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Common symbols and  
values in SA

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French confidence in SA

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> ONgoing  
13 July - A1  
from South Korea -an agree-  
ment of co-operation with Sacob to  
promote business and trade ties.  
14 July - Government announces the

~ dishandment of Battalions 31 and 32  
~and the SAP unit Koevoet, steps to

aunhigel v;xi¬\202z hostels, and the posses-  
sion of dangerous weapons.

15 July - At a full-scale UN Security  
- Council debate on SA, political  
~ leaders present their views of the  
. ongoing violence and the dead-  
- locked constitutional negotiations.

PRM A â\200\224 SATENES L~ b - d

SOUTH AFRICA  
FOUNDATION

REVIEW

AUGUST 1992 VOLUME 18 NUMBER 8

Equality vs freedom

/ WHAT WoD 1T COST  
| ot To MOVE

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. continued on page 2

Unless a new political and economic dispensation achieves a balance between equality and freedom in South Africa, there is a strong likelihood of a resurgence of racism.

Harald Pakendorf, political consultant Africanist Congress is grappling with.

The African National Congress (ANC) or a race-based country like South is, at least theoretically, a non-racial party. Africa, it is truly remarkable that the = However, the question of race has recently issue of race has not dominated the surfaced. Apart from other and varied re-constitutional debate. sons for the breakdown in the constitution-

This issue was abandoned by the Nation- al negotiations following Codesa II, Mr al Party (NP) half-way through 1990 when Nelson Mandela has accused the NP of it discovered that if it were to base future refusing to give up a white veto. This is support on only the white electorate, it patent nonsense. With a share of the popu- could not survive in the first political lation of about 12 percent and declining, league. This is a lesson the Conservative whites as a racial group have no chance of Party has not yet learnt and the Pan- continued on page 2

The South Africa Foundation Review is published in English and Afrikaans by the South Africa Foundation, P.O. Box 7006, Johannesburg 2000, South Africa. Tel: 726-6105, Fax: 726-4705. Editor: Dr G Lewis; Assistant Editor: H Hoare.

The South Africa Foundation is an independent organisation, financed entirely by private enterprise, which strives for a better understanding of South Africa, in the international context, through research, distribution of information and direct contact at top level throughout the world.

Being an information and communication organisation it has two basic functions - to provide facts about South Africa to a world audience and, by analysing and explaining the nature, sources and purposes of various international pressures on South Africa, to engender a responsible and sophisticated reaction to such pressures among South Africans themselves.

Registered at the G.P.O. as a Newspaper

The past month

continued

continued from page 1

Equality vs freedom

effectively vetoing anything, even if all whites supported one political party, which they do not.

Essentially, the argument about the future dispensation lies much deeper and is being evaded. It seemingly lies at two levels, neither of which tells us what it is really about. The one is the accusation by the NP that the ANC wants to take power â\200\224 a very normal goal for any political group. The other is that the ANC is at heart still socialist â\200\224 which it is not, although it is (still) a safe haven for some unreconstructed socialists.

The issue of race has therefore not been buried. It is still present in the streets where the comrades continue to dream their insurrectionist dreams, but at leadership level it only surfaces in moments of frustration, and it will probably reappear. It is no longer the crude capitalism vs socialism argument but it is akin to this and, put starkly, revolves around the question of whether the future society will be one where either equality reigns supreme, or freedom does. And the issue which needs to be addressed is how these two can be married, or put differently, how much of each we will have, and what the balance between them will be.

There is, of course, an almost uncritical argument which says: go for freedom, let the individual do as he wishes, allow the state only the barest regulatory powers and equality will follow. In contrast, there is the equally uncritical approach which says that the state must ensure that the underclass can have what the privileged have. The one wants to govern least, the other most.

Unfortunately, privilege, freedom and material well-being are enjoyed almost exclusively by whites, while the opposite is true for black South Africans. It bedevils the argument, obscures the issues at the negotiating table, leads to high hopes raised by mass action, strikes and more of the same and the defensive measures taken against these. Such inequality is likely to bring the lurking issue of race to the foreground again. Much is the pity that it should be so, but it must be

confronted.

When the NP is looking for a constitutional blocking mechanism it is in reality saying: we do not want an overnight transformation of society, we want to take it at its own pace, recognising the urgency of addressing the very problem of inequality but not wanting to give up too much privilege.

The ANC is saying that it will accept a brake but not a veto because it wants to

transform society rapidly as the only way to get rid of inequality. The NP is saying that only by retaining freedom will it succeed in retaining privilege, whereas the ANC is saying that only through the introduction of equality can it restructure society.

The argument about what percentages are needed to change the constitution, what electoral system should be used and how the senate should be elected all have to do with these two approaches.

There is thus a critical need to swing the argument around so that agreement can be reached on the basics to minimise confusion over mechanisms that may secure agreement.

It is surely beyond contention that a society where close to half the people are unemployed and many millions live on life's edge is manifestly unjust. This reality should not divide those contemplating our future.

The ANC is going through a very difficult internal process as it realises that the manner in which power was attained in Africa is simply not going to occur in South Africa. Conversely, the NP is still struggling to accept that it will not be the major player in a future government. Essentially, what we see is two great forces locked in balance, swaying to and fro like two sumo wrestlers, each trying to put the other down.

Yet there are signs that both are realising that if they don't both stay on their feet, they will both fall. The outline of an accord, unwritten but understood, is beginning to emerge. This is a groping towards a balance between equality and freedom: we need the individual's right to freely make his own decisions and for the market to drive the economy, but we also need the state to reach out to the great mass of the people whose hopes for a better future have not yet been overtaken by despair. But two things are necessary:

① The NP must state clearly that it is committed to the eradication of poverty and

inequality. It must stop acting as if its only concern is with protecting privilege and through that, helping the masses.

Â® The ANC must act in a way which underlines its similar commitment to the eradication of poverty and inequality, but in manner which will inspire confidence in any future economic restructuring.

Only if there is agreement on these fundamentals can we hope to secure a peaceful settlement. If not, we might all become equally poor, and free only in the definition of freedom the state determines. Alternatively, we could attain a freedom which would be threatened by the inequality which would follow in its wake â\200\224 as it has done for the best part of this century. B

SA's security forces

Although the SAP to a greater extent than the SADF cannot be seen as being

indifferent to the demands of the reform era, militaristic approaches to law and order are not easily undone.

Professor Annette Seegers, Department of Political Studies, University of Cape Town

Since 2 February 1990, the SA Defence Force (SADF) and the SA Police (SAP) have been at the heart of the

reform process in South Africa. Indeed,

few other state institutions have come under as much pressure. Both institutions bear the imprint of past practices and policies, yet are now required to operate under new rules. What was once required and

indulged, is increasingly exposed, criticised and unprotected.

One dimension of pressure concerns the

sins of the recent state(s) of emergency.

pa

Here the verdict in the Trust Feed case not only showed political bias in favour of the Inkatha Freedom Party (and against the

United Democratic Front) but convicted

the

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policemen of murder. In such actions the SADF too are allegedly involved, at least in the published material about intelligence officers' role in the murder of eastern Cape

activists in 1985. As the veil of secrecy lifts,

many other actions committed under the protection of official counter-revolutionary strategies are sure to lead to more indict-

ments.

A second dimension comprises the extent to which the SADF and SAP have not distanced themselves from past prac-

tices. The SADF, for example, has not officially abandoned key elements of the total

i onslaught threat perception for the reason

=

. that, so the argument goes, the ANC has

yet to abandon â\200\224 not merely suspend â\200\224 the

armed struggle. Most officers who cut  
" their teeth on this doctrine have now

achieved high rank. If there have been any  
critical demotions, transfers and dismis-

i sals, these have still to come to popular  
. attention. Even controversial units, like 32  
. Battalion, were used in unstable areas until  
\_ political pressure led to their disbandment.

This action met with spirited criticism by  
the battalionâ\200\231s former commander. In one

' of the few public reactions by a military  
! man, he chastised the politicians for endan-  
; gering the morale of the SADE

In the SAP, command of its favoured  
vehicle of political manipulation, the Secu-

| rity Branch, has been placed in the hands  
| of the Criminal Investigation Branch. Yet,  
' newspaper investigation has revealed that

old habits die hard. Although the defence

| was that weapons violations necessitate  
: covert operations, the wider and more per-

sistent allegation is of the existence of a

. â\200\234third forceâ\200\235, possibly consisting of SAP  
| employees, secret units, vigilantes and

members of favoured political organisa-  
tions. Certainly some evidence exists of

political favouritism as, for example, in the  
slowness of the SAP to prosecute IFP  
members for actions at the Sebokeng  
funeral vigil of 1991.

A third dimension of pressure comprises  
the physical attacks on policemen. By one  
recent count, 550 policemen have died in  
the last five years and the number rises  
every week. The number of people with  
access to lethal weapons in South Africa is  
staggering. Crime, now a common res-  
ponse to economic hardship, frequently  
involves automatic weapons and a brutal  
disregard for life. Many members of the  
ANCâ\200\231s armed wing, Umkhonto we Sizwe  
(MK), have returned home. Unemployed,  
with weak links to MKâ\200\231s command struc-

tures, and with access to arms caches, some have not taken the suspension of armed struggle to heart. Prosecutions have been uncertain, with judges citing

The condition of current policing is morally and practically fragile at best

various political conditions in imposing suspended sentences.

From within the police establishment also, come changes which in effect create a fourth dimension of pressure. Until 1985, the SAP was a relatively small and poorly equipped force. Recruitment, training and doctrines were traditionalist, and the command structure leaned heavily towards orders emanating from headquarters in Pretoria. Over the years, the SAP also ceded policing in large areas to paramilitary and police forces under the control of homeland governments. The result was a patchwork of policing agencies, each drawing inspiration from simplistic, rough and militaristic understandings of law and order. Problems emanating from these factors drew attention as early as the Kanemeyer Report of the Langa shootings in 1985, but have been the reasons for many problems.

The SAP's reactions to the fourth set of problems has earned it some praise. The police force has been enlarged: indeed, its current employment of not quite 100 000 is almost double its size in 1985. State spending on policing has increased by leaps and bounds, although the Waddington Report

notes that in critical areas, such as riot control equipment, the SAP still cannot furnish its members with appropriate gear. Over-reaction thus is built into the policing process. The SAP also has consented to opening its training processes to specialist international and local inspection and study, and likewise has co-operated in the creation of a Police Board to monitor its actions. And a new, more regionalised command structure, recommended by the De Witt Commission, is by all accounts giving greater autonomy to higher ranking officers to accommodate local and community considerations.

The issue is thus not that the SAP has been indifferent to the demands of the reform era. More than the SADF, which prefers to keep any self-examination from public knowledge, the SAP has been willing to open its corridors to rays of light. The question is rather whether, given



financial constraints, the direction, pace and scope of adjustments have the desired impact on both the SAP itself and the community it is supposed to protect.

But tradition is not undone in a year or two. The cabinet has clearly given the now permanent Goldstone Commission on violence the green light, and the legitimacy accorded this commission shows that South Africans are aware of what policemen and soldiers are not supposed to do. Yet, again, the question is whether the Goldstone Commission can, by holding people to account, stimulate the evolution of a better police and military. So far, this process has not faltered but the actual findings make for grim reading. Indeed, one cannot but conclude that the condition of current policing is morally and practically fragile at best. B

The issue is thus not that the SAP has been indifferent to the demands of the reform era. More than the SADF, which prefers to keep any self-examination from public knowledge, the SAP has been willing to open its corridors to rays of light

#### The OAU in Dakar

Increasingly seen as an ineffectual and divided organisation, the argument is made that the OAU should reassess its priorities to meet the demands of economic and political transformation of the continent.

Shelagh Gastrow, co-ordinator, Idasa  
Africa Programme

expectations that the Organisation of

African Unity (OAU) would produce

something new for Africa and offer enlightened and dynamic leadership were not met at the 1992 summit of African heads of state held in Dakar in June. The opening ceremony was marred by news of the assassination of Algerian leader, Mohamed Boudiaf, bringing home to many of those present how insecure was their hold on power.

The continent, as personified by the OAU, has no international voice. As the world order has moved from military blocs towards economic blocs, Africa has not grasped the fact that to have influence and to be taken seriously, it is necessary to have something to offer economically. At present the continent is perceived by the rest of the world as a bottomless pit of misery, corruption, war, famine and disease.

Key issues which surfaced at the OAU meeting included AIDS, conflict resolution mechanisms, reparations for slavery, drought and food aid. The South African question had to compete with concerns about Western Sahara, Sudan, Somalia and Liberia and in this respect South Africa was fairly low in the list of priorities. However, in response to Nelson Mandela's speech, the organisation agreed to take an active role in calling for the deadlock in the negotiation process to be raised at the United Nations. The message enunciated by Dr Boutros Boutros-Ghali, UN general secretary who spoke at the conference, was that a negotiated settlement was what was expected. Although Abdou Diouf seemed more sympathetic towards the ANC, the announcement was made at the time of the conference that further contact between Senegal and South Africa was on the cards and Air Afrique would be flying Dakar-Johannesburg from October 1992.

More pressing to the OAU in the field of conflict was the chaos in Somalia and Liberia and the conflicts in Sudan and Mozambique. Although a resolution was passed and approved in principle, allowing for some type of conflict resolution mechanisms in Africa, the OAU charter includes a

clause prohibiting interference in the internal affairs of states and these were seen as incompatible. The general secretary, Salim Salim, undertook to produce a report on the issue at the 1993 meeting and in effect this matter is therefore shelved for the year.

Africa's record as regards mediation and conflict resolution on the continent is poor and very little effort has been made, either on the pan-African level or regionally,

except in the case of Liberia where an Ecomog Peace-Keeping Monitoring Group (Ecomog) was sent in. At the same time Africa's marginalisation from mainstream events in the world is evident when account is taken of world attention which is lavished on Yugoslavia in comparison to that given to Somalia or Liberia where human tragedies of equal intensity are taking place. African political leadership could do a great deal more to highlight these issues. On the issue of human rights, the OAU previously established the African Commission of Human and Peoples' Rights, which issued a report. However, it was criticised by human rights organisations on the ground that it did not consult with any NGOs dealing with human rights, and investigative visits to countries usually meant meetings with government representatives rather than with people in the oppo-

sition. Leaders of states where human

rights are almost non-existent sit comfortably at OAU meetings, despite the fact that their countries could be the next stage for

Africa has not grasped the fact that to have influence it is necessary to have something to offer economically

future conflict and anarchy. The new OAU chairman, President Abdou Diouf of Senegal, is known for his promotion of democratic values, but he is essentially leading an ineffectual and divided organisation.

The OAU fact-finding visit to South Africa was mentioned in Major General Ibrahim Babangida's speech as outgoing chairman, as one of the achievements of his term of office. However, it sounded hollow to those who were aware how ineffectual the delegation was in South Africa.

High priority was given to the issue of reparations arising out of slavery, and a commission was set up to deal with this. However, the issue, which is important and needs to be worked through, is already

being seen in the North as a ploy by African states to have their debt repayments cancelled rather than being an issue based on justice and human rights. The area called 'Guinea' which stretched from Senegal to Angola was pillaged for slaves between the sixteenth and eighteenth centuries and estimates are that approximately

20 million people were moved to the new world. The fact that the healthiest and the best were taken from Africa clearly had a major social impact on the continent. However, the reparations element in this issue is likely to be seen by the North as an excuse to raise funds at a time when it is becoming more difficult to do so and when the world's eyes have moved to eastern Europe.

Resentment about the debts owed to the North and the conditions laid down by the World Bank and the IMF, the paternalism of wealthier countries who feel they can pontificate to Africa about what needs to be done is clearly present at all levels of African society. Taking into account the many failed projects imposed on African countries by foreign donors and the resultant wasted resources one can sympathise with this resentment. However, at this stage there is no other source of funding and blaming all of Africa's ills on the North is also unrealistic. As one human rights activist present at the meeting indicated, a great deal of Africa's wealth was abused by its own leaders who enriched themselves and spent fortunes on the military and public relations projects to cover up the massive corruption and waste which was taking place.

The OAU meeting itself was a colourful and expensive extravaganza. Among certain human rights and grass-roots organisations it was felt that it was out of place in today's Africa. The millions of dollars used to stage this annual event could be put to better use in the development or health fields. :

The wave of democratisation sweeping the world is clearly having an impact on Africa, and many of the new leaders had been democratically elected during the last year. The development of a pro-democracy movement is likely, but at present it is very thin on the ground. The summit, however, consisted of the elites, which included democratically elected leaders bunched together with tyrants and military dictators, and the grass-roots activists were conspicuously absent.

The summit did serve a purpose in that it brought together African leadership and created a sense of solidarity on the continent, despite the tensions and unresolved problems. This feeling of soli-

darity needs to be channelled into constructive strategies and development to counter the continent's present marginalisation. The current leadership needs to reassess its role in a changing world and come to the realisation that priorities need to shift towards the real transformation of Africa. H

Cracks in ANC's support base in

Germany

More than the legacy of reverence for Nelson Mandela is required to ensure continued support for current ANC strategy in Germany.

Dr Rudolf Gruber, director of SA  
Foundation office in Bonn

mands great respect as a man of prin-

Although Nelson Mandela still com-  
ciple who spent 27 years behind bars

. for his beliefs, the movement he leads is in

danger of dissipating the capital of sympa-

. thy and goodwill it accumulated for itself in  
. Germany over the years. There are several  
- reasons for this development.

Firstly, since the cause of breakdown in

~ Codesa would seem to be a disagreement

over percentages, there is no understand-  
ing for the decision by the ANC to suspend  
negotiations. While a two-thirds majority  
for the adoption of a new constitution would  
be considered adequate by most people,  
there is an acceptance on all sides that a sit-  
uation as complex and taut as that in South  
Africa requires as broad a consensus of  
agreement on the principles and mecha-  
nisms for its management as can humanly  
be achieved. A three-quarters majority in  
such circumstances is not unknown, and  
could commend itself in the interests of  
later stability. To the extent that the ANC is  
perceived to have suspended negotiations  
over this issue, it has put itself in the wrong

1 in the eyes of most people.

Secondly, the preference of the ANC for

. strongly centralised government powers

and institutions and its consequent aver-  
sion to federal structures and the devolu-  
tion of authority, finds no responsive chord  
in public opinion anywhere. Germany is  
committed to federalism, and has found in  
it the best means of combining diversity  
with unity. After its bad experience of

The movement is in

danger of dissipating  
the capital of sympathy  
and goodwill it  
accumulated for itself  
in Germany over the  
years

centralised authority in the Third Reich, it  
finds itself impatient with those who seem-  
ingly will not take note of the lessons it has  
had to learn with so much suffering and  
loss. The current experience in eastern  
European countries of the CIS merely rein-  
forces this response.

Thirdly, the attempt by the ANC to  
demonise the State President and attribute  
to him personal culpability for the loss of  
life in places like Boipatong, is viewed with  
incomprehension and distaste. This is  
because President De Klerk has establish-  
ed himself in the minds of most people as a  
man of courage and of vision, and while  
onlookers from afar are puzzled by the  
ongoing mayhem in the townships, they  
cannot conceive of a murderous third force  
acting on the orders of a proven reformer  
like the State President. Such attacks seem  
to them not merely overdrawn, but down-  
right mischievous.

Lastly, there is no understanding for the  
decision by Cosatu to call for an indefinite  
general strike on 3 August. This is seen as  
grossly irresponsible, and to the extent  
that the ANC has identified itself with this  
strategy, it has forfeited much of the bonus  
it otherwise automatically enjoyed as the  
representative of the underdog and the  
wronged majority.

The near reverence felt for Nelson Man-  
dela still stands in the way of such  
factors combining to erode irretrievably  
the support base of the ANC in Germany,  
but the danger signals for the movement  
are there for all to see, and the next few  
weeks could well prove a make-or-break  
period for it.

A major two-day conference on:

EMERGING OPPORTUNITIES IN SOUTH AFRICA  
28-29 September 1992, The Mandarin, Singapore

their knowledge and experience.

amongst others.  
WHO SHOULD ATTEND

## ISSUES TO BE DISCUSSED

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Trade Organisation @ Drew & Napier @ The South Africa Foundation  
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systems

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## Common symbols and values in SA

The emergence of a national identity based on shared values could ease the predictable difficulties of political transition.

Barry Streek, political desk, Cape Times

shared values, as a recent unpublished

Development Bank of Southern Africa

document notes, are an elusive concept in a country of many cultures, but common unifying symbols are emerging in South Africa despite the breakdown in negotiations at Codesa. Indeed, if the new South Africa is to have any real hope it is vital that its foundations are laid on the basis of these shared values and common symbols.

The identification of the majority of South Africans with them has to take place above the predictable difficulties of political transition and inevitable inability of a democratically elected government to deliver the kind of economic goods that will transform the lives of most of the people.

It is, of course, far easier to concentrate on failure and conflict. This is far more newsworthy for the media and certainly sells more newspapers or gains more viewers than unity, peace and hard-won success, often a drawn-out process that fast loses news value and interest. It is also far easier, at this stage at least, for political groupings to market themselves and win space through conflict and the alleged failure of their opponents.

But despite these harsh realities, the symbols of unity, the grounds of real hope, are emerging. Nothing has illustrated this more than the rallying of support behind South African sports teams with a relatively united nation enthusiastically backing their representatives. There may not have been a national flag or an anthem at the Barcelona Olympics, but who really cared in the end? Despite apartheid, despite the struggle, South Africans of all races were able to unite behind their athletes.

As one-time detainee who was arbitrarily held without trial because of his opposition to apartheid, Mluleki George, put it after the team arrived in Spain: "All the people of South Africa regard the team as pioneers of a new, non-racial and democratic South Africa." George, the vice-president of the National Olympic Committee of South Africa (Nocsa), added: "Sport has played a great role in bringing the people of South

Africa together and we hope this visit will help solve the potential problems.â\200\235

The off-on-off moratorium on international sport as much as the criticisms within some sectors of the democratic movement of people such as Steve Tshwete and Mluleki George showed that the creation of these symbols of unity is not easy. But it is happening, and it is not only in sport that this process of establishing symbols and values of common national identity is taking place. This process is evident in the arts, theatre, music, design and even, significantly, in economic thinking.

Until fairly recently, many Marxists and

the National Party dismissed any form of a bill of rights. The Marxists dismissed the concept as bourgeois liberalism and the National Party saw it as liberal humanitarianism. Indeed, it was very much a concept promoted for years by liberals.

While there are differences about what a bill of rights should actually contain, it is today accepted and supported by South African groupings virtually across the board despite the breakdown at Codesa.

This process is evident in the arts, theatre, music, design and even, significantly, in economic thinking

When a bill of rights, even an interim bill of rights, is finally negotiated, it too will symbolise a degree of national unity.

The problem about political and economic discussions is that they are, for ordinary people, pretty rarified; they leave the average person in the proverbial Yeoville, Umlazi or Mitchellâ\200\231s Plain busses stone cold. These discussions are, of course, very significant, but we desperately need more tangible and more meaningful symbols.

Why does a SA Communist Party member, perhaps a black, hardline militant, feel some warmth for a yuppie Afrikaner NP-supporting business person in Europe or the US? Because, despite everything, they have a common identity with the part of the earth called South Africa.

Even if this is restricted to â\200\234papâ\200\235, Castle beer, a love of the South African sun or thunderstorms, and a strange attraction to racist tags like â\200\234kaffirâ\200\235 or â\200\234boerâ\200\235, there is some shared identity. Sometimes the differences, and there are differences, seem greater and more obvious than the

common elements, but it has to be recognised that the strengthening of those shared values is what is going to have to be what the new South Africa will be built on. Part of that shared identity is rooted in a widespread rejection of Eurocentrism; Africa, particularly South Africa, is different and this difference is not just physical.

The director of the South African National Gallery, Marilyn Martin, said in a recent interview: 'Certain concepts are inextricably linked to the terminology of marginalisation and control typical of Eurocentric thought, and to the ideology of keeping the other out: ethnic, native, tribal, amateur, art against craft, high against low.'

Recently, in South Africa, other words

have been added in order to, where possible, retain and maintain the fundamental

structures of apartheid: standards, quality, experience, expertise. The concepts upon which our art museums have been founded have become anachronisms and absurdities.

This, indeed, is not restricted to art museums.

The new South Africa, however, cannot be built on the symbols and values of the

status quo or the old South Africa or of the

old struggle. It has to be created around the symbols and values the people share. In Cape Town, for instance, the estab-

lishment of the Montebello Design Centre

on the original site of the Ohlsson's Brewery in Newlands is a striking example of what has to be done in all spheres of South African life. It is promoting a South African design culture, one which is based on local design concepts as opposed to ideas imported from Europe or the United States.

It is saying that people from the townships and squatter camps have design skills which are not necessarily linked to academic qualifications and university degrees. Given the facilities and opportunity, a South African design culture will be

developed to produce goods that are rele-

vant to local needs and will be different from other parts of the world a design

culture which will reflect South Africans

regardless of their race or class. The exciting Montebello project is an example of

what is so essential for the construction of the country of the future. It won't be easy, but if we continually concentrate on the differences and the considerable problems we face, we haven't a hope.

The Development Bank report to the ANC on economic restructuring points out soberly: "Shared values are more likely in a society that is not deeply divided into alternative camps by inequalities in income, wealth and opportunity.

"Where inequality is most severe, political process is often co-opted by the affluent, leaving extremist strategies as the only option for the poor. Thus, the goal of a functional democracy in South Africa requires closure of gaps in the economic domain just as surely as it does in the political domain."

Those shared values and symbols seem easy when Nelson Mandela is hugging and supporting athletes at the Barcelona Olympics, but we need far more. We need Montebello-type projects everywhere, as well as economic and political strategies that reflect a determination to rebuild South Africa.

Sadly, the country seems determined at present to concentrate on the differences, the petty issues and violence, but beneath it all the symbols and values of hope are emerging.

The Macro Economic Forum â\200\224  
prospects and problems

Representing business

labour and government, the Macro Economic Forum aims fo  
provide a mechanism for agreement on economic policy directions.

Debra Marsden, national %ganiser for  
the Consultative Business Movement

Origin

On 21 January 1992, sixty representatives of  
organised business and labour met in Johan-  
nesburg to consider the formation of a  
Macro Economic Forum. This meeting rep-  
resented the culmination of mounting calls  
from labour for a national forum and motiva-  
tions from within business for the need for a  
social accord on economic issues. Two  
months later, business and labour agreed on  
a joint proposal for a Macro Economic  
Forum and on 18 May Minister Derek Keys  
established a governmental three-pronged  
interface with the business/labour working  
group for such a forum.

â\200\230What now remains is for business, labour  
and government to finalise the few out-  
standing issues before formally establish-  
ing the Macro Economic Forum. Once  
agreement has been reached on these mat-  
ters, which include defining terms of refer-  
ence and agendas for working groups, the  
Macro Economic Forum will be ready to  
begin its substantive work â\200\224 quite possibly  
by the end of August.

Composition

At present there are three trade union fed-  
erations (Congress of South African Trade  
Unions, National Council of Trade Unions,  
Federation of South African Labour)  
involved in the process and twelve employ-  
er organisations (Afrikaanse Handels-  
instituut, Federation of African Business  
and Consumer Organisations, the National  
African Federated Chamber of Commerce  
and Industry, South African Employersâ\200\231  
Consultative Committee on Labour Affairs,  
South African Chamber of Business,  
Chamber of Mines, Steel and Engineering  
Industries Federation of South Africa, SA  
Federation of Civil Engineering Contrac-  
tors, Building Industries Federation of  
South Africa, Life Offices Association,  
Council of South African Bankers and  
South African Agricultural Union). The  
Consultative Business Movement is acting  
as the interim secretariat to the process.

Aims and objectives

The Macro Economic Forum will aim to provide a mechanism through which economic stakeholders can address the economic challenges facing the country. As such it represents an important attempt to help ensure that while political negotiations proceed, critical economic issues will also receive attention. This will be its first priority to focus on economic issues key to the period of transition.

Once a political settlement has been secured, it is foreseeable that the foundations will have been laid for the Macro Economic Forum to evolve into a permanent and influential institution for the future a

body representative of key economic stakeholders with the capacity to reach agreement on economic policy directions.

Such agreements, reached now and in the future, could no doubt be very powerful in influencing the economic thinking of the governing authority of the day. This is not to say that such a forum would supersede the economic responsibilities of government and of parliament. Rather it would serve to inform and influence their actions.

#### Potential pitfalls

While a tremendously positive development, experimenting with tripartism or social contracts at a national macro-economic level is uncharted terrain for business, labour and government in South Africa, such endeavours have achieved mixed results elsewhere in the world. Some argue that compromise and tradeoffs reached in such forums can in fact be detrimental to economic growth or to greater equity. There will always be the danger of political motivations dominating the proceedings and many argue that the potential for purely corporatist solutions will be high. One of the major challenges facing all the parties will be how to implement decisions reached in the forum. Individual unions and companies may well balk at being tied into agreements reached in the national forum.

#### Overcoming pitfalls

Many of these potential pitfalls are not, however, insurmountable. The parties will more likely be able to tie their constituencies to agreements reached if there has been careful consideration along the way as to what is achievable in this regard. Rigorous mandating procedures will also help.

#### Preventing corporatist solutions

The danger of corporatist deals can be diminished by identifying mechanisms for involving organisations of civil society. While organised business, labour and gov-

ernment would be the three principals, it is possible to involve women's groups, consumer bodies, associations of the unemployed, and so on, at appropriate points. The establishment of linkages between emergent regional economic and development forums as well as various socio-economic forums will also help to ensure that other interest groups are able to input into national deliberations.

#### Mechanism for logjams

The Macro Economic Forum's impact on the economy will become evident over time. What does seem unclear is whether in this time of transition, where mistrust and uncertainty abounds, commitment by three major economic stakeholders to the principles and objectives of a Macro Economic Forum can provide a powerful mechanism for building the trust needed to reach

agreements on economic issues. Such agreements could be instrumental in breaking logjams to economic growth and socio-economic upliftment.

Discussions thus far suggest that the forum will focus on two broad areas. The first will be immediate or short-term issues such as job creation. The intention here will be to produce results in the shortest possible time. Results reached in these areas could avoid confrontation and conflict. The second area of focus will be longer-term where macro-economic strategy issues will receive attention.

It is not unrealistic to suggest that within months the forum could yield results on some of the economic issues beleaguering the economy at present. Rapidly rising unemployment, for example, is an issue requiring urgent attention. Already a fair amount of common ground exists between players on the need for special job creation programmes, on approaches to training and on labour-based construction methods. The Macro Economic Forum could, with concerted application, fairly speedily develop joint agreements on action to be taken in this regard. It may even be in a position to input into the 1993/94 budget on expenditure for job creation and other such areas.

The forum could also provide a useful mechanism for addressing rampant food prices in South Africa and could begin now to look at what is needed to regenerate the South African manufacturing industry.

#### Economic transparency

Minister Keys told business and labour delegates on 18 May that transparency in economic policy formulation was important. Already, the Macro Economic Forum pro-

cess is providing a useful mechanism for putting this concept and the related one of information-sharing into practice.

Macro Economic Forum participants met recently to exchange information on matters relating to job creation and training, industrial policy, trade and tariff policy, regional economic development and privatisation. Such exercises assist in creating a common information data base for substantive discussions.

That the process of establishing the Macro Economic Forum is being taken extremely seriously by business, labour and government, is evidenced in the many deliberations that have taken place so far. All are mindful of the dangers, but equally of the positive prospects. The current political impasse and plans for mass action have obviously placed some strain on the process. It has nonetheless continued an indication of the fact that participants are not only mindful of its tremendous potential, but are also by and large satisfied with its progress and with the commitment of its players. B



## French business confidence in South /ern Africa

South African-French relations are characterised by increasing French commitment to business development in southern Africa.

Giaran Ryan, reporter, Business Times  
he French are moving in. Many com-  
Tpanies are quitting their traditional  
markets in West Africa, after several  
years of sluggish growth, to focus on south-  
ern Africa.

Jean-Claude Bouchet, trade counsellor  
attached to the French Embassy in Preto-  
ria, says: â\200\234We are encouraging them to start  
business in SA because we believe this is  
the best growth market in Africa.

â\200\234SA companies interested in penetrating  
the West African market will find it a lot  
easier if they form joint ventures with estab-  
lished French firms there.â\200\235

## New branch offices

Several French companies have opened  
branches in SA in recent months. Some of  
the more notable arrivals are:

Â® Bull Groupe, Europeâ\200\231s largest computer  
company, which acquired a majority  
stake in Mohawk Computers in June and  
will challenge IBM and Olivetti.

Â® SociÃ©tÃ© Commerciale Ouest-Afrique  
(Scoa), the trading house with a strong  
presence in West Africa.

Â® SociÃ©tÃ© GÃ©nÃ©rale bought the Inter-  
national Bank of Johannesburg last year.  
Parisbas, the largest private banking  
group in France, has opened an office in  
Johannesburg.

Â® Bouygues, the civil engineering and con-  
struction firm which is involved in the  
construction of the Katse Dam in  
Lesotho, has an office in Sandton and is  
reported to be looking for acquisitions.

Â® Aerospatiale will compete with British  
Aerospace among others.

@ Formule 1, owned by hotel conglomerate  
Accor, opened its first no-frills hotel near  
Jan Smuts Airport and plans to open nine  
more before 1994. The SA company is  
jointly owned by Southern Sun and  
Accor.

## Current investments

Investments by French companies already

in SA include:

• Total SA invested R480 million in the Arthur Taylor opencast coal mine which opened on the East Rand. Total exported 4 million tons of coal last year. It is SA's fifth largest coal exporter and the largest French company in SA.

• Air Liquide, the medical and industrial gas group, plans to spend R100 million on expanding the activities of subsidiary Liquid Air.

• Tonnellerie Radoux invested R6,3 million

in extending its cooperation with Stellenbosch Farmers' Winery and Distillers Corporation.

• A R20 million joint venture was signed in April between Pretoria Portland Cement and C&A of France to make precast concrete products.

• Andalusite producer Damrec bought two SA mines, Annesley, a subsidiary of Zaaiplets, and Purity Metals subsidiary Andafax, both in 1991.

Co-operative agreements

Several co-operation agreements have been

signed between SA and France.

• Several pacts in May are aimed at promoting industrial co-operation and French investment. Another between the Industrial Development Corporation (IDC) and

France seeks to encourage industrial

development.

• A treaty was initialled to do away with dou-

ble taxation of French companies in SA.

• In February, French utility Electricit  de

France entered an agreement with Eskom

to help with an electrification project and

an extension of the power grid throughout southern Africa.

• Bureau de Recherches G ologiques et

Mini re (BRGM) and Genmin will co-

operate in mining projects around the

world.

The French government guarantees all investments in SA against nationalisation and loss as a result of political actions.

An insurance policy offered by Assurance Prospection compensates French companies for losses incurred while establishing markets in SA.

#### Technology transfer

France's contribution to SA's technological development has been significant, even though the French community in SA numbers only about 5 000.

Alsthom, the French part of UK-French consortium GEC Alsthom, was instrumental in setting up Koeberg nuclear power station on behalf of Eskom and provided generators for Matla, Lethabo, Matimba and Hwangwe power stations.

Most of Spoornet's locomotives and suburban rolling stock were provided by GEC Alsthom.

France supplied the SA Air Force with Mirage jets and the Navy with submarines.

Many French companies have been in SA for years. Names such as Lancome, Ellebelle (a market leader in SA's cosmetics industry), L'Oreal, French Bank, Credit

Lyonnais, Liquid Air, Michelin, UTA, Merlin Gerin, Telemecanique, Roussel Laboratories, Rhone Poulenc, Spie Batignolles and Total are well known here.

The lifting of European Economic Community sanctions earlier this year and prospects for a political settlement resulted in a flood of trade inquiries at the French Chamber of Commerce in Johannesburg.

#### Trade

France is SA's seventh largest trading partner with total trade of R4,3 billion last year.

The balance of trade is generally in SA's favour, although the inclusion of three Airbus 320s in last year's figures swung the balance in France's favour. Although France is only a one-third partner in the Airbus consortium, the full value of the aircraft is reflected in its trade figures because assembly was completed in France. France exported goods worth R2,5 billion to SA last year and imports were valued at R1,8 billion.

Mr Bouchet says trade should start to pick up rapidly now that sanctions have been removed.

France has already bought about a million tons of coal from SA at a price of about \$27 a ton. SA fruit and vegetable products are in demand in France.

Because of drought this summer, France is resorting to coalfired electricity generation. France depends heavily on nuclear power, which requires large volumes of

water.

An important step in forging closer trade ties is the establishment by the French Embassy's trade desk of a working group to promote joint activities between French and SA companies in Africa.

This will be an important step for SA involvement in West Africa, says Mr Bouchet. French companies have been in West Africa for many years and it is not always easy for English-speaking countries to establish a presence. The currency, the language and the design standards are French. It will be much easier for SA companies to enter this market together with French firms.

An example of French-SA co-operation is IMS subsidiary Aquazur's partnership with Degrémont, a world leader in water treatment. Both companies are active in several African countries. Mr Bouchet says many trade delegations have expressed interest in visiting SA, but large-scale investment will be slow in coming. |  
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