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NATIONAL EXECUTIVE COMMITTEE

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NATIONAL EXECUTIVE COMMITTEE

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RDP

REPORT ON
RECONSTRUCTION AND DEVELOPMENT PROGRAMME

The RDP is not a pot of money to fund isolated projects . It is a programme to transform society. Government is developing a strategy to manage this transformation.

I. STRUCTURES

1.1 NATIONAL

The RDP is driven by the President and is co-ordinated nationally by the Minister without Portfolio in the Office of the President. He is assisted by a professional and an administrative team.

1.1.1 RDP Cabinet Committee

There is a RDP Cabinet Committee consisting of most of the key economic and social affairs Ministers and their Directors General which meets fortnightly

Its functions are to:

* strategize on the implementation of the RDP
* integrate development planning,
* allocate resources for integrated programmes
* monitor and evaluate the implementation of the RDP.
* ensure co-ordination & reorganisation between departments.

1.1.2. RDP Core Committee

This process is driven by a Committee of Core Ministries consisting of the Ministers of Finance, Public Service , Provincial Affairs and Public Works, and the Minister without Portfolio together with their DG's. The committee strategizes for the Special Cabinet Committee meeting fortnightly.

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1.1.3. Parliamentary Standing Committee

In Parliamentary there is a Standing Committee on the RDP which monitors legislation and the impact of the RDP and plays an active role in developing policy.

1.2. PROVINCIAL

Most provinces have established Cabinet Committees and Standing Committees of their legislatures to deal with the RDP.

Some provinces located the RDP in the Premier's office and others have placed it in the Ministry of Economic Affairs. We would like to recommend to provinces to ensure that there are links with the Executive, Legislature and non-government sector.

1.2.1. The process of setting up democratic and legitimate local government structures is essential to implementing the RDP. They can only be stable if their finances are stable.

1.2.2. Local authorities should be encouraged to establish RDP co-ordinating structures which bring together line departments.

1.2.3. Provinces must, therefore, define clearly the role of local government in the implementation of the RDP.

1.2.4. Local forums should be set up to facilitate inputs by business, labour, community based organisations into local RDPs, which must be drawn up and submitted to provincial RDP structures. There RDP's should not be just a collection of projects. They must link project to institutional & socio-economic transformation.

1.3. INTERDEPARTMENTAL TASK FORCE

These are composed of representatives from the line departments involved in the major programmes.

They are intended to ensure the integrated & co-ordinated planning of projects.

Task Forces:	Departments
Urban renewal	Water, Environment, Transport, Sport, Education, Health, State Expenditure, Public Works, Housing, Provincial Affairs etc.
Rural development	Water, Land, Transport, Provincial Affairs, Environment, Agriculture etc.
Human Resource/ Capacity Development	Education, Labour, - All departments invited.
Health & Education	Health, Education, State Expenditure
Information Management & statistics	To be established
Project management /technical support.	To be established

The RDP office and National Public Works Task Team will co-ordinate and ensure effective planning of programmes and participate in all task team.

Meeting have taken place with civil society, COSATU, SANCO/NECC and business.

1.4. OUTSIDE THE GOVERNMENT

The Cabinet has approved the setting up of a National Economic, Development & Labour Council to ensure co-ordination with the key stakeholders outside of government. It has four chambers dealing with Trade & Industry, Labour, Public Finances & development issues. The composition of the development chamber is still being discussed with key players.

2. FUNDING THE RDP

2.1 SOURCES

- Domestic and foreign grants
- Interest derived from investments
- Proceeds derived from sale of state assets
- Money appropriated by Parliament

1994/95	R2 500 million
1995/96	R 5 000 million

2.2 THE RDP IS A PROGRAMME TO TRANSFORM OUR SOCIETY AND MANAGE THE TRANSFORMATION

2.2.1 Key functions of the fund

- Leverage
  - Generate a reorientation of government expenditure towards new priorities & programme.
  - Seek counterpart contributions from communities, local and provincial authorities, private sector and foreign aid.
  - Ensure restructuring of the civil service to implement the the new priorities .
  - Towards infrastructure and capital expenditure .
  - Institute tougher control on public finances to eliminate wastage & corruption.

- **Kick-start**
  - Initiate major programmes designed to drive the RDP and the transformation of spending, institutions, and delivery.

2.2.2 Allocations from the fund will ensure

- Equitable coverage of all provinces
- Coverage of both urban and rural areas
- Start the key programmes of the RDP.

2.2.3 Allocations will support key RDP programmes:

- Urban renewal
- Rural development
- Human resource development
- Democratisation and institutional reform
- Economic restructuring
- Elimination of poverty

2.2.4 Criteria for programmes include:

- human resource development
- Targeted to meet needs of the poor
- Community participation and ownership
- Capacity building and training/empowerment
- Job creation/link to NPWP
- Sustainable programme
- Redresses racial and gender inequities
- racial, gender, rural/urban

2.2.5 **Allocations from the fund will require:**

- **Performance Contract**
  States commitment and contribution of community and key role-players
  States performance criteria by which the project will be monitored by government, parliament & the public
- **Business Plan**
  Describes the strategic objectives, funding strategy and project cash flow and carry on costs work programme, reporting, indicators outputs quality programme, consultation process etc.
  limit administrative costs to maximum of 15%
- **Audit Trail**
  Establishes clear guide lines of financial accountability to stamp out corruption & wastage.

2.3 **AGREEMENTS** between Departments and Provinces and the RDP office will ensure transparency.

3 BUDGETARY STRATEGY

3.1. A key challenge is to move the budget process closer to the RDP process and ensure that it is based on programmes and new priorities rather than historical allocations. Move towards multi - year budget based on zero based budgeting.

3.2. In determining budget allocations for 95/96 the cabinet instructed the Deputy Minister of Finance and The Minister in the President's Office to work on a discussion document outlining the priorities in relation to the RDP.

3.3. The Standing Committee on Finance is being given a greater role to play to ensure maximum transparency as far as is possible, & to analyse budget allowances & expenditure programmes.

3.4. The Function committee within each line function will also be broadened to include Finance Committee/RDP representation.

3.5. Linked to this has been the President's instruction that each line Minister should prepare a 5 year strategy to re-orientate their departments. This include a review of all programmes; improving efficiency, restructuring to achieve more effective use of personnel and resources and review of all programmes. Ministers to report regularly to the President.

3.6. The RDP Fund is being used to assist this process by:

- starting delivery on key projects
- using these projects to launch key programmes.
- beginning integrated planning processes between departments and different levels of government.
- forcing redirection of expenditure in department & provincial budgets.
- forcing changes in the budget procedure
- forcing changes in the use of civil servants & resources.

4. WHAT ARE THE PROGRAMMES:

The Presidential projects have been used to kick-start major RDP programmes .

4.1 ATTACKING POVERTY:

4.1.1. October Household Survey :

This is spearheaded by the RDP office. A focus on poverty monitoring and statistics. Work has been done on modifying the October Household survey to ensure we begin the process of collecting better statistics & including ex TBVC states, rural areas, squatter camps. The Statistics Council will be restructured to include more representative interests.

4.1.2. 1996 CENSUS

This is spearheaded by the RDP office. Planning for the 1996 Census has begun. We are working in building a campaign to ensure detailed statistics are collected not only on population, but also socio-economic, poverty , health indicators. The aim is to ensure every home in urban and rural areas is visited and that a comprehensive statistical base is established to ensure proper planning and performance auditing. More that 50 000 enumerators will be trained to conduct this survey and it will fit well into our capacity development programme.

4.1.3. HEALTH CARE:

This is spearheaded by the Health Department.

- The Presidential project on free health care is being implemented.
- This has been linked to a clinic building programme to deal with the overcrowding and lack of facilities especially in the rural areas.
- The anti-AIDS campaign has also being strengthened
- The Electronics Industry is designing a multi use mobile community Centre including a clinic.

4.1. 4. ELECTRIFICATION

This is spearheaded by Escom. The target for 1994/95 was 350 000 electrification connections. 250 000 by Escom, 100 000 by municipalities.

- They are slightly behind due to problem of the NPWP & of violence.
- The special Cabinet Committee has agreed on:

  * restructuring the electricity distribution industry
  * implementation of a National Domestic Tariff
  * establishment of a National Regulator

4.2. HUMAN RESOURCES DEVELOPMENT :

4.2.1. Adult Basic Education :

Spearheaded by Education /Labour . A major drive is been planned to launch an ABE campaign together with NGO's working in this area. Very careful evaluation is needed.

4.2.2. School Nutrition Campaign :

Spearheaded by the Health Department. This has been linked to a "building the culture of learning" campaign to attract students back to school . The administrative challenge of supervising this programme is monumental.

4.2.3. The Education Programme has just had a very successful national conference to link the Presidential projects to building a democratic management system in schools.

4.2.4. The education department is also spearheading a major school rebuilding campaign which can be linked to the NPWP.

4.2.5. CAPACITY DEVELOPMENT

A major National Programme combining Government department, universities, technikons, schools etc. to develop . The capacity first stage focuses on project planning & management.

The Lead Projects have been approved in principle by Cabinet subject to:

- ◊ analysis of compatibility of carryover and recurrent costs with Budget allocation.
- ◊ programme management/ business plans.

4.3 URBAN DEVELOPMENT

4.3.1. Earmarked Fund (retained in RDP Fund) for provinces to draw on in rehabilitating existing infra-structure & services & extending to new urban & rural areas to facilitate development of local government which is democratic & credible. Spearheaded by the housing and Provincial/ local Government Affairs.

4.3.2. Projects in crisis areas : integrated urban renewal. Spearheaded by housing.

Katorus
Cape Flats
Duncan Village
Port Elizabeth
Bloemfontein/ Botshabelo
Kwa- Zulu Natal

4.4. RURAL DEVELOPMENT :

- ♦ Land Restitution & settlement assistance
- ♦ Land distribution & settlement assistance
- ♦ Land reform pilot projects
- ♦ Provision of water sanitation.

4.5. PROVINCIAL

* Project Preparation facility
* Discretionary fund for community projects i.e. cannot be used for ordinary government expenditure.

4.6. NPWP ALLOCATION TO TASK TEAM : USAGE SIMILAR TO 4

Spearheaded by the National Public Works Tasks Team located in the Ministry of Public Works.

The focus has been on social upliftment projects. It is crucial to also focus on economic growth : utilise large infrastructure investments & H.R./training investment to stimulate design, manufacturing and service industries. This needs to closed co-ordinated with the Trade and Industry Ministry.

5. WHITE PAPER PROCESS

5.1. RDP accepted as a vehicle for GNU developing an implementation strategy to achieve goals. ***We are not rewriting the RDP***. The key challenge is how does government & key constituencies such as business play a dynamic role in implementing the RDP . White Paper is a change management /implementation programme.

5.2. We have started a consultative process of getting inputs from government departments , businesses and other organs of civil society .

5.3. The key framework therefore focuses on the budgetary strategy, civil service reform & change management strategy to manage the transformation & ensure a comprehensive system of performance auditing & monitory in terms of high level performance indicators.

A key strategy would be to link the Annual Budget Review to the annual report of the RDP

5.4. The White Paper should also link to each departmental white paper detailing their 5 year strategy. It cannot therefore detail everything you should do . It will contain goals /targets that departments have agreed on.

5.5. Arising out of this white paper should also be processes leading to reaching social accord/compact between major stakeholders.

5.6. Timetable:

- Cabinet - 7 September
- Standing Committee on RDP - public hearings - 3 September
- Other Standing Committees assess implementation & strategy of their departments in terms of RDP priorities - September
- Parliament debates for at least 1 day : October

6. CONCLUSION:

REVIEW OF THE 100 DAYS OF THE RDP

- **GOVERNMENT HAS A CLEAR PROGRAMME AND VISION**
- **DEVELOPMENT OF A STRATEGY FOR IMPLEMENTATION IS WELL UNDERWAY.**
- **MAJOR CHANGES IN SPENDING AND BUDGET COMPILATION HAVE BEEN INITIATED**
- **MAJOR INSTITUTIONAL REFORM HAS BEEN INITIATED**
- **NEW PROGRAMME MANAGEMENT REQUIREMENTS HAVE BEEN INITIATED AND ARE INTENDED TO BECOME STANDARD IN ALL LEVELS OF GOVERNMENT TO ENSURE GREATER EFFICIENCY AND PERFORMANCE AUDITING.**
- **DELIVERY OF LEAD PROJECTS IS STARTING**
- **KEY PROGRAMMES HAVE BEEN LAUNCHED**
- **CO-OPERATION BETWEEN DEPARTMENTS AND INTEGRATED PLANNING HAS BEEN INITIATED.**

1. ***However there are areas of weaknesses that must be critically evaluated and corrected to ensure effective implementation of the RDP.***

2. ***Strengthening co-ordination within government and between government and organisations in civil society.***

3. ***More effective co-operation between ANC in Government of the Tripartite Alliance MDM***

4. ***Ensuring that the RDP becomes people driven and communities own the process.***

5. ***Developing an effective communication strategy.***

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ENVIRONMENT AND TOURISM

ANNEXURE "A"

SAMPLE FORMAT ON MATTERS REQUIRING DECISION BY NEC

SUBJECT MATTER:

BRENKDOWN OF SERVICES - LOCAL Govt level AFFECT THE ENVIRONMENTAL MANAGEMENT IN GENERAL.

MINISTRY OR PROVINCE:

MINISTRY OF ENVIRONMENT & TOURISM

DECISIONS REQUIRED:

1. Have a distinct ministry of Local Govt
2. Take a decision on debt
3. Cleaning/maintainance of residences/workpla CAMPAIGNS

BACKGROUND INFORMATION:

SELF EXPLANATORY - THE PROBLEM IS THAT WE DO NOT HAVE LOCAL AUTHORITIES. WE CAN NO LONGER BLAME THE APARTHEID - WE ARE NOW IN CHARGE OF THE ADMINISTERING THIS COUNTRY. A BIG INDABA BETWEEN ANC AND SANCO IS NEEDED TO IRON OUT DIFFERE-NCES OF OPINION ON CERTAIN AREAS - LATER AN INDABA OF ALL THE STAKE-HOLDERS SHOULD BE CONVENED.

PUBLIC ENTERPRISES

Ministry for Public Enterprises
Ministerie vir Openbare Ondernemings

Mr C Ramaphosa
Secretary General
ANC
Fax: 011 - 290097

24 August 1994

Dear Sir

By direction of Minister Stella N Sigcau please find her input regarding:

MATTERS REQUIRING DECISION BY NEC

STUDYING OF MODELS ON RESTRUCTURING MALAYSIA; MEXICO; CHILE; BOLIVIA; ETC

FROM: MINISTRY FOR PUBLIC ENTERPRISES

DECISIONS REQUIRED: BLESSINGS FOR A GO AHEAD WITH SUCH STUDIES

BACKGROUND INFORMATION: PRIVATISATION IS ON HOLD. THERE IS HOWEVER NEED FOR THE RESTRUCTURING OF CERTAIN SECTORS IN ORDER TO EMPOWER THE PEOPLE.

Kind regards

M M du Plessis

M M du Plessis
PRIVATE SECRETARY

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Private Bag X447 Pretoria 0001 ☎ (012) 324-1682 4 5 6 Fax 324-1649 • Privaatsak X447 Pretoria 0001 ☎ (012) 324-1553 4 5 6 Faks 324-1560
Private Bag X9079 Cape Town 8000 ☎ (021) 461-6376/7 8/9 Fax 45-2381 • Privaatsak X9079 Kaapstad 8000 ☎ (021) 461-6376/7/8/9 Faks 45-2381

PUBLIC SERVICE

MEMORANDUM

TO: *African National Congress, NEC*

FROM: *Thuthuka AD HOC Public Servants Committee*

SUBJECT: *Conditions of service of Public Servants with Specific reference to Ministerial Staff*

PURPOSE: *To request that NEC and Ministers give serious and urgent consideration to problems and reccommendations regarding the conditions of service of the PS.*

1. BACKGROUND INFORMATION/DISCUSSION

1.1 It has been generally accepted that, given the historical make-up and composition of the apartheid PS, following the elections heralding a new democratic South Africa, the PS would have to be reformed and restructured to reflect the aspiration of the people, led by the new IGNU.

1.2 We are now in Government as the majority party and many of our Ministers have brought with them into their ministries, support staff who are steeped in liberation history and experience, deeply committed to the principles of the RDP and provide an essential service to their Ministers.

1.3 Although we recognise that our Ministers have had to adjust and come to grips with the work of their Ministries in an extremely short space of time, we must also recognise that insufficient qualitative time or attention has been paid to the conditions of service of the staff they have brought with them.

1.4 In an attempt to resolve problems the Thuthuka Ad Hoc Public Servants' Association was formed and has held several meeting.

2. MOTIVATION

A number of areas in the conditions of service of the PS need urgent intervention as recommended in 3 below.

2.1 ACCOMMODATION

This is one of the problems with potentially crippling effects on new appointees. Most of us have had to relocate to Pretoria and Cape Town. In some instances this has meant leaving families behind, and thus maintaining three bases. The cost implications are obviously devastating. To make matters worse government does not provide accommodation for Ps in Pretoria. It also appears that:

- *there are people still staying in government accommodation who are no longer or never were public servants;*
- *that allocation to the other parties, in accordance with GNU provisions, have not been taken up and many houses/flats in the government villages stand vacant.*
- *that most of the new appointees are allocated old houses/flats, and in the main decent accommodation is held by old members of the PS.*

2.2 SALARIES

This is one of the sore points. Salaries of the PS are ridiculously low. This is not necessarily exclusive to new appointees. But the ranking makes new appointees' salary scales worse. It also does not reflect their tremendous experience and expertise outside the PS, and have begun to affect their effectiveness and efficiency. It does appear also that in most cases lower ranked PS have long been subjected to exploitative wages.

The situation (salaries) is so unbearable that we are witnessing an exodus into the private sector or NGO, and many more are contemplating leaving.

2.3 GRADES AND PROBATION

The ranking system disadvantages the new appointees in that it is not clear whether it recognises experience outside the PS. The ranks thus far accorded to most of us puts us at the lower end of the ladder in terms of salary packages. This is grossly unfair. We have brought with us the skills, the vision and commitment to the RDP. The service we provide to Ministers, therefore, is crucial to successful delivery. The one year probation period to which we are subjected should go. It affects our conditions of service and subject us to the whims of the old regime personnel.

2.4 RESTRUCTURING THE PS: LONG-TERM

Whilst we submit that this is a long-term matter, we believe that process to this end must begin <u>now</u>.

Whilst it is true that there are members of the old regime who have demonstrated their loyalty to the new government and are adapting to new conditions, it is equally true to say that there are also many that are not. Many of these hold crucial and strategic posts and are a serious threat to the progress of the RDP. It is our opinion that an independent expert investigation needs to be made and a special RDP document specifically in regard to the PS produced and appropriate action taken.

3. *RECOMMENDATION/DECISION REQUIRED*

We hereby humbly submit the following recommendations for urgent consideration:

1. Accommodation

That government review policy or procedure for the allocation of accommodation to public servants such that it is equitable to all, and provides and/or assist in the procurement of accommodation both in Cape Town and Pretoria.

2. Salaries

That salaries of all Ministerial support staff be adjusted or upgraded so that:

a) they compare favourably with what is obtaining in the private sector;
b) previous experience, and level of expertise acquired in non-governmental sector is recognised, and
c) no-one earns less that he/she was earning in his/her previous job.

3. Grades

That new appointees from liberation parties be re-ranked in a way that recognise the principles mentioned in 2. above.

4. Probation

That new appointees to the PS need not be subjected to a year's probation.

5. Follow-up

That follow-up consultations be held with the Ministry of Public Service and Administration to allow us the opportunity to contribute constructively to the process.

6. Communication strategy

That this process be as transparent as possible, in the light of the negative media publicity which arose with regard to the Ministerial contract system as well as in the interests of public accountability. The perception, widely held by the public, is that public servants (especially new appointees) are fat cats. This has to be corrected by implementing appropriate communication strategy.

Timothy Brownlee
Tel. (021) 461 0660
Fax (021) 461 1679.

EDUCATION

Report of the Minister of Education
to the NEC

A. General Progress to Date

Progress in the field of reconstructing education has been frustratingly slow due to the legal requirements in setting up and staffing a new education department and the unforseen absence during my recent illness. Nonetheless, some progress has been logged with the assistance of the advisory group seconded to my office.

1. POLICY DEVELOPMENT

1.1 The **White Paper** on education which will provide the policy framework for the conduct of the education department is at an advanced stage. We will circulate draft to key stakeholders for internal comment before public release.

WE REQUIRE NEC INPUT AND ENDORSEMENT OF THIS POLICY DOCUMENT.

1.2 The White Paper will be released via gazette on the 16 September (simultaneously with **1994/95 budget** speech) for public debate and scheduled to be tabled at cabinet in November for adoption.

1.3 The release of the White Paper will be accompanied by a Comprehensive Education Campaign designed to highlight the policy proposals and stimulate public debate and participation in education reconstruction.

WE REQUIRE THE REJUVENATION OF ANC EDUCATION STRUCTURES AND LIAISON WITH OUR MDM ALLIES TO CARRY FORWARD THE CAMPAIGN.

1.4 A number of forums for engaging our constituencies around issues such as governance, ABE, etc. are currently being planned.

2. RESTRUCTURING THE EDUCATION SYSTEM

2.1 The ministry has submitted proposals for the new ministry of education to PSC more than three weeks ago. We are anxious to obtain finalization of this proposal so that we can effect new appointments. The progress in this regard has been unduly slow. The new D.G. has been appointed.

THE NEC NEEDS TO REVIEW OUR STRATEGY AROUND THE PSC AND TRANSFORMATION OF THE BUREAUCRACY.

2.2 We have established a task group with MEC representatives to strategize around the **delegation of powers to the provinces as an interim measure** before they can be assigned on a more permanent basis. We are also actively exploring mechanisms to

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allow for the appointment of provincial head of education departments with immediate effect.

2.3 We have set January 1 as a target for the establishment of **a single education department.** I have requested department officials to provide us with a detailed roll-out plan for implementing this goal.

2.4 We have asserted that the objective of providing free and compulsory education for ten years is non-negotiable. **It is highly unlikely that we will realise this goal in full during 1995 within the constraints of current resource allocations to the ministry.**

THE NEC NEEDS TO CONSIDER THE IMPLICATIONS OF THIS REALITY FOR THE ANC.

2.5 We are about the establish a **Commission for Higher Education** to assist the ministry in defining a policy around tertiary education in South Africa

2.6 My recent illness has resulted in our getting slow off the mark in our relations with the **RDP office.** I have since met with minister Naidoo and our staff subsequently developed two RDP thrusts in the form of a **School Rehabilitation and Refurbishing** and an **Adult Basic Education** programmes.

2.7 We need to ensure that education and training becomes a more central feature of the RDP office's initiatives and in a manner which strengthens the transformation of the education ministry and department. **The current allocation of RDP resources to the education and training sector is not reflective of the need and strategic importance of this sector.** Our staff capacity to develop effective RDP orientated programmes is limited while appointments cannot be made to the new department and current officials are mostly unsuitable.

3 INTERIM MEASURES

3.1 The president has been given a copy of the **Educators Employment Act 1994** for promulgation. This act consolidates the myriad of past acts governing educators (including the differentials in legislated conditions) into a single act and now provides the basis for moving to real parity in the conditions of service.

3.2 I have appointed six additional members to the **Association of Universities and Technikons (AUT)** as an interim measure to democratize this statutory body for tertiary education.

3.3 We have appointed three co-ordinators to head a committee charged with reviewing current syllabi to **remove offensive, distorted and inaccurate material from use in 1995.** We are also soliciting public comment on this issue.

3.4 We are establishing a **committee to oversee the 1994 matric exams** and advise the minister in terms of its monitoring, moderation of the exams and the release of these results.

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3.5 We have established a task force to examine pressing issues around **school governance** in the DET system where their legal term has expired. We will be developing a broader strategy around school governance for the whole system.

3.6 We are proposing a comprehensive set of **Short-Term Interventions** to address critical areas of need in **schooling, out-of-school youth, adult basic education and tertiary education.**

4 PROBLEM AREAS

1. The delay in approval of the department and regulations around the PSC has retarded our capacity to employ new staff and thus shape the transformation of the education system.

2. Managing the transformation in the context of legal constraints emanating from the constitution is exacerbated by the apparent absence of a **coherent ANC strategy for dealing with transformation within these constitutional and legal confines and reliable legal resources to tackle the challenges of such transformation, particularly the provincialization of education.**

3. The legal constraints on releasing staff currently employed in the 19 different education departments imply that it will be some time before we realise noticeable cost benefits from the creation of a single education department. The likely budgetary constraints for 1995/96 will retard our objectives of establishing an integrated education and training system.

WE WOULD NEED TO ACTIVELY EXPLORE PARTNERSHIP THROUGH DEVELOPMENT AID TO REALISE OUR EDUCATIONAL GOALS IN THE SHORT TO MEDIUM-TERM.

4. Certain flashpoints in education will persist to demand intervention in the context where MEC's still do not have formal powers to intervene and where the pace of restructuring will no effectively address expectations among our constituencies.

WE NEED TO ENLIST THE ASSISTANCE OF OUR POLITICAL LEADERSHIP IN COMMUNICATING THE OBSTACLES IN MEETING ALL THESE EXPECTATIONS FROM A HIGHLY FRAGMENTED SECTOR HAVING TO SIMULTANEOUSLY COPE WITH PROVINCIALIZATION.

Cmde. S.M.E. Bengu
24 August 1994.

WELFARE AND POPULATION DEVELOPMENT

MINISTRY OF WELFARE AND POPULATION DEVELOPMENT

1. The Ministry is presently attempting to restructure in order to address the needs contained in the RDP.

   - Restructuring has been slow because the present personnel within the Ministry is still trying to understand the RDP.

   - The Ministry's work is broad and very essential too, but the resources at hand will make it impossible for anyone to restructure effectively.

   - Objectives of restructuring.

     (a) Building a consensus about a mission, vision, policies and priorities for the welfare sector.

2. Developing representative governance structures through which government and organisations of civil society can engage in policy development.

3. Exploring the potential role of local government in service delivery within the provincial welfare structures. (At present the welfare authorities are finding it difficult to take off because they have no powers of authority).

4. Re-allocation of resources to address among others the social, economic, racial, gender, geographic and human resources disparities in social welfare.

5. Legislative reform.

6. Restructuring the partnership between the stakeholders to develop a system which is socially equitable, financially viable, structurally efficient, and effective in meeting the needs of the most disadvantaged sectors of the population.

7. Human Resource Development and re-orientation of existing personnel towards a development of social welfare framework.

8. Development of a financially sustainable welfare system.

9. Restructuring of the Social Security system (Progress-equalised pensions).

10. Developing strategies and mechanisms to translate the aims and objectives.

The Department is responsible for the following acts:

National Welfare Act, 1978 (Act 100 of 1978)
Social Assistance Act, 1992 (Act 59 of 1992)
Fund Raising Act, 1978 (Act 107 of 1978)
Child Care Act, 1983 (Act 74 of 1983)
Probation Services Act, 1997 (Act 116 of 1997)
Aged Persons Act, 1967 (Act 81 of 1967)
Prevention and Treatment of Drug Dependency Act, 1992 (Act 20 of 1992)

The Department is in the process of reviewing the above-mentioned Acts, and on the a team of welfare experts will begin to dissect the Social Welfare Act Section, section by section to investigate its relevance to the Constitution and the Bill of Rights.

Sessions of unpacking of the RDP have taken place, as an attempt to develop a deeper analysis and understanding of the RDP. One of our Population Experts, Barbara Klugman, is presently attached to the Ministry's Populations Unit in order to develop an Evaluation strategy on Population.

In the short period in office the Ministry has managed to initiate the release of children in detention, though it must be mentioned here that we still have 700 awaiting trail. The release of children has to be interlinked with the availability of reception safe houses. See Addendum A

The issue of children has been addressed by all the relevant ministries affected in one way or another by the existence of the problem. Ministers Dr S Mzimela, D Omar and S Mufamadi dealt with the issue together with Minister Abé Williams and Deputy Minister Sankie Nkondo.

The Ministry is looking into drafting legislation and it is important to realise that approximately 24 Acts have been identified which constitute the South African Welfare Legislation framework at the end of May 1994.

The legislation pertains to the following areas:

- National welfare
- Social work
- Fundraising
- Marriage, divorce and family violence
- Welfare of children
- Schools of Industry and Reform Schools
- Handicapped children
- Blind persons
- Mental health
- Correctional Services
- Abuse of dependence producing substances
- Social assistance

The above acts provide for the delivery of services and social benefits to designated target groups, setting norms and standards, the registration of welfare organisations, eligibility requirements, the establishment of structures of governance and for identifying functions and powers of different authorities.

An inventory conducted of existing welfare legislation reveals the fact that to effect legislative reform certain aspects needs attention.

1. Correcting the duplication of legislation, e.g. -
   The National Welfare Act, 100 of 1978.
   The National, Welfare Amendment Act (House of

Representatives 18 of 1986), and the Community Welfare Act (House of Representatives), 104 of 1987.

2. Multiple Laws Applied -
Divorce Act of 79 of 1979, the
Black Administration Act 38 of 1927,
Matrimonial Property Act 88 of 1984,
Matrimonial Affairs Act 37 of 1953,
Marriage Act of 1961,
Maintenance Act 23 of 1963, and
Mediation in certain Divorce Matters Act of 1987.

- The Child Care Amendment Act of 1991, needs to be brought in line with the provisions of the Constitution of the country. Reform in the juvenile justice system has progressed very much lately.

- Fundraising proposals have been put forward. Fundraising Act and the Tax Law. This Act 107 of 1978 has been a controversial piece of legislation as the Act gives extensive powers to the Minister and the Director-General in the authorization of organisations to raise funds.

- Tax Law -
Trade unions and welfare organisations are recommending that there be reform in the Tax Law in areas of funding and social security.

RECOMMENDATIONS ON THE ABOVE

The redrafting of legislation should not be a piecemeal exercise, but should go hand in hand with overall policy development and restructuring of the welfare sector.

It should be recognised that the policy development process takes place in definite phases and that legislative drafting should be done at the end of the process. This process of careful policy

development should not be short circuited by the pressure to produce legislation.

In the short term, legislative reform should be directed at realigning the legislation to reflect the current structural changes which have been effected.

Legislative reform should remove some of the obstacles in the way of creating a single National Welfare Ministry, Provincial Welfare Authorities and Local government structures.

Should the Social Assistance Act be passed, this should be of an interim nature in order to facilitate the transition process and a commitment has to be given to embark on a programme of restructuring social security.

An approach needs to be developed in relation to the stake holders in the welfare sector who have developed proposals for legislative reform and their expertise needs to be tapped. This should go hand-in-hand with creating mechanisms for legislative advocacy.

ADDENDUM A

CHILDREN IN PRISON - THE FIRST 100 DAYS

1. The children were promised that they would be released from prison. At present at the Westville Prison there are x 300 children awaiting trial.

   There are 900 convicted children and juveniles.

   The children are angry, frustrated, bitter and are awaiting to have promises of release met. There are children aged 8, 9 and 10 years as well as older children. For some, their crime is that they are poor.

2. There is no suitable place of detention for children in the Durban Functional Region. The places of safety are full or they refuse to take children who have been in prison. The result is that children remain in the prison needlessly and for lengthy periods.

3. The Westville prison has made several significant changes to the care the children receive, such as moving them to female prison. This is to protect them from being abused by the adult male prisoners and the gangs. But this has only partially solved the problem. The children are locked up from 3 pm until 7 am the next morning. They are sexually abusing each other. The little ones regularly report sodomy. There is no programme for these children in the afternoons and evenings. They do not even get supper. There is only one adult on duty at night.

4. The children tried to burn the prison down in July. They are threatening to do so again.

5. While the children are in prison, we need around the clock adult supervision and rehabilitation programmes, etc.

6. We do not condone children being held in prison. We want a place of detention that is child centred, therapeutic, and offers skills training, etc. Children should not be in prison.

TASKS ALREADY PERFORMED

1. Visits were made to pension payout points to investigate conditions under which the process takes place. (PWV, Soshanguwe and Natal payout points).

2. Addressed meetings:

   Family Institute, Albow Brother's Centre, (a group of Jewish professionals), SABSWA (Black Social Workers), Radda Bannen, HSRC (a formal organisations perspective) and Windhoek (preparation meetings for Beijing World Conference).

3. Meetings with specialists in the different welfare and population sectors:

   Children, drugs and crime, policy on welfare, social services sector, for example, the aged.

4. Media: Interviews with press and television made.

5. Meetings with different departmental desks officials within the Ministry to enable myself an indepth study of what is going on.

6. Restructuring has taken off though at a very slow pace.

   (a) Two population experts from the Democratic Front have been seconded to assist by participating in crucial activities for example, Strategic Planning in Population policy including the restructuring of the Population Unit.

- Discussions on the Implication of RDP on Social Welfare and Development (these are continuing).

AGRICULTURE

BRIEF REPORT TO THE ANC NEC MEETING

PRESENTED BY : A T MSANE

DEPUTY MINISTER : AGRICULTURE

INTRODUCTION:

The report will serve as a review of the past three months within this Ministry. These activities in the main focused on the following:

* Knowing the department

*knowing agricultural sector

* developing an operational RDP perspective for agriculture

Apart from the structured activities there has been presentation made in the different Conferences and seminars of various organisations which included, Agricultural Economics Association of Southern Africa: Transvaal Action Group, South African Agricultural Union, National African Farmers Unions, Transkei Agricultural Union, National Maize Producers Organisations, Progressive Farmers Union of South Africa, Animal Feed Manufacturers Association, Transvaal .

The contacts with these groups have enabled one to know the different role players that are involved in the Agricultural Sector. But also it has served purpose of trying to exert the need for the change of approach in line with the new Constitution as well as the Reconstruction and development programme.

KNOWING THE DEPARTMENT:

A meeting was held with various Chief Directorates of the Department where presentation was done on activities of each directorate. Individual meetings with the general personnel of each directorate will still take place to assess different programmes which had

been held in the past and see how these can be reviewed in line with new policy.

Discussions have also been held with different statutory bodies such as the Marketing Board, Maize Board, Meat Board and the Cotton Board, Agricultural Credit Board, Agricultural Research Council. Further consultation with other statutory bodies are still to be held.

PROVINCIAL VISITS:

- During the Parliamentary recess the following Provinces were visited: North West, Northern Transvaal, Eastern Transvaal, PWV, Eastern Cape. Other Provinces will be visited before the end of September.

The aim of the visits was to acquaint myself with the different MEC's in each Province , the process of integration of different administrations (agriculture) , different non-governmental role players in Agriculture in these regions.

In one way or the other this approach helped the different MEC's to identify the different role players that operate in their regions.

During the visits a meeting was scheduled with the Premiers of the Provinces as well as the ANC REC's where it was possible. In the Northern Transvaal a meeting took place with the ANC Women's League and the Youth League, and the Premier. In the Eastern Cape the Premier formerly welcomed me in the region.

Because of the constraints of time it was not possible to meet some of the Premier (particularly those who are ANC members) as well as the REC's.

KNOWING THE AGRICULTURAL SECTOR

As part of the regional visits as well as planned invitations from different role players within Agriculture one has been in contact with Producer Organisations, small farmers individually , cooperative organisations as well as those who are in the agricultural industries.

Consultations with the non-government organisations as well as academics in Universities (Agricultural Dept) and Colleges, Financial Institutions (Domestic) and International agencies such as IFAD (International Fund for Agricultural Development), Different Embassies such as Germany, Netherlands, Taiwan and members of the World Bank has taken place.

Through the discussions one has been able to get an understanding of the needs of the different role players. The discussions with the financial agencies was aimed at getting to know the different support structures that they have towards agriculture in their institutions and what criteria they use for support of farmers. This debate is still continuing.

RDP PERSPECTIVE IN AGRICULTURE

There has been consensus on the need for reconstruction agriculture in South Africa to be in line with the policies of the new government.

In the discussion with the Minister and the Departmental heads it was agreed that there is a need for policy change. A process was then put in motion with an understanding that the ANC Policy document will form the basis of a new policy of course allowing input and debate from other role players.

A committee including members of the department, LAPC members,(Dave Cooper and Diana) , Bongi Njobe , Dr Thomas Naledzani , SAAU , Cooperative representative and NAFU.

Draft principles were proposed by this committee and circulated to the Provinces , non-government organisations, farmer organisations, professional agriculturalist,statutory bodies and within the Ministry for discussion and further input.

A workshop was then held on the 21st July 1994 representing all stakeholders in Agriculture from the Provinces and at national level. A draft document on the Principles as agreed upon in the workshop is now available and is a guide for policy formulation which is driven by the appointed committee.

*REORGANISATION OF THE DEPARTMENT:

A process is underway between the department and the Public Service Commission to reorganise the department.

DELEGATION OF POWERS TO THE DEPUTY MINISTER

Acknowledging that one is an overall deputy to the Ministry , certain specific Acts have been delegated to me by the Minister to administer. These are as follows:

-Agricultural Credit Act of 1966
-Plant Breeders' Rights Act , 1976
-Livestock Brands Act, 1962
-Plant Improvement Act, 1976
-Veterinary and Para-veterinary Professions Act, 1962
-Livestock Improvement Act, 1977
-Prevention of Cruelty to Animals

It is important to note that there will be a need to review almost all these Acts in line with the new policy of the department. Certain Processes have been put in place

A committee is being formed to review to look at a broad agricultural strategy which will enable different stakeholders to access credit in the resources of the department. One is mindful of the Presidential Rural Finance Commission which is being set to investigate broadly the way in which financial services are being rendered to the rural communities. Since agriculture happens to be one of those activities that take place in the rural areas one will benefit from such an investigation. Close liaison will have to happened between myself and Cde Derek Hannekom in this regard.

SMALL /EMERGING FARMER DEVELOPMENT

After the consultations with various farmer organisations and visits to the Provinces it was clear that there is a need to look seriously at the needs of the small farmers and see how these can be addressed in the short, medium and long term.

A meeting convened on the 4th August 1994, Pretoria including Provinces, small farmer associations, non-government and the directorate that is responsible for farmer development to initiate a discussion on what should be the role of government both at Central and Provincial with regard to support of this sector of our society.

The areas that were looked into were, credit support, infrastructure, training, information , research and availability of land.

Some of the problems raised were:

lack of access to land
- credit to buy land as well as inputs for production
-access to markets and market information

-education and training
-legal framework which safeguard small farmers
-the need to develop agribusinesses
-lack of water
-lack of labour

Different tasks teams were set up which are going to further investigate , consult and propose what programme can the Government undertake to support small and emerging farmer.

To bring the issue of the small and emerging farmers a summit of small rural farmers is being planned for November 1994 to further dialogue the suggestions that will come from the task teams, engage certain donor agencies to participate with an aim to committing themselves towards supporting this sector.

RELATIONSHIP WITH THE ANC PARLIAMENTARY STUDY GROUP

Meetings have been held with the members of the study group with an aim of helping them to understand the issues that the Ministry deals with and work out a strategy for their participation in the Parliamentary select committee responsible for Agriculture and Water Affairs.

A programme of action for such a group is worked out with the members. This will include exchange programmes as a way of exposing the group to the agricultural sector, identifying support groups and individuals who can assist the group on agricultural information so as to facilitate their full participation.

CONCLUSION

It is my hope that the report will give an overview of issues that one is grappling with. Suggestions and inputs on how one can best execute the responsibility will always be welcomed.

TRADE AND INDUSTRY

MINISTRY OF TRADE AND INDUSTRY

Tel: (021) 461-7191/2/3
Fax: (021) 45-1291

Private Bag X9047
Cape Town
8000

Ref: Gemm 3/1/2

23 August 1994

Secretary-General
M C Ramaphosa
African National Congress

THE CONTRIBUTIONS OF THE DTI TO THE RECONSTRUCTION AND DEVELOPMENT PROGRAMME (RDP)

INTRODUCTION

There are many programmes and activities being carried out within the DTI that can be claimed to fall within the RDP. Some of these programmes do not feature explicitly in the RDP document. However, What is outlined below is a summary of our attempts to transform the orientation of trade and industry policy to one which conforms with the philosophy of the RDP.

PROJECTS BEING IMPLEMENTED

TRADE POLICY

1) THE GLOBAL REPOSITIONING OF SOUTH AFRICA

As we emerge from the sanctions era, a range of opportunities are opening up for our economy.

EUROPEAN UNION (EU)

The EU is our largest trading partner, accounting for more than 50% of our trade. It is also the source of the largest share of global direct and indirect investment into South Africa. DTI has led the renegotiation of the trading relationship with the EU. As a first stage, we marginally improved the conditions of market access to access under the General System of Preferences (GSP). The next stage is to campaign for market access as close to that prevailing under the Lome Convention. Improved market access for

SA manufactured products will be crucial for our industrial revival.

USA

Market access beyond the current GSP conditions is not achievable at present with the USA. However, an Inter-Governmental committee to facilitate mutually beneficial business-business relationships with a particular focus on Black Economic Empowerment (BEE) has been constituted.

STRENGTHENING SOUTH-SOUTH RELATIONS

While the bulk of our trade is carried out with developed market economies, DTI is preparing for a shift of emphasis to the faster growing economies of newly industrialised countries. As part of this process, and in preparation for a possible application to accede to the Lome Convention, support is being canvassed with the ACP member states.

2) SOUTHERN AFRICAN REGIONAL COOPERATION

Preparations are being made to renegotiate the SACU agreement on the basis of balance, equity and mutually beneficial economic relations. Cabinet has also approved accession to SADC and preliminary interaction has commenced. An association with Lome would also potentially forge closer economic linkages within the region through joint processing.

3) INTERNAL TRADE

Gazetting of the intention to abolish the R6000 limit, below which no protection is provided by the Usury Act, has elicited constructive response which will lead to improved consumer protection. The listing of defaulting companies will also have the same effect.

<u>INDUSTRY</u>

1) TARIFF PROTECTION

The DTI is implementing the process of streamlining the tariff system and implementing the GATT offer to reduce overall tariffs.

2) EXPORT PROMOTION

The GEIS scheme has been reviewed by an NEF working group which has proposed a plan for phasing out the GATT illegal incentives from 1 April 1994. The cash handout and general nature of the GEIS makes it a fairly blunt instrument of industrial policy. Proposed changes in categorisation of goods will make for greater consistency. It is envisaged that the resources allocated to GEIS

will be redirected towards supply side measures.

3) FOCUSING ON SUPPLY SIDE MEASURES

The Department is actively participating in the Supply Side Working Group of the NEF to develop policy instruments which address some of the structural problems of industry that the RDP has identified.

4) INVESTMENT POLICY/INVESTMENT CODE

Work is proceeding in interacting with potential investors and in developing guidelines for investment policy and an investment code.

5) INSTITUTIONAL COORDINATION

The DTI is initiating an investigation into the efficiency of operations of the SBDC and the regional financial corporations such as KDC, BNDC, etc. in a joint process with the Minister Without Portfolio.

Relations with other institutions, such as the IDC and SAFTO, playing key roles in trade and industrial policy are being reexamined.

The working relationship with science and technology institutions, such as the CSIR, and the appropriate function of the DTI in regard to fostering the application of technological innovation are also being reexamined.

6) PROMOTION OF SMME'S

Coordination of this work from the Ministry is being carried out by Special Advisor, Dr. Alistair Ruiters. The DTI has little capacity in this area and there is no clearly formulated and coherent policy towards SMMEs. Priority is being given to developing detailed policy guidelines and to evaluating the institutions associated with SMME governance, including DTI, SBDC, IDC and the various development corporations. A White Paper will emerge from this process.

Black Economic Empowerment is being furthered by a process that has involved meetings with NAFCOC, FABCOS and Enterprise. A programme of action has been announced which is based on the convening of a series of People's Forums which focus on clack business. The programme will feed into the White Paper and will be carried out directly with Dr. Sam Motsuenyane.

7) ANTI-TRUST/COMPETITION POLICY

A process has been initiated, according to the RDP, to relocate the Competition Board from Public Enterprises to the DTI.

Thereafter, legislation will be strengthened in conjunction with the Standing Committee on Trade and Industry.

8) TRADE AND INDUSTRIAL POLICY RESEARCH

The DTI is contributing to a number of policy research projects under the auspices of the NEF. This includes the Monitor Company project on the global competitiveness of the South African economy and the investigation into pre-shipment export finance which is targeted at SMMEs. Both these projects are underway, while a project to improve technical and marketing support to SMMEs is being prepared.

9) PROVINCIAL INDUSTRIALISATION

Steps have been taken to bring the administration of the Regional Industrial Development Programme (for former non-independent Bantustans) into the DTI from its present location in Regional and Land Affairs.

A programme to forge close relations between the DTI and the new Provincial Administrations is far advanced and is presently scrutinising the devolvement of responsibility for SMME Development and Consumer Protection.

10) LEGISLATIVE MEASURES

The next five proposed Bills from Trade and Industry relate to work carried out by the previous regime and includes:

- Trade Metrology Amendment Bill : Pertains to the certification of measuring instruments.

- Usury Amendment Bill : Provides for increased powers of inspection under the Usury Act.

- Non-Proliferation of Weapons of Mass Destruction Amendment Bill : Increases powers of delegation of the SA Council for the Non-Proliferation of Weapons of Mass Destruction in the consideration or permit applications.

- Space Affairs Amendment Bill : Increases powers of delegation of the SA Council of Space Affairs in the consideration of permit applications.

- Board of Trade and Tariffs Amendment Bill : To bring the definition of DUMPING in SA legislation in line with the definition used by GATT.

- Property Transactions with Consumers Bill : The consolidation of a range of legislation which impact on the interests of consumers engaged in property transactions.

11) MAJOR PROBLEMS BEING EXPERIENCED

Implementing RDP programmes has been hampered by the difficulties associated with absorbing experienced and competent individuals into Government bureaucracies. Such individuals played important roles in carrying out research into the problems of industry and in engaging the debates which developed post-apartheid trade and industrial policy to deal with identified problems.

Many of these obstacles have related to deliberate attempts by a variety of civil service functionaries to delay the processes of absorbtion. We continue to fight such battles.

CONFIDENTIAL ADDENDUM - MOTOR INDUSTRY
- CLOTHING AND TEXTILE INDUSTRY

The GNU inherited the result of a tripartite process of seeking a long term solution to the problems associated with two important but relatively heavily protected industries which will be affected by our adherence to the GATT and our attempts to dynamise our economy.

The Motor Industry Task Group (MITG) has put forward a plan which achieves a number of things. First, it constitutes a consensus by the component manufacturers, motor assemblers and labour representatives of what the problems of the sector are. Second, it represents the output of considerable scientific research which carries forward our understanding of the complexities associated with vehicle manufacture. Third, it puts forward one set of options of how to overcome the problems. Fourth, it exposes the various vested interests associated with the motor industry, and indicates at what point their interests militate against a commonly acceptable solution. Finally, it confirms the value of a tripartite approach as a mechanism to solve difficult problems of industrialisation and restructuring.

A similar exercise was carried out for the Clothing and Textiles sectors which also achieved the above.

One problem with this tripartite process is that government participation in it was weak and directionless. A second problem was that the voices of all the participants in the industries were not always heard. This resulted in outcomes which, first, reflected the lowest common denominator and, second, it meant that the interests of the softer voices were sometimes marginalised. The MITG proposals, for example, have subsequently been disowned by some of those who participated in its creation. Furthermore we are informed that the GATT will not support it as it stands. The Clothing and Textile Panel Report, on the other hand, calls for heavy state subsidisation of textile industry reinvestment, with no guarantee of success.

Under these circumstances, the position of the (new) DTI is that these proposals should be viewed as important contributions to the debate on how to resolve the problems of the sectors concerned. But they are by no means the last word on the subject, which now merely require to be rubber stamped.

Trevor Manuel
Minister of Trade and Industry