

Enquiries: H J Pringle (012) 341-4313 BKDF 3/4 6 July 1993

Dr B Nomvele
Co-Chairperson
Commission on Demarcation/
Delimitation of Regions
P O Box 307
ISANDO
1600

Dear Dr Nomvele

SECOSAF presents its compliments and has the honour to herewith submit to you, for your attention, the Executive Summary for the BKDF Workshop on Regionalism, held in East London on 21 June 1993.

Highest consideration

M'E H VAN DEN BERG

ACTING SECRETARY-GENERAL

DRAFT EXECUTIVE SUMMARY BKDF WORKSHOP ON REGIONALISM OLD LIBRARY HALL, EAST LONDON, 21 JUNE 1993 09:00 - 15:00

Chairperson

Mr A Hendricks

SECTION 1: INTRODUCTION AND WELCOME

- 1.1 Mr A Hendricks (BKDF) welcomes delegates to the Regionalism Workshop (see ANNEXURE A for a list of participants) and stresses the following issues in his introduction, namely:
 - the BKDF's role as a facilitator in the process of bringing the various parties together to discuss the Border-kei region;
 - the importance and urgency of regionalism;
 - the need to give attention to <u>powers and functions</u>, the proposed <u>boundaries</u> of the region and the <u>regional administrative and legislative centre</u>; and
 - attendance of the meeting by representatives of the National Delimitation Commission.

SECTION 2: POSITIONAL INPUTS

- 2.1 Mr L T Mrwetyana (Ciskei Government) indicates that the Ciskei government's inputs will be provided during the plenary session.
- 2.2 Mr H Maxgwana (COSATU) proposes that COSATU's positional input be provided by the ANC representative owing to the common position of the ANC/SACP/COSATU



alliance.

- 2.3 Mr B Schuitema (SACP) seconds the proposal put forward by the COSATU.
- 2.4 Mr A van Rensburg (RSA Department of Regional Affairs) indicates that he is not conveying the viewpoint of the entire South African Government but rather that of his Department. This presentation highlights the following:
 - the importance of intensive wide ranging negotiation on the issue of regions;
 - the fact that the RSA Government has no "iron-clad" views on regionalism;
 - the importance of a bottom-up approach to regions which provides for full involvement from a grass roots level;
 - the assumption that consideration will be given to historical borders, constitutional and demographic realities, viability (i.e. fiscal, economic and developmental), cultural and language realities, administrative considerations and the avoidance of too much fragmentation;
 - the need for a pragmatic approach; and
 - the importance of the work programme embarked upon by the National Delimitation Commission.
- 2.5 Mr J T Madiba (Transkei Government) indicates that the issue of regions is presently being debated in Transkei; as a result, no single official viewpoint exists at present. Nevertheless, it is important that an indication be provided of the issues being raised in discussions within Transkei. These include the following:
 - the Transkei Government does not prescribe what is to be done in terms of regionalism. Instead, various organizations need to be consulted before a common position can be derived. This process of consultation has only recently begun;
 - the realisation that Transkei is not viable as an entity itself. Transkei is therefore committed to reincorporation. When reincorporation occurs, this will have to take place into some region. Thus the primary determining factor in this reincorporation process is the <u>viability</u> of the region into which Transkei is incorporated;
 - the importance of considering <u>all</u> variables that could have a bearing on the future regional system in South Africa; and
 - Transkei's commitment to participation in the BKDF.
- 2.6 Mr J Barker (Democratic Party) sets out the views of the Democratic Party (DP). This presentation outlines the following:
 - the DP's belief in the maximum devolution of power to regional or state legislatures and executives, which, in respect of constitutionally defined powers, shall have exclusive jurisdiction over such powers within established

geographic areas;

the DP's satisfaction with the present geographic area being dealt with in the Border-kei region, with the possible exception of Griqualand East;

the rejection of ethnicity as a basis for determining regions;

the DP's acceptance of South Africa's boundaries as recognized by international law (i.e. those established prior to the Union in 1910). The DP assumes that the TBVC States will once more become part of South Africa;

the DP's belief that the racial, ethnic and linguistic diversity which characterises South Africa, is a national asset which should be developed in a spirit of mutual respect, tolerance and conciliation. <u>Federalism</u> assists in accommodating this diversity;

strong opposition by the DP to any form of replication of the ethnic national states that existed in South Africa under grand apartheid;

the need of the National Delimitation Commission to test the will of the people when giving attention to borders/boundaries;

the need to implement measures to ensure that each state receives its equitable share of the national resource;

the desirability of ensuring that each state is as economically viable as possible;

the need to ensure that 2nd tier government is able to govern effectively. This requires an efficient and effective administrative infrastructure. Consideration should therefore be given to the establishment of suitable capitals for these states and the location of suitable government offices;

the DP's preference for a federation of about 10 states based on the present 9 development regions with the addition of a state including all or most of Ciskei, Transkei and the Border area;

support by the DP for an impartial delimitation commission;

the compilation of a pamphlet detailing the 5 stages of regionalism. This document entitled "The Road Map for Constitutional Decentralisation" is included as **ANNEXURE B**;

the speaker's personal preference for East London as the future administrative capital of the Border-kei region. However, care should be taken to avoid duplication of services. Thus, infrastructure located in Transkei and Ciskei should not be ignored. It would be wasteful to replicate infrastructure in East London; thus, the administration of the region should be devolved to areas such as Bisho, owing to existing administrative capacity;

the importance of ensuring the ability to produce services capable of meeting the reasonable expectations of communities at grass roots level. This imposes a large challenge upon regional and local governments; and

the need for a policy that will incorporate affirmative action for the social reconstruction of the Border-kei region. This will necessitate a certain amount of equitable redistribution from the common wealth of South Africa.

2.7 Mr M Mbandazayo (PAC) provides an overview of the Pan Africanist Congress' (PAC's) views on regionalism. This presentation highlights the following:

the fact that the PAC is not opposed to regionalism per se. However, certain reservations do exist concerning the direction in which discussions have proceeded so far. This is due to the use of regionalism and federalism synonymously; the PAC understands regionalism in terms of geography (while federalism is more than this in that it includes numerous other variables i.e. economic, political and social). The PAC believes in a unitary state. Regions are thus viewed as tools to be utilised in facilitating effective administration. Regions should have certain well defined powers and should be semi-autonomous;

powers of government should be devolved by <u>central government</u> upon regional government. The PAC has suggested a maximum of 7 regions;

regions should be vested with such powers that may be necessary to ensure regional planning and development and the provision of services within their respective areas. These should all be subject to ratification by the national government (i.e. the central authority);

residual powers not specifically catered for in the constitution and not allocated specifically to the regions or government, should vest in the national government; and

to summarise, the PAC believes in a unitary state with semi-autonomous regions devolving from the central authority. The demarcation of regions should be based primarily on economic self sufficiency. Regions must not be demarcated on the basis of ethnicity.

2.8 Mr A E Spring (BBAC) provides the views of the Border Business Action Committee (BBAC), an organization consisting of commerce and industry representatives in the Border-kei area. This presentation highlights the following views of the Border-kei business community, namely:

the fact that due to certain constraints, the views of the Transkei Chamber of Commerce have not yet been obtained;

the need to ensure an approach that is as objective as possible in examining the issue of regions. (Emotions should be removed from the equation as far as possible). An approach should be formulated based upon the best interests of the people and the region;

Border-kei region has suffered the consequences of being governed at a distance by central government located in Pretoria and Cape Town. Decision makers have not been directly involved in the region in the past; they have

thus been unaware of many of the problems faced by the Border-kei region. Thus BBAC is strongly in favour of the maximum devolution of power and authority in the new dispensation;

BBAC advocation of a region consisting of the territory presently considered the Border-kei area (see <u>ANNEXURE C</u> for a map in this regard). Allowances should, however, be made for communities living on the boundaries to decide on their regional inclusion within a given period of time;

BBAC's support for a sovereign South African state divided into regional administrations for the purpose of facilitating good government in the national interest (i.e. <u>not</u> a confederation). This implies a degree of interdependence between the constituent states;

support by Transkei and Ciskei for the principle of reincorporation into South Africa as part of a greater region. BBAC believes that the Border-kei region being proposed, is compatible with this ideal in that it is functional and has a sound basic infrastructure with appropriate communication links. BBAC also believes that East London has traditionally been regarded as the core city of the region; furthermore, it has the necessary infrastructure to become the regional capital. At the same time, however, cognisance should be taken of the existing infrastructure in Umtata and Bisho;

BBAC's belief that the Border-kei region possesses the necessary basic infrastructure required to become economically viable eg. the harbour in East London and the existence of backward and forward linkages with other development nodes such as Umtata, Butterworth, Queenstown, Stutterheim, Aliwal North, Dimbaza, King William's Town etc.;

the feeling that the existing Region D which includes Port Elizabeth and divides Transkei, is unwieldy and incompatible. One of the reasons is that it is the only region with two clearly defined metropolitan areas (i.e. East London/King William's Town and Port Elizabeth/Uitenhage). This has been to the detriment of the East London metropole. The RDAC for Region D has also recognized the incompatibility of Region D in its present form and has expressed itself in favour of dividing the region in two, with one of the areas conforming to what is presently considered the Border-kei region;

the fact that reincorporation of Transkei and Ciskei is more than a mere stroke of the pen. Many important issues need to be addressed before effective reincorporation can be achieved eg. the future of established civil services, administrations, armies, police forces, etc. Uncertainty should be recognized and addressed as soon as possible; and

important points raised in the 3rd and 4th report of the technical committee to the National Negotiation Council (see <u>ANNEXURE D</u>).

Mr H Venter (Border Regional Development Association - BRDA) provides a presentation outlined in the document entitled "Regional Government and Regional Boundaries" (refer to ANNEXURE E). This presentation outlines the following:



- the in-depth study of regionalism undertaken by the RDAC for Region D;
- the fact that people do no want to be prescribed to; regional government will bring decision making closer to the general public i.e. decisions by the people, for the people, in their own environment;
 - economic viability and self sustainability of regions is over-emphasised in public debate. In reality, the transfer of funds from central government is inevitable;
 - critical factors in determining boundaries i.e. culture, economic functionality, development potential and demographics;
 - suggestions concerning potential scenarios for regional boundaries in the Border-kei area (refer to 8.2 of ANNEXURE E); and
 - the following recommendations, namely that:
 - general support for division of the region along the Fish River, with the proviso that the North Eastern Cape (Sub-regions 11 and 20) form part of the Eastern Province (i.e. that area which has Port Elizabeth as the metropole);
 - Transkei, in its entirety, should be incorporated into the area which is already known as the Border-kei. (This would result in a unit consisting of Transkei, Ciskei and the Border area); and
 - the area to the west of the Fish River, (i.e. the Eastern Province and the North Eastern Cape), be extended to include the districts of Mossel Bay, George, Oudtshoorn, Uniondale, Prince Albert, Beaufort West, Murraysburg, Victoria West, Richmond, De Aar, Jansenville and Colesburg.
- 2.10 Mr J J Human (Amatola Regional Services Council) indicates that the Amatola RSC associates itself fully with the views expressed by BBAC.
- 2.11 Mr G D H Swart (RDA 11) provides a presentation highlighting the following views of RDA 11, namely that:
 - regionalism provides an ideal opportunity to rationalise. Real interests of the regions should be considered;
 - the area served by RDA 11 (i.e. Aliwal North, Venterstad, Lady Grey, the judicial area of Jamestown and the Steynsburg district) should not be included in the Border-kei region in future. At present, most trade and interaction in this district is with Bloemfontein and the Orange Free State. Very few trade links exist with East London owing to vast distances between these areas. Thus the recommendation is that the territory served by RDA 11 should be incorporated into a region including Bloemfontein in future.
 - Mr S Bekker (Drakensberg RSC) provides the viewpoints of the Drakensberg RSC which

serves the area known as the North Eastern Cape. This area includes 13 towns and 39 local authorities. These views include the following:

- that the Drakensberg RSC is also "looking North" due to the fact that Bloemfontein is located closer to this area. Bloemfontein appears to offer many advantages in that it has a medical school at the University of the Orange Free State, a technicon that is widely utilised by people residing in the North Eastern Cape and the existence of well established industries in Bloemfontein that a presently conducting trade with the North Eastern Cape;
 - that most of the local authorities consulted in the North Eastern Cape have expressed themselves in favour of the above mentioned option; and
- the desire of the Drakensberg RSC to remain intact as a single functioning unit.
- 2.13 Mr M Johnson (Queenstown Town Council) provides a presentation setting out the views of the Queenstown Town Council. These include the following:
 - excellent relations between the various race groups within Queenstown;
 - the preparation of a memorandum which has been circulated to all relevant role players in Queenstown on the issue of regionalism;
 - Queenstown's progressive approach to "levelling the playing fields" (eg. one of the first to open its central business district to all race groups and the favouring in principle of one town council and one administration for the town's affairs);
 - relative disadvantages suffered by Queenstown and adjoining areas under the apartheid system due to the massive amounts of funds poured into adjacent areas (eg. Transkei and Ciskei) in the interests of the apartheid system. Furthermore, many profitable farmers were displaced with the purchasing of land for the consolidation of Transkei and Ciskei;
 - possible boundaries for the Border-kei region; this region could possibly be constituted by the territories served by the 5 RSCs presently in this area and both Transkei and Ciskei;
 - that more important powers should still vest with the central government but with regions being empowered to act in the best interests of their areas. The powers of local government should thus be increased;
 - that Queenstown should house the "head regional office" for the Border-kei region due to the existence of necessary infrastructure, services, educational facilities etc. and the strong support base for the potential future government; and
 - that Queenstown definitely wishes to be part of the Border-kei region.
- 2.14 Mr M Mrwebi (NAFCOC NEDE) provides his views as representative of the Chamber of Commerce of the North Eastern Cape. These views include the following:



that the Chamber of Commerce of the North Eastern Cape is a widely representative body;

that on no prior occasion has the Chamber of Commerce of the North Eastern Cape heard of the viewpoints advocating exclusion from the Border-kei region and linkage with the northern area which includes Bloemfontein. This would indicate that many black people in the North Eastern Cape have not been consulted by the RDA and the RSCs on this issue. This is important as blacks clearly outnumber whites in this area;

the need for a democratic approach to the issue of regions;

the urgent need to ensure development in the Border-kei region;

that the Border-kei boundary in the West should be the Fish River while the boundary in the North should be the Orange Free State border; and

potential advantages provided by Queenstown as the development centre for the Border-kei region owing to the availability of vast tracts of land ideal for the accommodation of a large labour force, ample water supply and ideal geographical location.

2.15 <u>Professor J Peires</u> (ANC) puts forward the African National Congress' (ANC's) views concerning the Border-kei region. These include the following:

concern with the views expressed by some of the speakers which would have the end result of bringing the Orange Free State border within 100 km of Umtata:

at the end of the day it will be the <u>majority</u> of people that will decide in which region they wish to be placed. Decisions will have to be taken democratically;

misperceptions by white farmers in the North Eastern Cape. These misperceptions should be corrected; the ANC has no plans for a multitude of landless people from Transkei to seize land that currently belongs to farmers in the North Eastern Cape. According to the ANC bill of rights, the right to property is recognized. Thus, any redistribution of land will take place in an orderly manner with compensation being paid;

the ANC's views on regions are not too different from those expressed by Mr Mbandazayo (PAC). The ANC considers economic viability as the primary determinant. Thus, there is no objection in principle to East Griqualand being included in the Natal/Kwazulu region for example, provided it is based upon democratic decision making with a referendum if necessary. This process should not be delayed as decisions need to be taken;

regarding Border-kei/Eastern Province, the ANC is not against the inclusion of Port Elizabeth; this issue still needs to be subjected to substantial discussion before a final consolidated view can be expressed. The reasoning behind the initial view of including Port Elizabeth is based upon increased viability of the region. Nevertheless, the ANC would oppose the idea of

having Port Elizabeth as the capital of such a united region;

- underdevelopment historically of the Border-kei region as a labour reserve. The area has been <u>made</u> poor to service the labour needs of mining;
 - the reality that under apartheid, a vast amount of money was pumped into the Border-kei region even though it was done in a misguided manner with few real benefits being derived; and
 - the need for a strong national government to assist historically underdeveloped regions in future.
- 2.16 Mr R N Joubert (Ugie Town Council) provides the meeting with a presentation detailing the views of the Ugie town council; these views include the following:
 - broad based consultation with many parties in the Ugie district (eg. the Ugie Rate Payers' Association, the business community, farming communities and the Ugie Residents' Association) concerning regional affiliation. The unanimous recommendation based upon this consultation is that Ugie should remain part of the Border-kei region. Geographically and historically, Ugie is part of the Border area;
 - rejection of Ugie being incorporated into the Orange Free State region. The Orange Free State is viewed as a so called developed area whereas the Ugie area is underdeveloped and thus, like the rest of the Border-kei region, requires special measures to ensure development; and
 - preference for inclusion of Port Elizabeth in the region.
- 2.17 Mr M George (ANC Border Division) provides a presentation reflecting the views of the Border Division of the ANC; these include the following:
 - the need for wide based consultation before decisions are taken regarding regions. The interests of the entire nation are primary in this regard;
 - the ANC position is based mainly on the <u>economic viability</u> of regions. This is important given that the Border-kei region in its present form, is one of the poorest areas in South Africa;
 - while the ANC originally advocated 10 regions, through the process of consultation and negotiation, these views have been modified; the ANC is presently thinking in terms of 8 regions;
 - that the local region should include the Eastern Cape. Thus Port Elizabeth should form part of the region;
 - that failures in the past of the so called Region D were basically due to unsound administration;
 - Port Elizabeth, while it should be included, should not be the administrative capital of the region. One of the best options that presents itself in terms of an administrative capital is the King William's Town/Bisho area due to its



central location; and

the possibility of sub-regions and even sub-structures (eg. a judicial capital located in Transkei).

- 2.18 Prof A O de Lange (Fort Hare) presents the views of the Agricultural and Rural Development Research Institute (ARDRI) located at the University of Fort Hare; these views include the following:
 - that South Africa is a developing country and not a developed country. Thus the 2 major issues facing South Africa is unemployment and food security;
 - the most important factor separating successful and unsuccessful countries has been found to be the level of organization within society and the degree to which decision making takes place by the people who are affected most by these decisions. Regional organizations will therefore be crucial in future to the development of South Africa. A situation should not arise where certain regions will be the "poor relatives" to the rest of the country. The current situation is detailed in a map included as **ANNEXURE F**, which lists the population figures and GGP for each of the regions in South Africa at present;
 - to exclude the Port Elizabeth area would have the effect of splitting the three major industries in the region (i.e. motor manufacturing, citrus and wool) down the middle, thus impacting negatively on the economic viability of the region; and
 - the importance of examining the flow of people and products within areas in order to determine regional boundaries.
- 2.19 Mr P E Mokoena (Transkei Government) stresses the considerable number of natural resources to be found in the Border-kei region (eg. water, minerals, available land for forestry, tea, sugar, etc.).

SECTION 3: PLENARY SESSION

- 3.1 The following important issues were raised during the plenary session, namely:
 - that while consultation is extremely important, it should not be protracted by extension to the point of absurdity. Certain things are widely accepted as given; it is only in those areas where uncertainty exists that in-depth consultation will need to take place;
 - contrasting viewpoints concerning the inclusion of the East Griqualand area in the Border-kei region;
 - the need to locate the administrative capital within the Border-kei area in order to ensure that East London and other development centres do not

remain the "poor relatives" of Port Elizabeth;

recent indications that the National Executive of the ANC is willing to consider an 8 region map of South Africa which would result in the Border-kei region being combined with the Eastern Province region, with some adjustments being made. The reasoning behind this is based upon the view that the economy of the Border-kei area is not strong enough to exist as a separate region per se;

views expressed by BBAC, namely that:

- regions decided on, should be as economically viable as possible;
- despite the above, compatibility is the most important criteria; and
- that the greater East London area has an <u>inherent</u> economic viability, even though this viability has been restricted in the past due to inappropriate development policies/strategies;

the need to gain an understanding of the <u>purpose</u> of regional boundaries as a precondition to any discussion on the location of these boundaries. In this regard it is essential that attention be paid to political, social and economic variables (eg. economic viability, efficient and effective administration, reconstruction and development, etc.);

- the considerable amount of administrative infrastructure present in Umtata;
- the need to ensure affirmative action in those areas previously affected in a detrimental manner;
 - the need to prevent inappropriate infrastructure from being utilised because "it is there". The criteria to be applied should be one of <u>sensibility</u>. What is inappropriate should simply be discarded; and
 - that current demographic figures are skewed due to the effects of apartheid. This will have to be taken into account in any future regional policy.

SECTION 4: SUMMARY

- 4.1 The chairperson provides a summary of the positions that have emerged from the workshop. This summary highlights the following:
 - that a strong feeling exists amongst various delegations that the Border-kei region should be an economic <u>whole</u> consisting basically of the area outlined in **ANNEXURE** C:
 - an indication by some parties that East London/King William's Town should



be the administrative centre for the greater Border-kei region. Queenstown has also stated its claim for consideration. Attention will also have to be given to the capacity that is available in Umtata;

that there will have to be some redistribution of administrative capacity taking available infrastructure into account;

that considerable consultation is still required regarding the <u>precise</u> boundaries of the Border-kei region. This is especially important in areas where people are liable to be affected by the establishment of these borders. It is important that a <u>democratic approach</u> be adopted in this regard;

views expressed by certain representatives from the North Eastern Cape that their areas be excluded from the Border-kei region and that they be incorporated into a region including Bloemfontein. Despite this being a minority viewpoint, the National Delimitation Commission will need to examine the issue in greater detail;

that the National Delimitation Commission should also give attention to the issue of regional inclusion of the East Griqualand area. This too will require considerable consultation;

the need for "soft" boundaries (i.e. "not cast in steel");

the <u>inherent</u> economic viability of the Border-kei region despite the fact that development has been stunted and skewed by inappropriate strategies and policies of the past; and

that in the event of the Eastern Cape and the Border-kei area being incorporated into a single region, this should only take place if the region's centre moves to the Border-kei area (eg. East London, King William's Town/Bisho, Queenstown and, regarding legislative/administrative capacity, Umtata).

4.2 Based upon the chairperson's summary, the following additional issues are raised, namely:

Port Elizabeth's potential unwillingness to play a secondary role to any other centre in the region. This will have the effect of heightening competition for regional resources in a manner that may be detrimental to the area;

the view that no matter what occurs with regard to regional boundaries, this will not fundamentally affect the economic realities of the Border-kei region (eg. the association between towns, the manner in which businesses operate, etc.). Thus determination of the future quality of life in the region depends largely on the extent to which the regional government can be influenced to distribute funds to areas that are most in need of development;

failed attempts in the past to facilitate development in the so called Region D which includes Port Elizabeth and divides Transkei up into separate regions. Care should therefore be taken not to repeat the mistakes of the past;

perceptions that Transkei has been most severely affected by past policies in terms of economic development and productive job opportunities. In order to ensure that Transkei and Umtata in particular, does not become even more relatively disadvantaged in future, it is recommended by the Transkei government that special attention be given to existing administrative/legislative capacity in this area; and

the need to ensure an <u>equitable</u> distribution of wealth and opportunities in the Border-kei region as far as possible. This will necessitate a certain level of affirmative action to address past inequalities.

SECTION 5: RECOMMENDATIONS

The following recommendations were endorsed by the workshop, namely:

that copies of the executive summary for the workshop be submitted by the chairperson to the National Delimitation Commission for consideration; and

that each delegation wishing to submit their organization/government's viewpoints to the National Delimitation Commission, should do so after consultation.

SECTION C: CLOSURE

6.1 The chairperson thanks the various representatives for their participation and brings the meeting to a closure.



BKDF 3/4 28 June 1993

ANNEXURE A

LIST OF PARTICIPANTS

| NAME | ORGANISATION | CONTACT ADDRESS | TEL NUMBER | FAX NUMBER |
|------------------------------|-------------------------------------|--|---------------|---------------|
| Mr L Bakaco | COSATU | P O Box 7523 Carmel House East London | 0431 - 431951 | |
| Mr J Barker | Democratic Party | P O Box 19025 Tecoma | 53993 | 53949 |
| Mr J Beer | Gonubie Ratepayers Association | P O Box 146 Gonubie | 404034 | |
| Mr S Bekker | Drakensberg RSC | Barkley East | 04542 - 158 | 04542 - 251 |
| Mr G T Boltina | NAC Umtata | P O Box 962 Umtata | 0471 - 310791 | 0471 - 310792 |
| Mr G Bownes | IDASA | Gladstone House, Gladstone Street East London | 0431 - 430047 | 0431 - 438682 |
| Chief S M Burns- Ncamashe | Delimitation Commission | P O Box 184 Alice | 04049 - 1203 | 0401 - 93246 |
| Mr B Bussack | BSOF | P O Box 7275 East London | 0401 - 437994 | |
| Mr P Daphne | Delimitation Commission | Fort Hare Alice | 0404 - 32011 | 0404 - 31643 |
| Prof A O de Lange | ARDRI Fort Hare University | Private Bag X 1314 Alice | 0404 - 31154 | 0404 - 31730 |
| Mr A de Wet | Democratic Party | P O Box 199 East London | 0431 - 434222 | 0431 - 432866 |
| Mr A C Erasmus | King William's Town Munisipality | P O Box 137 King William's Town | 0433 - 23450 | |

| NAME | ORGANISATION | CONTACT ADDRESS | TEL NUMBER | FAX NUMBER |
|------------------|-------------------------------------|--|---------------|---------------|
| Mr N Gwayi | BSOF | P O Box 1991 East London | 0431 - 430047 | 0431 - 438682 |
| Mr N B Gwili | NAFCOC Border | P O Box 130 Mdantsane | 0403 - 624024 | 0403 - 631183 |
| Mr A J Hendricks | BKDF | P O Box 1209 East London | 0431 - 432270 | |
| Mr L Holbrook | Transkei Chamber of Industry | P O Box 210 Butterworth | 0474 - 610400 | 0474 - 610410 |
| Adv J J Human | Amatola | Cambridge Street P O Box 320 Bisho | 0401 - 21251 | |
| Mr M Johnson | Town Council | Private Bag X 711 Queenstown | 0451 - 3131 | |
| Mr G Johnston | BKDF Planning Team | 229 Oxford Street East London | 0431 - 26442 | 0431 - 26291 |
| Mr R N Joubert | Town Clerk Ugie | P O Box 10 Ugie | 045332 - 18 | 045332 - 104 |
| Mr Z H Keke | BKDF | P O Box 1209 East London | 0431 - 432270 | |
| Mr B Knight | Ciskei Chamber of Industry | P O Box 528 King William's Town | 0433 - 23448 | 0433 - 33655 |
| Mr F T Limekaya | Transkei Development Corporation | P O Box 117 Butterworth | 0474 - 4654 | |
| Mr S MacLean | BKDF | Buxton House, Buxton Street East London | 0431 - 432270 | 0431 - 435089 |
| Mr J T Madiba | Transkei Government | Private Bag X 5037 Umtata | 0471 - 22683 | 0471 - 22138 |

| NAME | ORGANISATION | CONTACT ADDRESS | TEL NUMBER | FAX NUMBER |
|------------------|-----------------------------------|--|---------------|---------------|
| Mr V Magodla | ADM | P O Box 1336 Bisho | 0401 - 952992 | |
| Mr R Maison | ВВАС | 8 Place Beacon Bay | 473398 | 372896 |
| Mr H Maxegwana | COSATU | P O Box 7523 Carmel House East London | 0431 - 431951 | |
| Mr M Mbandazayo | PAC | P O Box 440 Butterworth | 0474 - 610278 | 0474 - 610009 |
| Mr S A Mbangani | SANCO | 107 BRA Ugie | 045332 - 141 | 045332 - 104 |
| Mr G M Memela | Transkei Government | Private Bag X 5037 Umtata | 0471 - 23833 | 0471 - 22138 |
| Mr P E Mokoena | Transkei Government | Private Bag X 6000 Umtata | 0471 - 24554 | 0471 - 26886 |
| Mr M Mrwebi | NAFCOC NEDE | P O Box 236 Burgersdorp | 31760 | 18 |
| Mr L T Mrwetyana | Ciskei Government | Private Bag X 0035 Bisho | 0401 - 92154 | 0401 - 951161 |
| Mr V S Mugwanya | NAC Umtata | P O Box 106 Umtata | 0471 - 42439 | 0471 - 22436 |
| Mr M D Ndibongo | Transkei Municipal Association | P O Box 321 Umtata | 0471 - 23975 | 0471 - 22138 |
| Mr H P Nxangashe | SANCO Ugie | P O Box 153 Ugie | 045332 - 210 | 045332 - 104 |

| NAME | ORGANISATION | CONTACT ADDRESS | TEL NUMBER | FAX NUMBER |
|--------------------|-----------------------------------|--|----------------|---------------|
| Prof J Peires | ANC Transkei | Magwa House Umtata | 0471 - 3022266 | |
| Mr M Pobana | CORPLAN | | 433830 | 432200 |
| Mr S Qamane | TRACOR | P O Box 463 Butterworth | 0474 - 620100 | 0474 - 620873 |
| Mr L G Ramncwana | Ciskei Small Business | P O Box 167 Bisho | 0401 - 92167 | 0401 - 91672 |
| Mr B Schuitema | SACP | P O Box 2418 Beacon Bay | 0431 - 438102 | |
| Mr R Sogoni | Transkei | 3 St James Road Southernwood | 439867 | 439878 |
| Mr A E Spring | BBAC | P O Box 11179 Southernwood | 438438 | 432249 |
| Mr G D H Swart | RDA 11 | P O Box 772 Aliwal North | 55302739 | |
| Mr S Tanana | NAFCOC Border | P O Box 450 Bisho | 0403 - 92011 | 0403 - 93564 |
| Mr J H M te Braake | BKDF | P O Box 1209 East London | 0431 - 432270 | |
| Mr E van Deventer | Ciskei Building Society | P O Box 159 Bisho | 0401 - 91234 | |
| Mr A van Rensburg | Department of Regional Affairs | Private Bag X 19951 Centrahill Port Elizabeth | 041 - 563565 | 041 - 560195 |
| Mr H P Venter | BRDA | P O Box 1001 Beacon Bay | 423858 | |

| NAME | ORGANISATION | CONTACT ADDRESS | TEL NUMBER | FAX NUMBER |
|----------------|--------------------------|----------------------------------|---------------|---------------|
| Mr T Wanklin | Border-kei Planning Team | 227 Oxford Street East London | 0431 - 22198 | 0431 - 26291 |
| Mr R A Willows | ESKOM | P O Box 667 East London | 0431 - 392329 | 0431 - 392429 |
| Mr T Zakade | SACP Border | | 0433 - 22673 | 0433 - 22673 |

Enquiries: Herringle (012) 341-4313 BKDF 3/4 28 June 1993

ANNEXURE B

THE ROAD MAP FOR CONSTITUTIONAL DECENTRALISATION

Input by: Mr J Barker (DP)

Roadmap for Constitutional Decentralisation

| A | LEGISLATIVE | EXECUTIVE | FISCAL |
|----------|----------------------|------------------|---|
| CENTRAL | NATIONAL (Defined) | All "National" | Own Responsibility 1. Own Central Taxes |
| REGIONAL | REGIONAL (Residual) | All "Regional" | Own Responsibility 1. Own Regional Taxes |
| LOCAL | REGULATORY (Defined) | All "Regulatory" | Own Responsibility 1. Own Local Taxes |

Chart A

- 1. Chart A represents a classic territorial federation in which the central, regional and local governments enjoy legislative, executive and fiscal autonomy within their demarcated territories.
- 2. What are the practical problems that will arise?
- 2.1 The system makes no constitutional provision for mutual support between the various constitutional structures.
- 2.2 Given the uneven distribution of resources and wealth in South Africa the consequence of fiscal autonomy will be that the rich regions will become richer and the poor regions poorer.
- 2.3 As most regions will not be financially viable they will become increasingly dependent upon the central government for financial support and as a consequence will lose on a de facto basis, some of their constitutional autonomy.
- 2.4 The separateness of the central, regional and local government especially in the fiscal field, will make it extremely difficult to succeed with the task of eliminating the tremendous disparities of wealth, education and development

dependence himted through Statutory router than budgetony amotance

| В | LEGISLATIVE | EXECUTIVE | FISCAL |
|----------|----------------------|------------------|--|
| | NATIONAL (Defined) | All "National" | Own Responsibility 1. Own Central Taxes |
| CENTRAL | | | Collects "National Taxes" for redistribution to Central, Region & Local levels |
| | | | 2. Share of National Funds |
| REGIONAL | REGIONAL (Residual) | All "Regional" | Own Responsibility 1. Own Regional Taxes 2. Share of National Funds 3. Share of Equalisation Funds |
| LOCAL | REGULATORY (Defined) | All "Regulatory" | Own Responsibility 1. Own Local Taxes 2. Share of National Funds via the Regions |

Chart B

- 1. Constitutionally determined share of "national" and "equalisation" funds secures "fiscal autonomy" of components and prevents the gap between rich and poor regions and local areas from increasing.
- 2. Of fundamental importance is that once financial resources are known, fiscal responsibility and discipline must be exercised at the level at which services are supplied and used.
- 3. Constitutional provision is made for mutual support in the fiscal/financial field.

| C | LEGISLATIVE | EXECUTIVE | FISCAL |
|--------------|---|---|---|
| • CENTRAL | NATIONAL (Defined) Matters of overall National concern, eg. Foreign Affairs, Defence, Citizenship etc. Outlining legislation (Defined) | All "National" | Own Responsibility 1. Own Central Taxes Collects "National Taxes" for redistribution to Central, Region & Local levels 2. Share of National Funds |
| REGIONAL | REGIONAL (Residual) LESS CONCURRENT (Defined) Matters which could be legislated for regionally but in respect of which it is in the overall national interest to legislate centrally— Subject to "House of Regions" approval. | All "Regional" All "Concurrent"— Subject to Central Government supervision | Own Responsibility 1. Own Regional Taxes 2. Share of National Funds 3. Share of Equalisation Funds |
| LOCAL | REGULATORY (Defined) Regulate within the framework of Central & Regional legislation | All "Regulatory" | Own Responsibility 1. Own Local Taxes 2. Share of National Funds via the Regions |

Chart C

- 1. "Outlining legislation" ensures a national approach to matters such as the media, the use of water resources, environment, etc., which do not require national administration. Regional legislation and Local regulation and Regional and Local Administration will take place within these "outlines".
- 2. The concept of "concurrent" matters where Central Parliament will legislate subject to collective regional approval and Regions will execute subject to Central Government supervision, adds the element of "Functional Federalism" to that of "Territorial Federalism".
- 3. Expands areas of mutual support in the legislative and executive fields.

Both the above introduce the concept of interrelated responsibility in the legislative and executive fields.

| D | LEGISLATIVE | EXECUTIVE | FISCAL |
|----------|--|---|---|
| CENTRAL | NATIONAL (Defined) Matters of overall National concern, eg. Foreign Affairs, Defence, Citizenship etc. Outlining Legislation (Defined) | Joint Tasks (Defined concurrent) | Own Responsibility 1. Own Central Tees Collects "National Taxes" for redistribution to Central, Region & Local levels 2. Share of National Funds |
| REGIONAL | REGIONAL (Residual) LESS CONCURRENT (Defined) Matters which could be legislated for regionally but in respect of which it is in the overall national interest to legislate centrally. (Subject to "House of Regions" approval) | All "Regional" All "Concurrent"— Subject to Central Government supervision | Own Responsibility 1. Own Regional Taxes 2. Share of National Funds 3. Share of Equalisation Funds |
| LOCAL | REGULATORY (Defined) Regulate within the framework of Central & Regional legislation | All "Regulatory" | Own Responsibility 1. Own Local Taxes 2. Share of National Funds via the Regions |

Chart D

- 1. "Joint Tasks" provide a constitutional basis for executive co-responsibility between the Central and Regional Governments.
- 2. "Joint Tasks" not only require Concurrent legislation, but as they are in the national interest they require joint administration and fiscal responsibility, e.g building of institutions for tertiary education and economic development programmes.

| E | LEGISLATIVE | EXECUTIVE | FISCAL |
|----------|--|--|--|
| • | NATIONAL (Defined) Matters of overall National concern, eg. Foreign Affairs, | All "National" | Own Responsibility 1. Own Central Taxes |
| CENTRAL | Defence, Citizenship etc. | - , | Collects "National Taxes" for redistribution to Central, Region & Local levels |
| | Outlining Legislation (Defined) | Joint Tasks (Defined concurrent) | 2. Share of National Funds |
| REGIONAL | REGIONAL (Residual/ Defined) LESS CONCURRENT (Defined) Matters which could be legislated for regionally but in respect of which it is in the overall national interest to legislate centrally. (Subject to "House of Regions" approval) Metropolitan Areas (treated as Regions) | All "Regional" All "Concurrent" (Subject to Central Government supervision) Regional and Concurrent where resources are adequate | Own Responsibility 1. Own Regional Taxes 2. Share of National Funds 3. Share of Equalisation Funds |
| LOCAL | REGULATORY (Defined) Regulate within the framework of Central & Regional legislation | All "Regulatory" | Own Responsibility 1. Own Local Taxes 2. Share of National Funds via the Regions |

Chart E

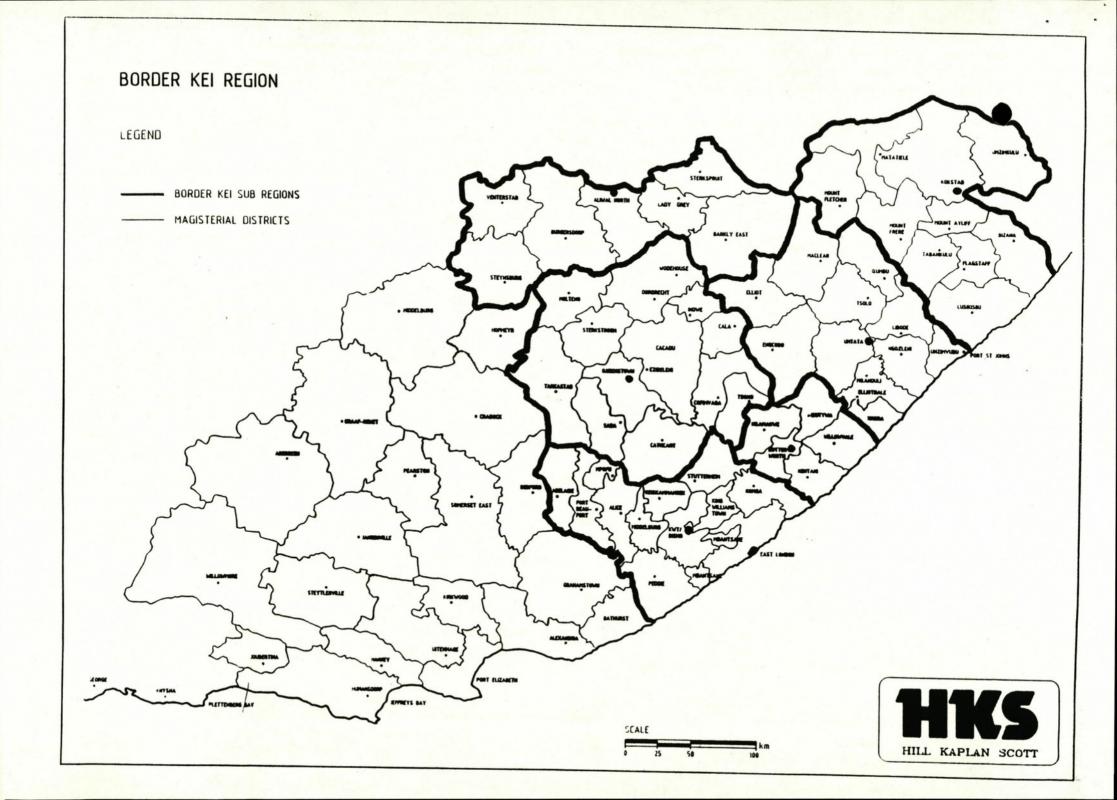
- Provision is made for the possibility of certain metropolitan areas to be treated as Regions with legislative, executive and fiscal responsibility.
- Local areas should at all times have maximum administrative powers subject to resources and administrative viability. In appropriate circumstances local areas could administer "Regional" and "Concurrent" matters, subject to fiscal responsibility.
- 3. Regional matters could also become "Defined" subject to a Constitutional Court determining whether any matters not "defined" should be Central, Regional, Concurrent, or Local matters.



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ANNEXURE C

MAP OF THE BORDER-KEI REGION



Enquiries: Heringle (02) 341-4313

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ANNEXURE D

IMPORTANT ISSUES RAISED IN THE 3RD AND 4TH REPORT OF THE TECHNICAL COMMITTEES TO THE NATIONAL NEGOTIATION COUNCIL

Input by: Mr A E Spring (BBAC)

IMPORTANT ISSUES RAISED IN THE 3RD AND 4TH REPORT OF THE TECHNICAL COMMITTEES TO THE NATIONAL NEGOTIATION COUNCIL

Input by: Mr A E Spring (BBAC)

In its fourth report, the Technical Committee suggests the following allocation of powers and functions to regional government during the transition:

1. The imposition of regional taxes. 2. Appropriation of revenue. 3. Health services. 4. Welfare. 5. Education. 6. The environment. 7. Local Government. 8. Town planning. 9. Tourism and recreation. 10. Agriculture. 11. Public media. Public works and roads. 12. 13. Traffic control. 14. Local policing and law enforcement. 15. Casinos, racing and gambling. 16. Transport. 17. Cultural affairs. 18. Traditional authorities. 19. Protection services. 20. Markets and pounds.

The allocation of specific elements of these functions to regions and other levels of government requires expertise in the field of public administration. Such detailed allocation should be done at the time of drafting of the transitional constitution.

Fish and game preservation.

21.



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ANNEXURE E

REGIONAL GOVERNMENT AND REGIONAL BOUNDARIES

Input by: Mr H Venter (BRDA)

REGIONAL GOVERNMENT AND REGIONAL BOUNDARIES

1. INTRODUCTION

The RDAC embarked upon this project as a direct result of the Deputy Minister's request at the National Council meeting of 26 June 1992. He was to be provided with advice representing the widest possible views from each region, and stressed that the matter was to be approached from a regional and developmental perspective without involving political issues.

The process followed was;

- (i) A letter setting out guidelines on the subject was sent to appointed members and RSC Chairmen in the region requesting them to consult with knowledgable members of their organisations and to make written input to the RDAC office before 15 September 1992.
- (ii) These inputs were consolidated into a working document and presented to the RDAC Executive Committee on 25 September 1992 and was discussed in depth.
- (iii) The resulting draft documents were recirculated and discussed at an Extended Policy Committee meeting, also attended by the Chairmen of the RSCs on 7 October 1992.
- (iv) A further set of documents resulting from the above meeting pertaining to regional boundaries, was circulated for further comments. These were in turn discussed by the newly formed RDAC Management Committee on 6 November 1992 together with the draft of this report which was then modified and approved.

2. WHY REGIONAL GOVERNMENT?

From the outset, the participants in this process agreed that regional government should not be taken for granted, but should be carefully considered.

The following arguments in support of regional government were raised:

A too strong central government, relative to regional and local government, leads to bureaucracy, over-regulation, ineffective control and inefficiency, which can stifle development.



- Cognisance must be taken of the fact that future regions may not be able to secure equal financial resources at all times and while people have fairly similar expectations, these cannot necessarily be satisfied to the same extent in all regions.
- (iii) Transfer of funding from central government to regional and local government for those functions referred to in (i) as well as for any shortfall, is implied. These will however, have to be subject to the application of sound and objective criteria.

It was concluded that the following factors were of more importance than economic viability:

- * <u>Culture</u> with specific reference to ethnicity and language (but also including levels of education and literacy rates)
- * <u>Demographics</u> (population growth and densities)
- * Economic functionality (as opposed to economic viability)
- * Administrative considerations (the smaller the region, the easier it is to administer).

4. WHY THREE TIERS OF GOVERNMENT?

4.1 The Belgium Model

Although the RDACs were asked to limit their input to three tiers of government, cognisance was taken of the fact that in Belgium for example, there are 5 decision making levels resulting from a number of constitutional amendments enacted since 1970.

These were a consequence of the establishment of 3 language communities (Flemish, French and German) which led to intensified demands for more autonomy and self-government.

The five decision making levels include 589 communes, 9 provinces, 3 Communities, 3 Regions and the Central State.

"The 3 Communities deal with cultural matters, education, use of languages, and 'person-related matters', such as health policy, policy of the disabled, and protection of youth. The 3 Regions (the Flemish, the Walloon, and the Region of Brussels-Capital) have authority over economic matters such as town and country planning, housing, environment, economy, employment, energy, public works, and transport. The Central State is

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7. ALLOCATION OF FUNCTIONS

7.1 Principles to be applied

Even though the Minister's request restricted this exercise to three tiers of government, it was felt that other options should also be explored. Within these confines it was decided that this document should focus on the following principles:

- (i) The devolution of authority to the lowest level possible; and
- (ii) The inevitability of the transfer of funding subject to the determination and application of sound and objective criteria.

7.2 The allocation of functions to 3 tiers of government

A limited exercise aimed at identifying and allocating functions to three tiers of government was however, conducted.

8. REGIONAL BOUNDARIES

8.1 Critical factors

The debate presently focuses on limiting the number of regions according to economic viability. Attention is therefore drawn to paragraph 3 where it is argued that few regions can be economically viable and self sustainable in the long run and that transfer of funding will be inevitable.

Economic viability should therefore not be regarded as the only, or most important, factor when determining regions.

On the contrary, regional boundaries should be drawn after careful consideration of certain "Critical Factors".

An exercise was performed to isolate the "critical factors": Fifteen factors were ranked in terms of four categories, which were - very important / important / less important / unimportant.

After analysing the results, and applying the principle that as few critical factors as possible should determine boundaries, the following were isolated:

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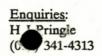
These suggestions were circulated for discussion and the resulting feedback was analysed at the Management Committee meeting of 6 November 1992.

The following conclusion was reached:

- (i) General support for the division of the present region along the Fish River, with the proviso that the North Eastern Cape (Sub-regions 11 and 20) form part of the Eastern Province (ie. that area which has Port Elizabeth as the metropole).
- (ii) The Transkei, in its entirety, is to be incorporated into the area which is already known as the Border/Kei. (This would result in a unit consisting of the Transkei, the Ciskei and the Border area)
- (iii) The area to the west of the Fish River, ie. the Eastern Province and the North Eastern Cape, be extended to include the districts of Mossel Bay, George, Oudtshoorn, Uniondale, Prince Albert, Beaufort West, Murraysburg, Victoria West, Richmond, De Aar, Jansenville and Colesburg. (See Addendum B)
- In conclusion, this RDAC however emphasizes that further in-depth consultation with the communities affected is essential.

J L (WICUS) BOTHA DIRECTOR - REGION D 16 NOVEMBER 1992





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ANNEXURE F

MAP OF REGIONS IN SOUTH AFRICA DETAILING POPULATION FIGURES AND GGP

Input by: Prof A O de Lange (Fort Hare)

Population = $P \times 1000000$ Gross Geographic Product = GGP x R 1000 000 GGP = 7,4P = 4,4G GGP = 92,0GGP = 22,8P = 8.8 P = 2.0P = 1,8GGP = 35,6GGP = 14,7GGP = 4,5P = 8,7P = 2,7 P = 1,1E LESOTHO B GGP = 17,1 GGP = 30,6P = 4.8P = 3,6D