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Comrade Chair and Comrade Delegates,

I thank the Projects Department most sincerely for the opportunity to share a few ideas. I am extremely nervous about the honor bestowed on me.

I have entitled this input "In Battle Against Idealism". I devote the paper to the memory of the late Comrade Sandile Vilikazi who worked in this department.

Trevor Manual

## IN BATTLE AGAINST IDEALISM

*'There is nothing inevitable about the economic consequences of redistributing political power. Everything will depend on the capacity of the new society, not least on its leadership and of the variety of organisational structures available at the time, to move in the right direction within what is feasible or what has been called "the terrain of effective reality".'*

These lines, taken from ***Uprooting Poverty*** by Wilson and Ramphela crystallizes the challenge facing all of us here. This Consultative Seminar has been convened to sharpen our understanding of the capacity of the new society to deliver to the masses of our people and of our organisational capacity to be the agent of such delivery.

The strategic objective of the ANC is to secure the transfer of power to the people. It is to this end that we have engaged ourselves in struggle all forms of struggle. In pursuance of this objective, the organisation last year drafted the Harare Declaration and initiated the process of winning the support of the international community behind our demands. The success of this process can be measured by the rapid response of the regime to agreeing to talks towards creating a climate for negotiations.

It is now exactly six months since the historic Groote Schuur talks. Many questions are being raised about the precise achievement of these talks. In the apartheid prisons and in our camps ***seasoned cadres*** are growing restless with the tardiness of the implementation of the agreements reached at Groote Schuur and Pretoria. Within communities across the country many questions are being asked about the effect of these talks on the lives of the people. There is a realistic expectation that the talks will, in the short term, result in a trickle-down of wealth and opportunity. Instead, our people are finding their lives racked by new forms of violence and, in addition, are being buffeted by new waves of increases. This is the reality which confronts us today.

Recognising this emerging contradiction in no way detracts from the correctness of the initiative seized by the ANC in initiating this process towards securing the transfer of power. This contradiction does, however, beg of us to fight against the propensity of the current process to alienate the masses of our people.

We understand these expectations in the context of the urgency of the desire for freedom from poverty. We have been able to crisply, yet empirically measure poverty. The recent Discussion Document on Economic Policy refers:

- \* The richest 5% of the population own 88% of all personally owned wealth.
- \* South Africa has a more unequal pattern of income distribution than any of 57 countries measured.
- \* Income received by over 50% of the total population is insufficient for families to maintain themselves at a minimal subsistence standard of living.

- \* Over 30% of the working age group population is unemployed.
- \* Some 40% of rural African and 15% of urban black children were found to be stunted due to malnutrition.
- \* 7,4 million of urban African residents lived in 466,000 "small housing units" in 1986. The current estimated shortages of housing is between 800,000 and 1 million units.
- \* 33% of Africans over the age of 15 (largely female) described themselves as illiterate at the time of the 1980 census.

To this list we can add:

- \* Since the mid-eighties, some 243,000 school-leavers annually have joined the ranks of the unemployed.
- \* The placing of 87% of arable land in white hands by the 1913 & 1936 Land Acts remains unchanged.

Some work has been done to investigate an area under the rubric of *The Geography of Poverty*. Studies confirm that the scale of poverty increases proportionally with distance from the urban centres. The extent of rural poverty as evidenced by unemployment, landlessness and soil degradation has driven people into the urban centres where they are now to be found in squalid informal settlements.

These are some of the features of what is referred to as the legacy of apartheid. This is the situation which history now demands of us to mobilise human and material resources in order to reverse.

We must note that our situation is neither static nor improving. The degradation of the economy and the commensurate lowering of the quality of life of the majority continues, even now regardless of the talks occurring at another level. To illustrate by way of a few examples:

- \* The most recent fuel price increases occurred notwithstanding a drop in the oil price on the international market. We were given the justification of the Middle East crisis. We are not meant to know of the millions of litres of oil stockpiled in disused mines, oil purchased by the Strategic Fuel Fund with our taxes and held in reserve for a day when sanctions will really bite. Fuel price increases never stand alone-they have a deleterious inflationary effect which is already being felt.
- \* The licence given to Taiwanese trawlers to gill-net our coastal waters has virtually completely destroyed marine life on the West Coast. The fishing industry is in ruins and with it, hundreds of workers in the industry have been rendered unemployed.
- \* The recently announced bread price increases form part of the withdrawal of the bread-price subsidy in favour of the wheat farmers. Again, it is the workers whose standard of living is eroded thereby, by having to pay more for a staple food.

Are these examples mere historic and economic accidents? In Namibia, shortly before independence, the South African government sought to hastily privatise the provision of all services, including water reticulation. The objective of this move was to deny the incumbent SWAPO government the ability to provide services to the needy, to weaken its

fiscal base and to create massive conflict between it and the private sector if it sought to nationalise service provision.

In South Africa, we are witnessing a situation where the government, mindful of its weaknesses at a negotiating forum, is increasing the prices of essentials in order to exacerbate the crisis of delivery for the new democratic government. An auxiliary objective of this move is to drive a wedge between the people and the ANC by aggravating the culture of expectation.

In other ways, we need to be attuned to their more sophisticated ploys in dealing with the accumulated crisis of delivery. The stock demand of the people is *Housing is the responsibility of the Central Government*. De Klerk's response has been to establish the Independent Development Trust (I.D.T.) to take responsibility for the provision of housing. This is a master-stroke in taking the heat off themselves by forcing through the total privatisation of housing. Does our willingness to participate in the I.D.T. take full account of this hidden agenda.

It is in these circumstances, that democracy will be born in South Africa. The simile *handing over a poisoned chalice* more than adequately describes the politico-economic scenario.

Against this backdrop, we need to arrive at a development strategy. But, we cannot only look to a long-term set of policy agreements. We are mindful of the warning given by Comrade Walter Sisulu recently, when he said:

*It is not enough for the people to merely identify and define policy. There is a need to initiate action and implement programmes which will lead to the immediate improvement of the quality of life of the majority of the deprived urban and rural communities.*

Jean de la Haye

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