and the group is able to buy what they need in bulk, at very low prices. Service co-operatives also exist. A group may set up a baby-sitting service or undertake shopping or gardening for one another. Worker co-operatives aim to gather unemployed people together, to pool their resources and attempt to find jobs for as many of their members as possible. Housing co-operatives, which are rare in South Africa, involve people joining together to buy a house or large building in which they live communally. There are also house-building co-operatives where a group pools together to build houses for its members.

The philosophy behind co-operatives is one of mutual aid. The aim is to develop a co-operative community spirit. Cooperative philosophy has much to offer communities, not only from an economic point of view, but also in terms of community empowerment and co-operation.

The research is to be accessibly recorded and is intended for use by groups interested in forming co-operatives. The researcher will also produce a manual which will introduce people to what a co-operative is, the problems they are likely to encounter when setting one up, and a series of exercises on how best to overcome these problems. The research findings and the manual will be available early next year. E1
Niki C attaneo

36 sash Ih'i i'mlm IUHH

analysing

south africals

survival

(a decade on...)

In this .s'Imig/II-Iu/king I'nn'ri'ivw, R.W.

Johnson, lu'sl known l'll Suul/I A/l'I-(YL/UF Ilis

hunk How Long Will South Africa

Survivefi (i/llk'rs lu's usnx'cssnu'nl Q/ili/THII

S(mI/I A_Ililittlll pu/ilii's. Burn (Hid (('IIH'U/W/ in

Durban Inf/m't' leaving South Afrnw in r/w

/())()().x', Johnson is NOW u_/i'//()w (if

Magdalena ('n/lvgt'. ()y/iuzl, um! I/l(' author

()flnm/t's (m a diverse range (ifln/M's.

Heather Hughes, (l lot'lm'cr in tho

Dupurtmcm (3fA/i'it'U/I Studies at the

l,/iivwsity ol'Numl, init'ri'icwvl him during

a I'('('('Ilf stay in South Afrit'a as a guest Of

the Student Visiting L('lfllll('l'S Trust Fund.

It'. ll'.../u/Hi.m/i lli'iII/It'r llug/n's

HH: Perhaps thc first thing to ask you would be

what you consitlcr to be the most important milc-

stones along the way to significant change in

South Africa sincc the publication oli How Long

will Swill! All'it'Il Surviw? - if you think there

haw bccn any.

RWJ: I think the lcgalisation ol' trade unions has

certainly made a big difference in creating a

whole new constellation of forces which didn't

exist before. You could go through listing many

of thc achievements of thc Botha reform

programmcc , the abolition of thc lmmorality Act

and so on. While I share what I takc to be the

Sash point of view that the reform programme is

still very incomplete and slighL I think you have

to say that the Botha presidency has seen a whole

scrics ot' things happen which none oli us

prutlictcd. Wu wouldnlt have got it right if wcid

hccn forced to predict in 1978 what he was going

to do in thc ten years to come. I think pcoplcc on

thc lcl't would have been too pcssimistic. But the

rising of 1984 to 1986 has to be really at the

ccnlrc ol' it all. because despite the fact that quite

a lot oli so-called rcl'orm hatl taken place. it was a

trcmcntlous tlcmonstratlon that it was nothing

like enough. Morcovcrt all thc diffuse effects of

1984 to 1986 - the collapse of the currency. sanc-

tions and so on - mean that the uprising sticks out

as the biggest single landmark. It is still exerting

prcssurc now - that is what is getting South

Africa out of Angola and Namibia.

HH: Would you say that that upsurge of resiss

tancc has hccn the major pressure for change. or

would you say that there have been quite impor-

tant changes going on in the National Party. such

that it is no longer the same party really as came

to power in W48?

RWJ: It has changed a great dealt and the rise of

the Conservative Party is the tcstimony to that.

really - now thcrc is the space for something like

that. But I find two things funny about the Na-

tional Party. One is that thcylvc never had their

(lc-SlllllllllSHlloll period: I mean thcy've now

turned round on Vcrwocrdism and started to

rcvcrcsc it. but they never LlCl1OUllCC it because

thcy have no vision of the alternative society

they want to move towards. And now you've

got pcoplcc , ot'tcn the very same people who

werc therc unilcr Vcrwocrd - prcachng some-

thing close to thc oppositc oli Vcrwocrdism hut

thcylll ncvcrc admit that they werc completely

wrong hclorc. Or that lots of people like you or
inc will have said to thcm that they were wrong.
'llhcy won't accept the implications of that, what
that mcans.
Because it thcy wcrc as wrong then as all that.
surcly they can hc just as wrong now. Secondly.
lllCl'Cis still this pcculiar cxclusivencss of

I think that the case for participation, even by blacks, is one that is not sufficiently examined by the UDF.

Afrikanerdom. I know that its unity is gone, but that Botha can still make a plea for Afrikaner unity is quite peculiar, (a) because no-one ever appealed among whites for English-speaking unity. and (b) what's the point of Afrikaner unity? What was it used for politically? It was simply to oppose white English speakers. White unity was against blacks, so Afrikaner unity was against the rooineks. When you get into discussions even with liberal Afrikaners and radical Afrikaners, there's still a tendency to talk as if the pace of change has got to be regulated by what is acceptable to the Afrikaans-speaking community. And when you try to say that's not a reasonable clock to work by, they really don't know what you mean. I find those two things are still there.

HH: Do you think the tricameral parliament has changed the terrain of South African politics?

RWJ: I think what we've seen over this last couple of months, with Hendrickse blocking Group Areas legislation, has shown that it has, that you can't even carry out that sort of reform without creating new niches from which people can work. I think that the case for participation, even by blacks, is one that is not sufficiently examined by the UDF. Yet there is an argument - I am not saying it's right - for getting in there, and using your elbows for all you're worth and trying to block the structure, and force things out of it that way. It's what the Irish nationalists did in Britain in the late nineteenth century: getting into parliament and then completely disabling it, and just making things impossible for the government. That is something which people are too quick to dismiss; they say don't touch anything. boycott everything, have nothing to do with: there may be things there which can be used.

HH: The Labour Party did try to use the old Coloured Representative Council in that way, years ago, but what would you think of the opposite position, that in fact the debacle over the Group Areas Act has merely shown up the impotence of the coloured house in the new tricameral parliament?

RWJ: Not yet. It may be that the President's Council goes ahead. When that happens, okay, you can say something like that. But at the moment, it looks as if Heunis's bill is going to be weakened. It still hasn't been legislated through, here we are only days from the municipal elections and it has still not gone through. If we get through until 26 October with nothing happening, nothing done - ed.1, it's December 1988 37

may not happen at all. I think we'll have to wait and see. There is no point in denying that Hendrickse - I know he has been vilified for participating by many people - has achieved something. And he has got a constituency. I

would suspect that after these past couple of months, his constituency is in pretty good heart.

HH: Just to push that position further though: can it not be argued that refusal to participate on the part say for example of UDF affiliates, is precisely what is causing more and more spaces to be opened up, politically speaking. whereas participation would actually halt that process of opening up more political spaces?

RWJ: Yes, I think that that is probably right. Perhaps there still aren't sufficient spaces - the National Council still is not a very interesting idea. Who are they going to put on it? If the UDF says yes, then Buthelezi will say yes. and then you'll end up with Buthelezi on the National Council. Now I'm not saying that's a bad thing, and I'm not saying I'm against Buthelezi; but I'm simply saying that that's not what the UDF intends. There isn't an African house - if there was, then that would be different again and you'd have to make a reassessment. I don't think participation on present terms would be wise. I think, however, that boycotting, refusing, the politics of defiance and rejection, have become almost a principle. so that instead of being a tactic. people want to say no always. all the time, to everything, and this is actually very stupid. You may miss out on important things, and there are gaps then which you miss altogether, and that's very poor politics. So, I think there is a great danger in this, that people stop thinking about it.

HH: The big question is knowing when to make that strategic switch.

RWJ: Yes, I know. You see for example these municipal elections. I would have thought that it would be pretty silly in Durban for liberal-minded or radical whites to refuse to vote, and allow people to be re-elected who would like to re-segregate the beaches. I can't see that you're doing a good thing by doing that. Now I know it makes you feel better to say no. no, no. but I think people are very silly to preach that. just because it makes everyone feel better in a rhetorical way. We don't have the calibre of leadership which is able to make these distinctions and get itself heard. We've simply got the sort of leadership which can get across a no. it's always a no - and that's nice and simple. Everyone's worried about being outflanked. The thing people must realise is that the

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begin to see

politics of opposition and protest generate

habits of mind and leaders who are only good

for that. And the problem is going to be that

when finally majority rule contest youlrc going

to need completely different mental habits.

completely different people.

HH: Any ideas where that leadershipls gonnay

to come lioni'?

RWJ: Well, I think that there are a few among

the ANF exiles who are men of ability.

probably women of ability too. But I don't

think that many of those people are all that

promising. I think that 'l'habo Mheki. from

everything llvc heard. Pallo Jordan, and a

number of others, are clearly very able people

in whom one could have confidence. But I

think that within the country it's tough.

Matty of the most able people one meets have

withdrawn, aresitting on the sidelines feeling

that thereis nwone they really want to support.

They've drawn their horns in, and those people

are often the very people that you would like to

have. because theylre the most sensible and

just generally the most competent and able.

The nature of the political struggle here has

driven them away. Thatls a real problem.

HH: No easy walk to freedom?

RWJ: Well. who knows what Mandela would

be like, being so old now? I would have to in-

clude him on my list ol' people who I would

have confidence in. I think that he is a very

able man, and hes a man with a sense of

humanity and tolerance. There are a whole set

of dangers on that side as well. I have actually

met people who seem to believe that in the new

South Africa alter apartheid you will still have

torture. but that you will just torture the other

guy.

HH: Thatls a difficult one.

RWJ: No it's not difficult. I find that an easy

one. I donlt want torture.

HH: No - I would agree with you. I would

agree that one would hope that those forms of

repression would go, but the record elsewhere

in Africa hasn't been bright on that score:

thercls no guarantee.

RWJ: Of course there's no guarantee. ()ne

shouldnlt let that pass by without saying that

the record in Africa is appalling. and thereis no

excuse for it. I couldn't have confidence in

civil rights il'l were living anywhere in Africa.

I think that the human rights concert in Harare

was amazing. given what has happened in

Zimbabwe! I wasnlt there, but they really

ought to have led off with a condemnation of

what happened in Matabeleland, and of deten-

tion without trial and torture in Zimbabwe.

One can make excuses but I think too much

has happened in Africa: there is a quite casual

abuse of civil rights. and dreadful things hap-

pening and no free press. and all the things we

know. his very patronising and almost racist to say. oh well, they're only Africans. that's what they do. what can you expect.

HH: What about the argument that those notions of human rights are a mere bourgeois importation from the West?

RWJ: Absolute rubbish. I would like to see anybody on the left make an argument in principle that either torture or detention without trial are not bad things, They are bad things, but surely they would still be bad things after liberation. We all know where it ends up. It ends up with particular individuals getting extreme power and feathering their own nests with Swiss bank accounts and all the rest.

Finally you end up with a situation where the radicals then condemn them for that. and the radicals get sat on - and tortured again. They seem to be too confident that they're going to be in Charge - they're the most likely victims.

HH: Coming back then to the summary of events over the last ten years: it seems as if you feel then that we've taken some quite important steps to a real transformation of the status quo in this country,

RWJ: I don't want to praise too much what has been done because it's so inadequate.

HH: But in terms of the resistance movement looking creatively at alternatives and so on?

RWJ: I'm not as impressed by that as I would like to be. There's a party-mindedness about many people and a refusal, until recently at least. to evaluate things in a more pragmatic way. But I do think that the frontiers have been pushed back. there's a sense of common citizenship which you can begin to see, on campus. in advertisements. even on television, in multiracial advertising and so forth - it all counts. There is a sense far more than there used to be of a common South African citizenship. And that is growing. and that's a diffuse result of all sorts of things. including what the government has done. And that's very positive. One would like to see that go much further.

HH: Apart from the tremendous political tur-

The erosion of
the whole white
power structure
is a process
underway now.

balance and state of flux that I think we've
seen in this country, what other factors are im-
portant pressures in leading to real change?

RWJ: Well above all, external economic pres-
sures of course - those are huge. What people
didn't realise was that once you start getting
those pressures, businessmen within the
country start panicking. and then it's not just
disinvestment from abroad, but people at home
not investing either, and shipping money out
all the time. That is really going to destabilise
the whole situation here very dramatically - we
haven't seen the results yet. The erosion of the
whole white power structure is a process un-
derway now.

HH: Would you say that's a direct result of
sanctions?

RWJ: It's a result of the 1984 to 1986 upris-
ing, which caused a collapse of the currency,
which spurred on the sanctions movement
abroad, which then led to the panic by the
banks. It's amazing to think that anyone
thought the people in the streets could beat the
government in a military sense, and bring
about a revolution that way, but they of course
had an enormous effect on the money markets,
and that's where their power lies. I'd go further
than that and say that the structure cannot easi-
ly survive another 1984 to 1986. I used to
come from England and get R1,65 for my
pound: this time I got R426. What do I get
next time - R10? Another round of things like
that would do just that. In that sense the
government is now treading on a very, very
thin edge.

HH: Do you think that there are real signs of
worry about that situation, in government?

RWJ: Well, yes to the extent that the whole
national security management system is throw-
ing a bit of money at trouble, and obviously
doing everything to try to stop the lid being
blown off again. But if they're as worried as I
would be in their place, they would be doing a
lot more than they are.

HH: I think you said in a lecture here, sanc-
tions, or at the very least calls for sanctions,
and popular support for sanctions in Britain is
more or less a fact of life, so that debates about
whether they're good or bad, or should or
shouldn't happen are really a bit on the side.
Does that mean you discount serious debate
about the efficacy of sanctions, and whether
they're desirable in their effects or not. and fol-
lowing on from that, whether you think that
that kind of debate could have any impact on
South Africa 1988 39
popular consciousness abroad?

RWJ: No, I don't think it could have any im-
pact. I think the momentum for sanctions is
there and one can only see it ratcheting on. The
biggest single thing is that the Americans have
done what they've done, because they will now
exercise real pressure on Japan, on Taiwan,
etc., not to move into the gaps they leave. We
will be seeing the effects coming through for a
long time. South Africa has lost trade which

they haven't replaced in any other way.

HH: And that's trade that is probably lost for good. isn't it? It's unlikely that those companies disinvesting will want to come back?

RWJ: I agree, and this is a problem, isn't it?

Objectively, the left has to cheer on things happening which will be very tough for them

when they finally inherit, if they do. As for the sanctions debate: inside South Africa, it's a very peculiar debate, because the left seem to want to say that sanctions (a) are a good thing and (b) don't cause black unemployment.

Well, of course that's nonsense, because the one thing they certainly do do is cause large-scale black unemployment. It's difficult to say what I think they ought to say, which is that from their point of view they're a good thing and cause black unemployment. But the debate abroad is more whether it makes whites want to change or whether it simply encourages the right-wing. Again, I don't think those are either/ors: I think it does encourage the right-wing and it forces the government more towards reform. I think that the sort of scenario one has got to think about - though this is too neat - is a Conservative Party victory or something close to it, causing the government to say they were going to carry out a whole further wave of forced removals, producing large-scale resistance, bloodshed, a further collapse in the currency, a grave ratcheting upwards of sanctions. producing higher unemployment, and so more riots, etc. It wouldn't take very long for that to spin way out of control. It's not all that far away. I think it's going to be quiet for a while. Of course, the opposition has taken a pounding and they're in no mood to start anything again for quite a while. But not many years down the line we shall probably face something a bit like that. D

t The second part of this interview will be published in the March issue ()fSASH.

sash I)et ember 1988

africats

economic malaise:

understanding

and perspective

wolfgang h. thomas

Where eun South A/i'ieuns who may be i groping for

their A/i'iean identity" begin to I(mkfor cm

understamh'ng af'eemmmie developments in their own

emttineut? Wntfggahg Thomas reviews the best of the

reee/It attempts to analyse Afiiiea's eonomie problems

and suggests that some real progress is HOW evident.

6Democracy. pmsperit) and self-

rule - this was the Vision of

African independence. But today.

few Africans express satisfaction

with the fruits of uhuruf

With these lines. Richard

Sundhrook. political scientist at

Toronto University. introduced The

Pn/I'tim' rg/Q-ifiit'u'x Eemmmie Stage

Iiutinn (Cambridge University

Press. 1985t Three years on. and

despite some significant changes in

the Atrium economic scene. this

hook is xtill one of the best analyses

of the reasons for Airiettk poor

economic performance in the

period N(wt) to 1985.

The hook xeems of particular

impnrtunee for (white) South

Afriezmx groping for their UIXt'rieatn

identity'. yet appalled by xxhttt they

hear about stagnation. retrogrexsitm

:lnti chum in black Africa. Are

similar trends 10 he expected in LlH

independent Namibia? And what

ilhOUI u hittek (ANC'?)vtinminatted

pmtittpatrtheid South Africa"?

One can tackle Sundhmok's

ls7-puge. concisely written book in

two wztyx. The first is It) focus on it

alone. and emerge sobered from

any undue optimism about a quick

reversal of the downward spiral but

also warned against any simple.

unidimensional explanation of this

'trugedyi. The second is to include

it as a crucial link in a chain of

selected readings on Third World

underdevelopment. I strongly

recommend the latter approach.

Such a zooming-in might start

with the famous Brandt-Report

Mtrth-Snuth: A Programme for

Survival (Pan Books. 1979) which

sets out the global dilemma and

pleads for international cooperation

and increased did. This rather

Utopian study appeared at a time

when disillusionment about Third

World development was at its

strongest. For a brilliant jounalistic

account of this perspective the

reader should turn to Paul

Harrison's classic Inside the Third

World (Penguin. 1979). which dis-

cusses key issues in considerable

depth und in a refreshingly non-

ideologieul way.

Outside Africa the early 1980s
produced several developments

Some were on a breakthroughsi.
macro-level - like the Asian success stories Hong Kong. Taiwan Singapore and South Korea; others were on a sector-specific level - like the green revolution in agriculture: yet others were project-specific, for example. appropriate technology or integrated rural-development projects. Paul Harrison's equally readable second book in the field. *The Third World Tomorrow: A report from the Battlefield in the War against Poverty* (Penguin. 1980) deals with some of them. Africa showed few signs of such breakthroughs. The much debated Berg report on *Africa in Development: A Report on the State of the Continent and the Role of the World Bank* (World Bank. 1981) offered a new. market-oriented strategy for development. yet lacked any deeper analysis of the malaise. or any sympathetic understanding of the causes. As a result, the prescribed policies - increase basic agricultural prices. prune state spending. depreciate currencies and open the economies - not only fell on deaf ears but elicited sharp reactions from OAU circles and leftwing scholars. Catastrophic droughts. political turmoil. massive corruption and economic stagnation coincided. during the early 1980s, with increasing pressures from the World Bank. the International Monetary Fund. the United States and Western European donor institutions. forcing African political leaders. planners and development practitioners to reassess their strategies. At this point. Sandbrook's book appeared: it and a highly polished collection of scholarly papers edited by Robert J. Berg and Jennifer S. Whitaker. *Strategies for African Development* (University of California Press, 1985) complement each other superbly. Sandbrook places Africa's post-independence economic stagnation in the broad context of four fundamental factors. which interact in mutually re-enforcing ways to create a fifth factor, that is, the downward spiral of underdevelopment. The first factor is that black Africa. more than any other Third World continent, lacked a properly functioning institutional and administrative infrastructure and an adequate natural. financial. and skilled human resource base. After 1945, exportable minerals deep in the interior of the vast continent are as uneconomic without a proper transport network as an immense hydroelectric capacity situated far

away from human settlement and industries. Similarly fertile tropical forests are rapidly transformed into deserts if there is no effective ecological protection.

A second explanatory factor is Africa's colonial legacy, which has resulted in dependency relationships with developed economies.

The other two factors are political in nature. Tribes and Classes still interact strongly in Africa, determining much of the political terrain and the unequal distribution of economic wealth. Finally, the absence of strong national cohesion in most African countries has strengthened personal rule and led to corruption, erratic policies and the dampening of private risk-taking and economic growth.

Sandbrook draws attention to a wealth of explanatory factors and forces revealing both similarities between countries and the uniqueness of specific events. This section should be compulsory reading for all (white) South Africans in danger of explaining Africa's economic and political decay mainly in terms of race or ethnicity, colonialism or the apartheid system, or economic structures.

In his concluding Chapter on 'South Africa's Future' (1988) 41

Sandbrook anticipates much of what seems to be unfolding at the present time, namely a slow, yet distinct turn-around of Africa's downward spiral.

A few points summarise his approach, which is particularly relevant to all those who want to understand recent developments in southern Africa:

' We must believe that people make history despite objective constraints.' (p. 145)

' Africa cannot sit passively by and wait for a reformed world economy to solve its problems' (p. 146)

' Foreign aid will continue to be an important item in Africa's balance of payments' (p. 147)

- ' Africans must look to domestic responses to their crises' (p. 148)

These should include an avoidance of bureaucratization, a freeing of markets and the building of a new state, consisting of coherent, competent and committed administrative and regulatory institutions'. (p. 154)

A more popularised version of some of these strategies is contained in Paul Harris's third book on this theme, 'The Greening of Africa' (1987). Goran Hyden's 'Shortcuts

In Progress: African Development
Management in Perspect-Iii'e
(Heinetnunn/University of California
Press. 1983) is another classic work
in this field.

In the more general sphere of
economic policies. World Bank pub-
lications, like the authoritative an-
nual World Development Report. and
the IMF 'country' studies have
recently documented important chan-
ges in policy stances and institutional
structures. Slow yet steady. and
sometimes quite dramatic progress is
visible in several African countries.
including once chronically ill states
like Ghana, Uganda and Tanzania.
Against the background of these
readings the next few years should be
exciting. not only in southern Africa.
but in the continent as a whole.
Undoubtedly there will be ample
scope for disillusion. but for the
careful observer and analyst the tide
may already have turned.

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Give Us a Break:

Diaries of a Group

of Soweto Children

C ()llcrtcd by Mbuyiseni Oswald

Mtshali (Skmm'il/e. Johannes-

burg. 1988)

This slender volume of excerpts from the diaries of Soweto school Children originates from research material which the Johannesburg poet Mtshali collected in the early 1980s while teaching at Pace College in Soweto. He planned to present the material as a doctoral thesis but in October 1985 the records were destroyed by Fire. Refusing to be bitter about his loss. Mtshali has published the remaining fragments as a collection of lanec-dotes, episodes. incidents. events and experiences of fourteen township adolescents.

Given the time period in which the diaries were compiled, that of the post-1976 Soweto uprising. one would expect to find a degree of politicisation in the writing. yet overt political sentiment is curiously absent. Undoubtedly the youth of the writers (all aged 12-14 in 1982) excluded them from mainstream activity in the 1976 crisis.

More significantly, the children were students at a private college in Soweto and thus removed from the continuing upheavals in the DET schools. In fact one of them notes that Pace students were no longer considered las kids from SowetoX It would seem that their relatively privileged position in township society gave these Children concerns other than those of the political struggle. Precisely what their concerns are is not easy to elicit from these extracts.

However. despite the references to television sets. birthday parties. family cars and consumer goods. the one overwhelming image in these extracts is that of violence. Hardly gin

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Soweto thI you

Mbuyiseni Oswald Mtshali

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an entry is free of reference to some or other brutal episode. Women as-sault a man on his head with a stiletto heel; a young girl screams as a gang

tries to rape her; bus drivers attack taxi drivers with sjamboks and wires: thugs chase school children with axes. knives and pangas; the lBaygon Greensl from Meadowlands run to join battle with the people at Dube Hostel. Death is regarded with everyday indifference by many of the writers: t1 saw many people looking at a dead person...so they took him to a mortuaryf And the ghastly entry of a thirteen-year-old girl: Going to

BOOK REVIEWS .-

school - on my way I saw a cat lying in the road - it was dead - all the fur was taken off

In this pervasive atmosphere of thuggery and killing it is heartening to find a few isolated accounts in which students record their happier moments. The kiss of a girl _ a game of tennis - the lights of Soweto seen from the train - the grass turning green after spring rain - these are little splashes of colour against a sombre backdrop.

This is not sophisticated writing, nor is it particularly memorable. But by collecting and publishing their perceptions of culture and society, Mtshali has given these township children a voice which would normally be denied to them. He has indeed given them a break. D

J O MacRabert

Cops and Robbers

Boere en Bendes:

youth speak about crime

C amplied by Lauren Natl and Linda Tee (National Institute for Crime Prevention and Rehabilitation ())iffenders. C ape Town, 1988)

This anthology of drawings. essays, poems and graffiti is the work of youths from various community groups. schools and institutions in the western Cape who were asked by NICRO to record their perceptions of crime. The age of the contributors ranges from six to 21 years. with the majority of entries coming from teenagers. In most instances the pieces appear in the contributors handwriting, giving a rather uneven appearance to the publication. About half of the articles are in Afrikaans. The book is divided into nine sections which focus on, inter alia, the role of the witness. life in prison,

punishment and the prevention of crime. Most of the pages are illustrated. sometimes in colour. with appropriate sketches drawn by contributors. As in the writings of the Soweto children reviewed here, one of the predominant themes in this anthology is that of violence. This is particularly noticeable in the drawings where knives. guns. robberies and other forms of assault are graphically depicted. In the written pieces there are many references to the notorious gangs of the Cape Flats. to rape. to people being attacked in the street.

A major difference between the extracts in this anthology and those from Soweto is the degree of political awareness amongst the contributors to the NICRO programme. In all sections of the book. the South African government is criticised for creating divisions in society which have contributed to one of the highest crime rates in the world. Poverty. racial tensions. the SAP. detention without trial. lack of facilities in prisons for juvenile offenders, corporal punishment. the Group Areas Act, unequal education facilities, lack of political rights. unemployment - in fact all the ugly hallmarks of the apartheid state are linked by these youths to the crime rate, thus reinforcing in their own honest contributions what leading criminologists have been telling us for years in their advanced economic research papers: apartheid and the crime rate have a high correlation. In the foreword, this publication is described as a book by children for children. Whilst younger Children will relate to the drawings and older Children to the written work adults, and in particular teachers, parents and social workers might find this book a useful guide for discussing the problem of crime with younger people. The drawings of children behind bars certainly gave some Children I know much food for thought. E

J0 MaeRobert

BLACK SASH

PUBLICATION

sash Deretnhet' /988 43

by Shauna westcott

The Trial of the 13

Shauna Westmtt

(Cape Town, 1988)

Will the court understand me as I am? Will the ("ourt understand why an ordinary man like myself who has suffered all his life eventually turned to violence? Will it be possih/efor the murt to believe and understand that I am not a lover of i'iolenee? Will this murt understand that it is m_v

I (Ii'efar people that drove me to
(/0 what I did?

These were the words of 26-year-old
Theophilus Thembinkosi Mzukwat
who appeared in the Cape Town
Supreme Court with 14 others on 21
April 1987, charged with terrorism
or aiding terrorists - a description
of their activities all rejected with
pride and anger.

Two of the accused - Neville van
der Rheede and Themba Tshibika
were acquitted. The remaining 13
were jailed on 12 August for terms
ranging from three years to life.
Three of the 13 gave evidence in
mitigation. The others read state-
ments from the dock which were
dismissed by the judge as of little if
any value. This opinion was not
shared by all who observed the trial,
or read the brief press reports. Many
were moved and wanted to know
more. The Trial (If the 13 is an
attempt to satisfy that need.
The book introduces the accused
and tries to convey something of the
atmosphere of the trial. Colin
Bundy's history of the ANC and
analysis of the current political scene
provide a context for the evidence
given by the thirteen. There are three
useful appendices. including one en-
titled Invoking Protocol 11. This
looks at a judgment given in a trial
held soon after the 13 were jailed,
where accused Mxolisi Petane be-
came the first ANC soldier to claim
prisoner-of-war status in terms of an
international treaty.
The author covered the trial as
Supreme Court reporter for the Cape
Times. The book is available at R5 :1
copy from Black Sash offices. 3

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1 LETTERS

The Proper Thing to

Dot: Male

Membership of the
Black Sash

(Vlzurlcs Grover. Associate Member
(Cape Western). writes:

Margot Benrdis letter in your June
issue raises an interesting point.
For starters. let me say I am
honoured to be associated (operative
word) with the Sash even in so
humble a capacity as an Associate
(not 'HonoraryX as your correspon-
dent states) member.

The curious thing is that I am
called upon to pay the same subscrip-
tion as that paid by full members.
whereas in another organisation to
which I belong. I pay a much
reduced sub. as an Associate. I
believe that most Associate members
of the Sash are male. in which case I
feel the attitude of the Sash towards
these members is distinctly sexist.
The proper thiney to do would be
to set the sub. at a lower level and
make provision for - indeed en-
courage or extort - voluntary eon-
tributions from such members.-

So long as men understand their
position (know their place. in other
words) the situation is OK. After all.
the Sash is essentially a feminist
organisation. and probably all the
better for it.

Mary Burton to
New York

Human Rights Watch in the USA.
with whom we have had links for a
long time. invited our National Presi-
dent to take part in a special interna-
tional focus on the 40th anniversary
of the Universal Declaration of
Human Rights on 10 December.

Mary took the signatures which the
Black Sash collected in support of
the Declaration.

Fighting tLaws that

Discredit the Law,

An article in the September issue of
SASH (Vol. 31. No. 2) summarised
the Black Sash view of the Group
Areas. Slums and Illegal Squatting
bills. Here we outline actions taken
to avert their passage into law.

National Headquarters:

When it became clear that the Group
Areas and Prevention of Illegal
Squatting Amendment bills were to
be sent to the Presidentis Council.

Mary Burton addressed to every
member a letter setting out the Sash's
objections to the bills and urging
their rejection. "The proposals con-
tained in the bills have been rejected
by all except one political party rep-
resented in Parliament.' she pointed
out. tlt is patently clear that there is
deep concern in all quarters us to the

consequences of making these
amendments lawf

Transvaal Region:

In partnership with lawyers and other
groups. Sashis Urbanisation Working
Group has:

- ' prepared a dossier on the legal
aspects of the bills:
- ' targetted 1 500 recipients - includ-

NEWS?STRl-Pr , "

Homelessnessk

- briefed press, diplomatic. church
and professional groups - and lis-
- teners to Radio 702;

- spurred Shell to support the right
of all people to live where they
choose on their regular Weekly

Mail page;

- held a shaek-sit-in to raise aware-
ness of the plight of homeless
people;

- ' sent mailings to the Chairman and
each member of the Presidentis
Couneil when it was clear that the
government, balked in its intent,
would have to submit the bills to
that place of last resort.

Cape Western Region:

Posters which read tRejeet Slums
Squatters Group Areas Billsi, were
held at two prominent points every
morning for the two weeks when the
amended bills were before the
tricameral parliament. To focus on
the human cost. stands were held in
some of the suburbs from which fel-
low Capetonians were expelled
under the existing Group Areas Act.

The posters said: 'People were
removed from here - Group Areas

Hurti.

11".) nor Mann t 4 x 3 ' 1) . - 1

mm." "77:30.; M NH mm ma mg all members of the Houses 01

L . . T . .

W "1 3539;;22; Representatives and Delegates;

PEOVLE

Weekly Mall

- ' compiled and distributed 15 ()00

from "Pulling (mr mm .i'rrinng, u hooklyl pamphlets mIEd .Ot Squatters. Noel Rnbh (lixp/u
vine (me ())ffl'le pmrrex

af'Anierimnfeminist writings Slums, Group Areas and used.

sash Dewmher 1988 45

Refugees sleeping in the Students Union.
University of Natal, Pietermaritzburg
tBells Against the Bills, :
Sash approached the Councils of
Churches (there are 21 in all) with a
request to encourage member churches
to toll bells and allow Black
Sash poster stands on church property
if the bills become law. Other
religious communities signified a
Wish to do something appropriate in
lieu of tolling bells. As SASH goes
to press, this campaign is ton holdi.
Black Sash Women,s
Charter
Copies of the Black Sash Womenis
Charter, as revised at the National
Conference in 1979. are on file at
regional offices.

—
Erratum - St Owen,s

Due to an editing error. St Owenis
school was described as a .township
sch0011 in the last issue of SASH. It
is, in fact, in Retreat. Cape Town.

Erratum - Teacher Unity

Omitted from the Table on page 19
of SASH Vol. 31 NO. 2 were the
joint hosts of the Harare Unity talks.

They were: WCOTP (World Con-
federation of Teaching Professionals)

AATO (All Africa Teachersi Or-
ganisation) ZIMTA (Zimbabwe

Teachersl Association) ZCTU (Zim-
babwe Congress of Trade Unions).

The teacher organisations eon-
templating unity have a combined
membership of about 105 000. com-
pared with a total of 235 000 in the
RSA (excluding the thomelandsit
This amendment brings the text into
line with the Table.

The Department of National
Education was the source for the
figures for full-time teachers in
public and private schools.

Natal Midlands Region Reports

The refugee crisis:

More than 850 people have been
killed and about 2 000 houses
destroyed in the Pietermaritzburg
area since March last year. The con-
Hicts continue in different places. in
bouts of greater or lesser intensity. in
spite of all attempts to stop them.

There are now huge numbers of
refugees and displaced personsi in
and around the City.

The Crisis Sub-eommittee of this
region has been involved in finding
temporary shelter for people who
come into the city centre for
sanctuary. and in helping with
longer-term support and accom-
modation in safe areas outside the
city. In September about 100 young
people fled into the City from a chief
Chm Zassman

in Sweetwaters. Four people had
been killed there the previous day

and two more were killed later. when they tried to return. This group had to be maintained. transported and accommodated for more than a fortnight before more permanent places could be found for them. The sub-committee has also successfully negotiated with the City Council for premises for an educational and recreational centre for young people whose lives and schooling have been disrupted by the violence. Several other agencies are interested in becoming involved in this project.

Marie Dyt'1'

—
Obituary: Dr Beatrice Pullinger
Transvaal Region mourns the passing of Dr Beatrice Pullinger at the age of 93. She was a remarkable lady. who joined the Black Sash at its inception when she was already approximately 60 years old This in itself showed a most unusual openness of mind and a readiness to move with the times. Her ability to participate fully in the organisation was limited by the fact that she worked for most of her life but this did not stop her from taking part in demonstrations and marches which she did whenever she was able. By being the unique sort of person she was. Dr Pullinger made an immense contribution towards the organisation. both in its early days and with her unfailing support until the end of her life. We extend our heartfelt sympathy to the members of her family.

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46 sash /)(('t'('I)II)('I' I988
Standers acquitted under Inter-
nal Security Act:
On Saturday. 31) April. shortly hot'orc
103.111.. ten members picked up their
pmtcrs in preparation for :1 group
protest against South Atrium illCUP
xionx into ncighhnuring,I states (it is
only in 1,ictcrmttrit/hurg thztt the
Black Sash is uhle 10 get mugisteriul
permission 101' pickelcrs to stand in :1
group). Ax they mm'cd tnwnrdx the
appointed place tn take up their posi-
tions at the appointed time. they
paused briefly in response 10 11
freelance photogrttphcrk request that
they pose for a photograph. A lwa
noted that 11 security
policeman xxztx also plmtogrzlphing
members
them.
Some
were ustounded to hear lhztt they
xwrc being; charged with gathering
illegall) in Internal
Security Act. The law had supposed-
ly been violated became they had
xtood. in u group. 11 thew pztcu :m :1)'
from the proper phtcc and 11 tew
minutes before the proper time. Since
the) were acctlxd 011 a criminal
olhlhence. their fingerprints zmd
photugrups were taken.
(1) necessity there were length)
legal consultations. Much valuable
time was used up. So. 01 course. was
public time and mane) squandered in
When.
on 7 October. utter an entire morning
xxeekx later the xtunders
tcnm 011 the
the prepttrution 01' the case.
in court. the ZICCLINCU xxere acquitted.
the magistrate expressed ditticult) in
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understanding that so 11'iViLll at case
had been brought hchwrc the wurt.
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'I'lu' photograph 0/11/11' xmml 11la!
prvU/H'lami 11lv (mm ((1.115
A Regional Study of
the Black Sash
Readers will be pleased to note that
Jo MucRobert of Cape Western
Region chose a Black Sash theme for
her BA (Honm dissertation. Copies
of The Emergence of the Black Sash
Advice Office in Cape Town: 21
Regional Study 61 the Black Sash.
1956-1963' (University of Cape
Ttmn. 1988) were sent to the univer-
sities of Natal and the Witwatersrand.
For her MA degree. Jo has under
tztken :1 nutionuI study of the Black
Sash between the years 1962-1982.
tViva Black Sash!
National Wometfs Day was

celebrated on 7 August in the Lotus Hall in Pietermaritzburg. The day was organised by NOW (Natal Organisation of Women). Sash put together a skit on a typical stand. pictured on the left. An appreciative audience cheered 'Viva Black Sash' loudly till the end.
Hurt Klvinwt/wrg

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sash Dr'rvIII/IUI' I988 47

Albany Region

Court researcher appointed

Because of the growing number of political trials in the Eastern Cape, Albany decided they needed a full-time court researcher. Eastern Province Herald correspondent. Barbara Orpen. agreed to take on the job - but suggested a shift of focus:

As a result of my work as a journalist, I saw many people being sentenced to death. Very little seemed to be known about these people and I thought we should draw attention to their plight. The Sharpeville Six have heightened public awareness about the death penalty, as well as the doctrine of common purpose. Many people from the Eastern Cape have been sentenced to death on a similar basis. It is our hope that no-one will go to the gallows unnoticed, and that capital punishment will be abolished altogether.

So far, Barbarais work has highlighted 36 cases - among them the Addo Four and the case of Mr Thembile Lubelwana who spent 19 months on death row before being freed of all charges by the Appeal Court. Apart from publicising such cases, Barbarais work will feed into the growing national campaign against the death penalty. D

J am F airbai I'n

Barbara Orpen

imit" III

Black Sash

Since June this year. the Albany Region's press group. in collaboration with the Grahamstown Advice Office. has been running 3 Citizens. Advice column in the local Grmmt'x Mail newspaper.

Under a distinctive Black Sash logo, designed by one of the groups members. the column presents material on topics of vital concern to the public and tries to disentangle the web of jargon in which official regulations are shrouded. The aim is H Citizens

II Advice

to set out clearly and systematically the relevant information and practical steps that should be taken. Topics covered so far have included Identity Books. Unemployment Insurance Fund, Pensions and Disability Grants. Problems surrounding maintenance will be tackled next.

It is hoped the column will stimulate feedback from readers and eventually provide a forum for debate

Nova dc Vi/licrs

The Grahamstown Initiative

The Grahamstown Initiative Con-

ference - a unique event in the town's history - took place in the 1820 Settlers National Monument over the first weekend in September. Planned over a period of nine months by a group of citizens of differing occupations and interests great care was taken to ensure representation of the widest possible range of interest groups and political affiliations - not an easy task in South Africa today. Issues of concern included the politically and socially divided Grahamstown community and the largely stagnated economy with resultant vast unemployment.

The conference was structured around seven major issues of concern: The Economy and Job Creation: Planning; Education: Culture: Health: Church matters: Sport and Recreation. The conference was intended as a unique opportunity for communication across major divisions within the community and a launching pad for feasible practical programmes.

To ensure accessibility for all, no registration fee was charged, although delegates were free to contribute towards costs. National business concerns showed their faith in the conference by giving the major financial backing and further welcome sponsorship was received from local businesses and individuals. The 1820 Foundation offered all their facilities and resources at no charge.

Two guest speakers were Mr Bob Tucker, Managing Director of the SA Permanent Building Society, and the Reverend Siggibo Dwane of the Order of Ethiopia. Entertainment was provided by local musicians, ranging from chamber music ensembles to marimba groups, and displays of ballroom and Latin American dancing. Sunday began with an ecumenical Church service in three languages. Music was provided by Choirs from the Dutch Reformed Church, the Cathedral of St Michael and St George and the St Barts Music Makers.

Ongoing committees were elected in the various areas, and will be reporting back to the steering committee on their future plans.

A most significant outcome of the conference was the consensus reached in the planning group that there should be a single local authority for the whole City. A report on the conference will be published by the steering committee which will co-ordinate the future activities of the initiative.

Sue R055

