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The lessons the ANC must learn

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THERE were a number of notable features at the ANC consultative conference last week.

Firstly, reason, compromise and pragmatism, which were generally conspicuous by their absence, surfaced in unexpected quarters.

Both the President and Deputy President of the ANC, Messrs Oliver Tambo and Nelson Mandela, exhibited these qualities. These two gentlemen had every reason to be bitter, considering the long years of suffering they endured.

One returned home after 30 years of exile, a mere shadow of his former self as a result of a serious illness that struck him in the service of the liberation struggle. The other survived physical and mental torture during 27 years of imprisonment.

I had to ask myself: if these two gentlemen are still able to be reasonable and pragmatic, what justification have we (including the 1600 delegates at the ANC conference) to profess bitterness and radicalism?

Rand and file

Secondly, it became very clear during the conference that Mr Mandela and his negotiating team have not begun to share the rules of the "negotiation game" with the ANC rank and file. As Mr Mandela himself later observed, some of the statements made and resolutions passed could only be acceptable to people who did not understand the negotiation process.

I find this rather disquieting and I sincerely hope that the ANC leadership will immediately take steps to introduce at least some of their rank and file members to the culture of negotiation politics. Then per-

Through My Eyes

OSCAR
DHLOMO



haps they too will realise that the engine that drives negotiation is compromise.

Thirdly, one watched in disbelief as the ANC's 20-year-old and highly successful international sanctions campaign went up in flames as a result of unbelievable ineptitude in strategic planning. I am an ardent opponent of sanctions against South Africa, but I am mature enough to recognise and applaud success when I see it.

Through excellent diplomatic initiatives which cost a lot of energy and planning over many years, the ANC achieved an almost total isolation of South Africa internationally and contributed to the socio-political changes we are experiencing today.

Now the ANC is failing to make use of this success as it continues to call for the maintenance of sanctions, as it insists on forcing open doors that are already ajar and as it puts its forces on a state of military preparedness, presumably to fight a war that is no more.

The ANC is failing to take the initiative and lead the campaign to roll back sanctions with the same vigour and expertise it displayed in spearheading the campaign to impose them. The humiliation that has already started will see the international community unilaterally lifting sanctions regardless of what the ANC has to say. Victory can sometimes be more costly than defeat if the victor is unable to use it to his advantage.

'Don't resist calls for redirection of insurance funds'

DURBAN: A warning to life assurers not to resist the initiatives of the ANC in requesting that "a fraction of pension and provident funds be directed to socially responsible projects", was sounded recently by Don Mkhwanazi, convenor of the ANC Task Force for Economic Policy for Natal.

Speaking at the Economic Development Conference for the Durban functional region, Mkhwanazi said a future South African government would be forced to intervene if current levels of deprivation among the black population were not addressed.

He called for "socially responsible behaviour" on the part of financial institutions and big business, and asked why the voice of big business — which was often a major shareholder in financial institutions — had not been heard on the issue of raising funds.

"Big business should be insisting that pension fund managers invest a fraction of their funds in projects which assist disadvantaged communities."

"Sacrifices must be made by all in the interests of the long-term peace and stability of the country."

Mkhwanazi said it was time for the private sector to meet its social obligations. "There is still an endless number of companies which do not even have a housing policy. They believe that by donating funds to the Urban Foundation, they are fulfilling their obligations," he said.

If corporate South Africa does not begin at this late hour to invest in management and skills training, it will face the consequences of its actions further down the line," he warned.

"Black participation in the mainstream of the economy is essential. The growth of the informal sector is an indictment of big business failing to create job opportunities.

He warned that any initiative was bound to fail if there was not intensive community participation from the concept stage. — Sapa

ASKED what has formed the controversial ideas he presented at a recent Islamic Bank seminar, "The Role of the Banking Sector in the New South Africa", Vella Pillay says simply: "I am a banker."

He has just reached retirement age, but until recently was one of the general managers of the international section at the Bank of the People's Republic of China.

The specific proposals Pillay made at the seminar are a far cry from the calls for nationalisation which have given South African business community the jitters.

But they do represent a movement towards more state intervention in the economy.

The proposals represent a further refinement of the African National Congress' economic policy from the broad policy documents which have been presented so far.

Pillay says the ANC has reached the end of the second stage of the process of defining the boundaries of a democratic economic policy.

The next stage is finality on a programme.

Progress has been made towards formulating a programmatic document setting out clearly the targets of and instruments for promoting a democratic economic policy.

"We had hoped the final stage would be completed in time for the national congress this year but the delay will enable us to continue to refine the ideas of the programme we will present at the national conference next year."

There exists a number of expectations as to what democracy will mean to the most people in the economic area.

These are provision of:

- An adequate level of shelter
- Employment
- Educational facilities for children
- Adequate level of health care
- A safety net for the elderly, disabled and sick.

"These will have to be met and this requires us to address the problems of how and in what way the revenue can be mobilised to meet these fundamental needs.

ANC demands an end to play in the 'financial casino'

ANC banking expert Vella Pillay caused a stir recently by revealing the movement had discussed with life assurers the redeployment of a portion of their assets. Pillay spoke to **REG RUMNEY** about the development of the ANC's economic policy

"At the same time we are aware that the structure of the economy and the pattern of industry needs to be transformed away from the basis of a mining industry which has been built through the availability of cheap labour."

How is the transformation to take place?

"We will seek to use our abundant human capital through education and the acquisition of a wide range of skills."

This in turn will make the workforce highly productive, he believes, and capable of supplying the needs of an expanding domestic market as a result of rising employment.

In a nutshell the ANC's economic policy boils down to the intention to "steer the economy towards a growth path which substantially improves employment and overall living standards".

"Here I have in mind the experiences of a number of other countries which have adopted similar policies in the past.

"Japanese business has a highly sophisticated form of consensus and social contract. Sweden, France and other countries have engaged in such planning in earlier phases of rapid industrialisation and economic development."

Pillay acknowledges a key problem will be how the proposals to achieve the ANC's aims will be fashioned.

At the Islamic Bank seminar, Pillay



ANC banking expert Vella Pillay ... state sector might have to become bigger

says, he tried to concentrate on one area of possible economic policy. "I attempted to discuss a series of proposals designed to secure the involvement and participation and active support for these objectives.

"This included proposals for direction of credit to industries targeted as ones calling for expansion and development, increasing the availability of bank loans to black communities with a view to their increasing participation in productive activity.

"What we want is an end to banks' concentration on trade in money — the 'financial casino' — into playing a positive role as a conduit for flows of capital and credit into real productive economy.

"I proposed that insurance companies

and building societies with abundant assets will have to play an equally significant role in meeting these objectives."

It is a matter of public interest, Pillay remarks, how the insurance companies, premier among financial institutions in mobilising the savings of the people of South Africa, deploy those savings.

At the Islamic Bank seminar Pillay noted the ANC had suggested to long-term assurers that five to 10 percent of the savings they administer be placed in social investments.

He says this could be done by negotiation or direct legislation.

"Such social investment could probably be investment in the form of home construction for the black population, and here a number of important initiatives are under discussion in various quarters."

Pillay says the building societies would be required to invest an adequate proportion of their mortgage finance in black home ownership.

"I have also called for crash programmes to address the problems facing the economy and in particular to make deep inroads into the problems of poverty and deprivation."

To achieve this he suggested a consensus between financial institutions, industry, mining companies, trade unions, and consumer interests, all led by democratic government into a set of obligations or planning agreements embodying commitments by each to achieve the objectives through the crash plan.

The commitments would involve targets on budgetary policy, and the setting up of a wage fund and social welfare fund, among others.

Other details have yet to be worked out, such as the role of monetary policy.

He also mentions the creation of industrial development banks in which financial institutions may be forced to put funds.

Finally — and to the probable consternation of those who believe in less government — Pillay admits the government sector might have to be enlarged to achieve a new government's aims.

16/11/11

Focus on homelands luxury cars

RATHER SPEND THE MONEY FIGHTING POVERTY: DIAKONIA

MONEY spent on providing luxury cars to Cabinet Ministers in the 10 homelands would have been better spent on development to combat the widespread poverty suffered by homeland residents, Mr Paddy Kearney, director of the inter-church help agency Diakonia, said yesterday.

The number of cars enjoyed by homeland Cabinet members has become an issue again as Mr Bekizizwe Jamile, the KwaZulu Deputy Minister of the Interior, gave evidence about it in the Pietermaritzburg Supreme Court this week.

During cross-examination, he said that he was allocated two new Mercedes Benz cars by the Government when he was appointed to the Cabinet.

Mr Jamile said that he also had a Toyota which was used to ferry his secretary and bodyguard home after work. The car was kept at his home, he said.

Mr Jamile said one Mercedes was black with a ZG registration, while the other was a colour of his choice with an ordinary registration number so that if he visited unrest areas it would not be identifiable as a KwaZulu Government vehicle.

**MARTIN
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Mr Stan Armstrong, chief director of the Chief Minister's Department, KwaZulu, confirmed yesterday that KwaZulu Ministers had two Mercedes Benz cars. Depending on what they were doing, they could borrow a third car from the transport pool.

The third vehicle was not theirs to keep, and was borrowed for a specific purpose, Mr Armstrong said.

KwaZulu Cabinet Ministers have the use of an official home in Ulundi, and permanent personal bodyguards.

In past years, opposition Members of Parliament have been quick to attack the Government over the gravy train perks that made the 10 homeland governments attractive to some homeland politicians and allowed the National Party to carry out its grand apartheid scheme.

Mr Kearney said one could reasonably assume that the benefits of service that applied in KwaZulu were the same for the other five homelands and the four independent states.

They each have a Cabinet. With the three Ministers' Councils of the Tricameral parliament, and the central government Cabinet, this means

that South Africa has 14 cabinet-type bodies, with each member being given two luxury cars.

Mr Kearney said the money this took would have been better spent on education, development, social upliftment and health.

The holders of such offices would also probably be reluctant to give them up, largely because of the perks attached, in the pending constitution changes.

"The central government created this problem, and they have to sort it out," Mr Kearney said.

About 15 million people live in the 10 homelands, which cost South Africa R10 billion a year to maintain.

The homeland policy has left SA with 14 ministers of health and four provincial health bosses, 14 ministers of education, 11 ministers of police, 14 parliament-type structures with nearly 2 000 MPs, 14 state president and chief ministers and five defence forces.

■ The trial of Mr Jamile, and his co-accused, Mr Msizi Hlophe, was yesterday adjourned until January 21.

Mr Jamile (60) is appearing on 15 charges of murder, attempted murder and incitement to murder. He and Mr Hlophe (19) are appearing before Mr Justice Mitchell and two assessors.—Pietermaritzburg bureau