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The Institutional Framework for Implementation of United Nations Programmes in the
Interim Period in South Africa:

by

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1. Apartheid and Development:

lSeparate Developmentl was the South African government's term for Apartheid; a system which
not only denied most South Africans political rights on a racial basis, but also codified unequal
access to public resources and services into law.

Development funds from government were to be given to the different race groups in accordance
with the revenue government derived from each of the racial groups in the country. As whites
contributed in excess of 70% of revenue, they would therefore be entitled to much greater
development assistance from government. Apartheid thus reinforced the supremacy of the white
community both politically and economically.

As far back as 1913, the Land Act abolished the right of black South Africans to own land in
,whitel South Africa - instead, they only had rights in the reserves - which made up about 13%
of South Africa, and supposedly constituted the ethnic lhomelands, of South Africals indigenous
people.

If black South Africans wanted to live and work outside these reserves, they had to have a lpassl
which showed that they had employment - hence the iniquitous pass law system, the basis of
South Africals migrant labour system, and the social origins of the single-sex hostels in urban
townships.

The Apartheid strategy of separate development' went to new lengths when these bantustans
were elevated to political entities, where black South Africans were supposed to realize their
political aspirations. By this stage, there was already compelling evidence that the bantustans
were not and could not be turned into economically viable entities. This did not prevent the most
callous social engineering our country has seen, during which millions of people were stripped
of their South African citizenship, uprooted and herded into their supposed homelands.

In time, some of these bantustans were given independence from South Africa, and paraded as
independent states. On this basis, all black South Africans were to be termed lforeign migrants, -
and which country in the world gives the vote to foreign migrants? Thanks to the world
community of nations, international recognition was withheld from these entities, which
contributed to their failure to provide viable constitutional alternatives to vote for all in a united
country.

1This paper reflects the inputs and ideas of a range of people involved in different aspects
of development.

In development terms, considerable resources were diverted to the bantustans, to bolster the idea
that they were viable and independent, and to try to slow the flow of people to the urban
industrial centres of South Africa.
In the urban areas, Apartheid policy was to see black South Africans as temporary residents,
who had come there to work, leaving their families behind in the bantustans. As a result, there
was a policy not to build urban housing for black people, nor to provide social infrastructure and
services - the basis of todays urban crisis.
Institutions of development were created to support these ethnic and racial policies. In particular,
the Development Bank of Southern Africa (DBSA), was founded on the basis that the South
African government could not fund these lindependenti states directly, and the DBSA was set
up as a legitimate intermediary. Indeed, the bantustan governments became the founding
members of the DBSA, a fact which continues to this day. The DBSA also emerged in an
environment in which South Africa had adopted an aggressive policy towards the Southern
African region. In this context, the bank was to play a key role in bolstering South Africals
hegemonic policies. Those frontline states who were prepared to support the liberation
movements would be cowed militarily, and those which co-operated with South Africa would
benefit from development assistance via the bank. These countries were also offered membership
of the bank. South Africals idea was to set up a constellation of states which sought to put the
countries of Southern Africa on the same footing as the bantustans. The Southern African
Development Co-ordinating Committee (SADCC) was formed to counter this initiative.
Development policies in South Africa have therefore always been subsumed under the dictates
of a government policy which sought to marginalise and control most of its population. The basis
of development policies were always to reinforce apartheid - or reduce threats to it. In the
19805, the South African Defence Forces (SADF), became increasinglyinvolved in development
policy formulation, and the hearts and minds campaign involved soldiers in uniform staffing
clinics, teaching in bantustan and township schools, and co-ordinating public works programmes.
It is in this context that there is the need to understand the lack of legitimacy that institutions like
the DBSouth Africa and the parastatal development corporations in the bantustans enjoy at
grassroots level; and the suspicion of development programmes that are implemented in a top-
down fashion, without proper consultation with local communities.
Also relevant is the history of resistance in South Africa, which took many forms. A key strand
of this resistance focussed on the racist and unequal distribution of access to resources. This has
meant that struggles over housing, education, access to health services, clean water supply and
sanitation have all been highly politicized. Mass community-based organizations developed
around these issues - street committees, civics, village committees, student representative
councils, teachers organizations and many others.
Many of these organizations drew from the experience of community members who were also

active in the increasingly strong and politicized trade union movement, and a strong alliance still
exists between community and factory based organizations.
This leaves South Africa in a very different situation from those countries where resistance was
almost exclusively military, such as Zimbabwe or Namibia. It means South Africa has an
organizational infrastructure and tradition of popular participation around development issues -
which has to be nurtured and harnessed if an alternative approach to development, that places
people in the centre, and is effective and sustainable, is to be built.

2. Building a Democratic Alternative;
During the process of transition, there is the nwd to establish a framework for people-centered
development, which makes a clear break from the past. These are the terms of reference that
need to form part of such a framework:

2.1 There needs to be effective participation in the design and implementation of
development programmes by the constituencies affected.

2.2 Training and human resource development must be built into the process - including
management skills.

2.3. Programmes should be designed to enhance our development approach and build our
long-term capacity. This includes assistance in building appropriate community-based
development institutions.

2.4. Development programmes need an integrated approach, which takes account of inter-
sectoral linkages at local and regional levels - between health, education, housing, child-
care and environmental programmes, for example.

2.5. Development programmes nwd to interface with the overall strategies for economic
growth, in particular, of growth through redistribution. The design of housing
programmes, for example, needs to take account of the potential for housing development
to have a redistributive impact, and act as a kickstart for growth in the economy.
This also means that programmes nwd to maximize the potential to create jobs and
stimulate growth in the local economy.

2.6. The potential differential impact of development programmes needs to be assessed -
their effect on women, on the poor, on the unemployed, etc, and the aim must be to
maximize access.
These are the more intangible products of development, that define whether the process will lead
to stable communities, with legitimate and skilled community leadership, and with local
institutions that can mediate and anticipate the conflicts of interests that emerge when

development processes start in resource starved, unorganized, fragile communities.
Without these processes, what may seem like a well-planned strategy to deliver basic services
can in fact shatter a fragile community, and provide the small spark needed for violence to flare
- as is happening today in informal settlements such as Phola Park.
It is expected that agencies such as the United Nations adapt their style of work where
necessary, to help overcome the past and build a development framework on the terms above;
to facilitate and deepen the capacity of communities to participate in the planning and
implementation of development processes - and to assist in strengthening their institutional
capacity.

3. The Institutional Mechanisms:
One of the key aims of people-based development, is to build strong, democratic local and
regional government; and identify appropriate parastatals needed to assist in the delivery process.
But the exact form to be taken by such institutions, the role of community-based NGO's and the
private sector in this process is one of the issues of debate in the transition.
However, at this stage, there is an emergent institutional framework for the implementation of
development programmes in the interim period; which also serves our long-term nwds.
This exists at three levels:
a) Consultation and Participation in Development Decision-making;
b) Delivery Mechanisms
c) Development Finance Institutions

3.1. Development and Decision-Making:
3.1.1. Co-ordination at Grassroots Level:
At one level, constituency-based organizations have started to co-ordinate their activities within
sectors, and regionally, providing a more coherent basis for consultation at this level.
Regional Development Forums have been formed in several regions, and are planned in others,
in response to the urgent need for regional co-ordination and the development of common
strategy in relation to development issues.
In areas such as the Border region, Eastern Cape, Western Cape, Natal and Northern Transvaal,
these forums have drawn in organizations of communities, trade unions, students, youth, women,
teachers, and a range of other organized constituencies at local level. These regional
development forums have attempted to be politically non-sectarian, arising from a strong
perception of the dangers of linking access to development resources to party affiliation.

These regional development forums have met as part of the National Development Forum on three occasions. The NDF is constituted partly of representatives from the regional development forums, and also by representatives from the development sectors: civics, trade unions, education, health, welfare, urban, rural and income generation sectors. Sectoral organization is at different levels of development; but has started to consolidate through this process. The NDF is not, however, a formally constituted organization, but has instead provided a forum for national debate, shared experiences, and the development of an integrated approach.

3.1.2. Co-ordination between the Key Interest Groups:

The urgent need to address socio-development priorities has also led to the formation of a range of forums which bring together the key actors in the development sphere.

a) Negotiating Forums:

Negotiating forums have emerged in a range of different sectors in South African society, and typically involve the democratic forces, the private sector, and the state. These forums have emerged parallel to the CODESA process, where the mandate is limited to defining the terms of a political transition.

Many of these forums have been initiated by the democratic forces, with the following aims:

i) To prevent unilateral restructuring by the current state, prior to the establishment of a democratic government;

ii) e To address urgent development needs, and address the plight of the poor.

iii) To work towards a post-apartheid plan.

These negotiating forums reflect the state of transition that South Africa is in: on one hand, it is recognized that reconstruction requires co-operation between a range of social forces; on the other, these forums are negotiating forums, in which areas of common ground are reached, but no over-riding consensus can be assumed.

The National Economic Negotiating Forum (NENF) was initiated by Cosatu and Nactu, and includes the key representatives of organized business. The state is strongly urged to attend by all parties, although they are prevaricating.

The key issues the labour movement is placing on agenda for negotiation include:

't A moratorium on retrenchments

i' Job creation schemes which will provide housing, electricity and roads:

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An end to privatization;
Education and training, including literacy;
Value Added Tax;
The state budget
Equalization of pensions and worker control of private pension funds;
Worker rights in bantustans, and for public sector, farm and domestic workers;
An effectively restructured National Manpower Commission.
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This national forum has parallels at regional and local levels, although these have developed in
a more haphazard manner, and have varying degrees of popular participation. They mainly aim
to include all the key players': the private sector, the trade unions, the communities and the
state. An agency such as the Development Bank of South Africa would come in as part of the
state's team.
Examples of these initiatives are lWesgrol in the Western Cape, lJump Startl in Durban, and
initiatives by the Midlands Chamber of Commerce in Port Elizabeth, and in Klerksdorp.
At its recent Economic Policy Conference, Cosatu developed guidelines for participation in these
forums, which could well hold useful pointers for the United Nations System. Some of these are
as follows:
i" Cosatuls participation in these forums should be part of dismantling apanheid and
introducing democratic structures as soon as possible;
b Cosatu does not recognize existing apartheid boundaries, nor the structures representing
them; regional initiatives should strive to over-ride these boundaries;
l" Regional boundaries should be defined on socio-economic criteria, not in terms of
ethnicity, privilege, or apartheid political structures;
"' There is need to guard against inter-regional competition for resources, and ensure that
regional programmes fit in to national policies.
National sectoral negotiating forums have also developed; around housing, with a particular
focus on the hostel system; in the health sector; and in education. Local government
restructuring has also been put on the agenda through the One City campaigns, lead by civic
organizations.
All these negotiating forums tend to spawn sub-structures, in the form of Joint Technical
Committees, which have the potential to play an important role in skills transfer.
There are other linterim' forums, such as the Standing Committee on Water Supply and
Sanitation, established to look at policy formulation in this area. The delivery of this kind of

bulk infrastructure is critical, yet there is no acceptable national agency to undertake this task.

The Standing Committee includes people from government, water sector, professionals, service organizations and community organizations, and places particular emphasis on representation from the affected communities.

Many of these negotiating forums are seen as lasting beyond the interim period; what would change would be the content of government participation and the extent to which state agencies would provide a lead in supporting the type of development approach outlined above.

3.1.3. The National Peace Accord:

The National Peace Accord is a multi-sector forum aimed at ending the massive level of violence which had swept across communities in many parts of the country.

The Accord was entered into by a wide-ranging group of political parties, trade unions, the private sector, the South Africa government and other interest groups. The aims of the Accord are to bring to an end the massive level of political violence and consequent suffering in the country.

The National Peace Accord has formulated a system of dispute resolution with structures at national, regional and local level, to intervene in order to eliminate political violence and situations and conditions that could lead to violence. The Accord itself has established Codes of Conduct for political parties and the South Africa police.

The Peace Accord also recognizes the extent to which socioeconomic problems create fertile ground for conflict, and a development committee has been established, with structures in each region of the country.

These structures therefore provide another mechanism through which all the key interest groups attempt to reach common ground in relation to development priorities and programmes.

3.2. Delivery Mechanisms:

Current state structures and bureaucracy are racially divided, there is lots of duplication, low levels of expertise, and no legitimacy. Despite a willingness to change in many instances - which must be supported - they are in no position to be the lead agencies in any current delivery process.

At the same time, many delivery functions have been privatized and have become unaffordable; and current delivery systems are weak in many key areas: rural areas, shack settlements, and marginalised communities.

The private sectorls role in delivery of eg bulk infrastructure or is also limited; currently, only
10% of the African population is serviced through private sector involvement.
In this context, attention nwds to be paid to institutional and spatial reorganization and
rationalization of delivery, as well as to the development of new mechanisms of delivery.
Some interesting strategies and institutions are being explored, at local level, in which
communities take an increasing role in managing the development process, rather than being the
recipients of a product from outside agencies. Many of the communities that have been the most
marginalised from mainstream processes have had to be the most creative in setting up their own
institutions.
The Urban Sector has probably taken this process furthest, and at
the National Development Forum Conference in East London, December 1991, these were the
types of institutions being discussed in the Urban Sector:

3.2.1. Community Development Trusts.
CDTls are being established by a number of civic organizations, to co-ordinate and
integrate local development programmes. CDTls also provide a legal framework within
which the options below can exist as sub-structures - although this is not a prerequisite
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3.2.2. Community Development Corporations, or Utility Companies;
These are non-profit companies exempt from income or company tax, whose function is
to implement development projects. A housing utility company would be responsible for
servicing land and building houses, or providing back-up to a self-help housing scheme.
3.2.3. Land Trusts, Housing Associations and Co-operativos:
These all aim to keep urban land off the speculative property market to increase the
affordability of housing.
3.2.4. Capital Development funds;
These have arisen largely in response to the IDT's capital subsidy scheme, in which
individuals are subsidized R7,500 per stand for bulk services. However, only a few
people in the community benelit from this, and communities such as Tamboville have
opted rather to pool the total subsidy available to their community, and then decide how
best to use it to provide bulk services in the community as a whole. This requires a
finance mechanism such as a Capital Development Fund.
3.2.5. Local Financial Agencies:

These include loan funds, which provide access to credit for purchase of housing materials, income generating projects and local development; and mechanisms which aim to mobilize local savings and external investment.

3.2.6. Housing support programmes:

Such as legal advice, building materials co-ops, technical advice.[2]

The existing experience needs to be extended and consolidated, as do similar processes in other sectors; and where development programmes are being implemented in the interim, these are the types of mechanisms that need to be supported.

3.3. Development Finance:

The key source of finance for development is the state; and in South Africa, the backlogs and gross inequalities mean that the need for the state budget to include signiiicant allocations for development is hardly a debate. However, state funds for development are complemented by a significant range of other sources of finance.

In South Africa today, the CDTis mentioned above are just one of a range of ideas for community-controlled mechanisms for getting finance to communities, and cover rural, urban and womenis needs.

They attempt to overcome the continued barriers that most South Africans experience in trying to get access to credit, with women, youth, the unemployed, and rural communities in the weakest position.

The Peoples Development Bank initiative, the Women's Development Bank, the Rural Finance Facility, the South Africa Credit Union League, the Get Ahead Foundation, IBEC, and the Co-op Development Loan Fund of the National Union of Mineworkers are just a few of these initiatives.

While most of these are still conduits for funds from sources such as the Independent Development Trust, or donor agencies, some are based on the mobilization of savings. Current debates hinge around issues such as the forms of local involvement in allocation of funds, the conditions for grant or loan tinancing, interest rates, and levels of support services required to facilitate productive activity.

[2]See "Discussion Document on Building Democratic Development Institutions", National Development Forum Conference, December 1991, East London; and "Housing, Urban Development and Local Government", tabled at the same conference.

10

Conclusion:

From the above, certain guidelines emerge for the United Nations's participation in the implementation of development programmes in the interim period:

1.

The United Nations should take account of the terms of reference set out in (2) in the design and implementation of its programmes; and assist us in building a participative alternative to the top-down development processes of the past.

The United Nations should work in partnership with the key players around the design and implementation of any development programmes. This would include the interim government, the trade unions, the community based organizations, the NGOts from the sector, as well as the private sector.

Where possible, the negotiating forums provide the appropriate entry point for the United Nations agencies.

When it comes to implementation, United Nations programmes should aim to build the capacity of community-based development institutions, and to assist in developing mechanisms for delivery that take account of the areas of current neglect: such as rural areas, shack dwellers, and less-organized communities.

Given the duplication and inefficiencies of apartheid, South Africa needs United Nations help in planning the reorganization and rationalization of parastatal development agencies.

In terms of development finance, there is a wealth of experience in other parts of the world to which South African exposure is needed.

South Africa nwds United Nations assistance in the development of appropriate policies for implementation by a democratic government - in relation to the socio-development priorities identified.

South Africa has long been isolated - to good effect. Now South Africa needs the United Nations to assist in re-entering the world, and to learn the lessons from other countries,

and to benefit from the development expertise available in every sector.

In particular, assistance is needed in identifying the options for translating broad policy

aims into short to medium-term strategies for delivery.

In terms of all of the above, assistance is nwded with regard to information and training:

workshops, networking, comparative experiences, study tours, courses, curriculum development - to wipe the legacy of apartheid of South Africais slate.