

DOCUMENTATION FOR THE  
INTERNATIONAL  
CONFERENCE  
CHANGING SOUTH AFRICA,  
CHALLENGE FOR EUROPE  
TO BE HELD ON  
JANUARY 22 AND 23 1992  
ROTTERDAM

List of Participants International Conference

CHANGING SOUTH AFRICA, CHALLENGE FOR EUROPE

Rotterdam, January 22 - 23, 1992

Representatives of the 12 EC member states in Brussels;

Representatives of the Development Committee of the European Parliament ; and other relevant Committees (Human Rights Committee) ;

Representatives of the Commission of the European Communities, DG I and DG VIII ;

Representatives of the Dutch Parliament and the Dutch Ministry of Foreign Affairs and Ministry for Development Co-operation, The Hague ;

Ambassadors to the EC of the SADC countries and secretary general of the ACP secretariat in Brussels ;

Representatives from the UN Committee Against Apartheid ;

the OAU secretariat in Brussels ;

the UNDP vice president and head of the Africa desk, and the special coordinator for Southern Africa of the UNDP ;

the head of the Global Coalition for Africa ;

the Commonwealth secretariat in London ;

the London School of Economics. Centre for the Study of the South African Economy and International Finance ;

Representatives of the NGOs in the Standing Committee of NGOs and a delegation of the Southern African partners, the SACC, the SACBC, the Kagiso Trust ;

Representatives of the NGO Liaison Committee ;

AWEPAA and the African European Institute in Amsterdam ;

the Liaison Group of Anti-Apartheid Movements ;

Representatives of regional NGO networks, SANDON and others;

Representatives of the international business community and representatives of NAFCOC in South Africa ;

SANAM/Standing Committee of NGOs

Brussels, December 4, 1991

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PROGRAMME

for the

CONFERENCE

"Changing South Africa! Challenge for Europe"

To be held on

January 22nd and 23rd 1992

Wednesday 22nd January

10.30 - 11.30 registration for Conference;

11.30 - 11.40 Opening of the Conference by chair of Standing Committee of NGOs

11.40 - 12.30 Opening Session chaired by Mr. Jan Nico Scholten, Executive President

of the African European Institute

Mr. Jan Pronk, Dutch Minister for Development Co-operation

Mrs. G.K.T. Chiepe, Minister of External Affairs of the Republic of

Botswana, representing SADCC

Mr. Manuel Marin Gonzales, Vice-President of the European Commission

Mr. Thabo Mbeki, Member of the National Executive Committee of the

ANC, Director of the Department of International Affairs ANC

12.30 - 14.00 lunch

14.00 - 16.00 Plenary Session chaired by Mr. Michel van Hulten, Personal

representative of Minister Jan Pronk for the Global Coalition for

Africa ; and introductions by :

Mr. Jay Naidoo, Secretary General COSATU

Ms. Mamphela Ramphele, Deputy Vice-Chancellor of the University of

Cape Town

Mr. Eric Molobi, General Secretary Kagiso Trust, South Africa

Mr. Paul Nyathi, Director of Zimbabwe Project, and the Southern African

Network of Development Organizations (SANDON), Zimbabwe

16.00 - 16.30 tea/coffee break

16.30 - 18.00 Questions to panel of speakers

18.00 Closure of plenary afternoon session

18.00 - 19.30 Reception offered by the Mayor of the City of Rotterdam

Thursday 23rd January

09.00 - 11.00

11.00 - 11.20

11.20 - 12.30

12.30 - 14.00

14.00 - 15.00

15.00 - 15.20

15.20 - 16.45

16.45 - 17.15

17.15 - 17.30

Discussions in working groups and formulation of recommendations:

group 1:

"Identification of appropriate strategies for poverty alleviation in Southern Africa "

Ms. Mamphela Ramphele, Vice Chancellor of the University of Cape Town. South Africa

Mr. Alan Fowler, Consultant, United Kingdom

group 2:

"What are the priorities for future development cooperation in order to contribute to a balanced and sustainable regional economic and social development?"

Mr. Sam Moyo, Zimbabwe Institute for Development Studies, Harare, Ilqum

Mr. Elwil Beukes, University of the Orange Free State. Bloemfontein, South Africa

group 3:

"The relationship between aid, trade and investment policies for South(ern) Africa from perspective of achieving a balanced and sustainable development scenario, how such development can be promoted through new forms of regional cooperation, and what are likely implications for Europe's future policies towards South(ern) Africa"

Mr. Robert Davies. University of the Western Cape. Bellville, Cape Town, gm, .

Mr. 999133121 H. Nkomo. Institute for Development Studies, University of Sussex. Brighton, United Kingdom

group 4:

"Development strategies enhancing the process of democratization in Southern Africa and adherence towards the universal human rights"

Mr. Azhar Cachalia, Yale University, New Haven, USA

Ms. Ineke van Kessel, Afrika Studiecentrum, Leiden, Netherlands

(All groups will be requested to pay specific attention to the position of women and youth in their discussions and recommendations.)

tea/coffee break

Working Groups continued

lunch

Plenary session chaired by Mr. Eric Molobi, General Secretary Kagiso Trust, South Africa ; with a joint presentation of recommendations of working groups 1, 2, 3 and 4

tea/coffee break

Continuation of the plenary session with discussion about the recommendations of the working groups

Reflections on the conference recommendations by Mr. Jan Pronk, Dutch Minister for Development Co-operation

Closure of the international seminar

## INTRODUCTION

Political developments in South Africa have created a new and exciting perspective for enhancing democracy and peace, and accelerating socio-economic development in the Southern African region.

The effects of apartheid on South Africa are well-known and will be long lasting. The destabilization policy pursued by the South African government beyond its borders has, according to the UN, caused the region 3; 60bn in material damages.

The challenges therefore are immense. Given the inter-tlepentlencies in the region, balanced policies will be required to address the existing sharp inequalities in South Africa and within the region as a whole. The question is, how can Europe effectively respond to these challenges and what are the objectives of Europels intervention?

In the contributions for the conference it is argued that the political conditions will h  
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to be created first before lasting new structural changes can be implemented to redress the massive inequalities. At the same time it is recognized that no democratic constitutional order can be successfully sustained without a sound socio-eeonomie basis. Following the holding of free and fair general elections in South Africa, based on a non-racial and democratic constitution, the anti-apartheid commitment of the people of Southern Africa will need to be replaced by a shared perspective on the long-term benefits of regional co-operation in the interest of peace, justice and development. The vast economic and social disparities in South and Southern Africa can only be overcome by policies of sharing the burden among those who have, and by implementing affirmative action for the benefit of the have-nots, so as to contribute to the wealth of all in the long run.

Without a well-(lefinetl and accepted regional perspective and the building of an appropriate institutional framework, dynamics in the region could well lead to a further deepening of the rift between the 15 million privileged elites and the already 50 million people (out of 100 million people in the region) living in abject poverty throughout Southern Africa, and to further connict in the region. That new perspective will have to be established by the peoples of Southern Africa themselves. It will require new thinking and conceptualization, as many of the current models either do not apply to the specific circumstances of South(ern) Africa nor are they suitable for redressing harmoniously the imbalances within South Africa and within the region.

The odds are tremendous. The South African economy is in stagnation, GDP over 1990 falling by 0.9%. If the economic (lown-turn cannot be reversed, political transition might be in danger. It has been calculated that SA needs real economic growth of 5% per year to sustain the political transition process over the next 5 years. The South African Reserve Bank has calculated economic scenarios with a growth

## Changing South Africa, Challenge for Europe: Introduction

ranging from zero to 3% (during this period. SA's Finance Minister has stated that "SA will be ungovernable unless substantial economic growth will be reached in the mid-1990s".

A new democratic government in South Africa faces, on the one hand, a revolution of expectations from the dispossessed black majority while, on the other hand, it needs to reassure the white-run business community and foreign investors that their money will be safe.

Key words in the debate are development, (how to balance pro-growth strategies with pro-poor strategies, how to balance the need to develop a regional market with the inter-dependencies on the global market, how to balance the needs within South Africa and in the region as a whole), regional integration (how can SA be integrated within the Southern African region given the fact that its GNP represents 3/4 of the total regional GNP, which is (are) the best vehicle(s) (SADCC, PTA, Custom Union) for regional integration and by what modalities) and people's participation (how can people be empowered to utilize the available resources for development, how can governments create an enabling climate - good governance - for the peoples of South (ern) Africa to take full responsibility for shaping their own future).

At the conference the participants from Southern Africa will share their views with participants from Europe who, in turn, are expected to share their experiences with the Southern African participants. The objective of the conference is to create a platform to develop a common framework for the future of the region. The conference will contribute to defining a European developmental agenda for the region.

The specific focus will thereby be on identification of how the European Community (defined to include governmental and non-governmental agencies) can positively contribute towards the implementation of the objectives of an equitable regional integration in Southern Africa and to the establishment of an equitable relationship in all spheres between the region and the European Community, as (in the) attached papers has put it.

During the first day of the conference it is hoped that the issues can be identified. The

conference will then be divided in four working-groups, each of which will discuss the specific issues within its general topic with an emphasis on concluding debate by means of formulating recommendations for future European policies towards South and Southern Africa. These recommendations will be tabled and debated in the plenary closing-session of the conference.

The resource persons for the working-groups have kindly made written contributions available in advance of the conference. Each working-group will have two resource persons participating in the discussions.

The organizers of the conference hope that this will assist the participants in their preparations for the conference, and that it will facilitate an informed debate at the conference as well as the production of concrete recommendations for future policies. We look very much forward to your participation in the conference.



Working Group 1 :  
"Identification of appropriate  
strategies for poverty alleviation in  
Southern Africa"  
Contributions by:  
Mamphela Ramphele  
and  
Alan Fowler

## THE ARTICULATION OF EMANCIPATORY AND LIFE POLITICS

Mamphela Ramphele

UTC, 6/12/91

### INTRODUCTION

The challenges of development in a post-apartheid South Africa centre mainly around the problems created by two legacies :

- The legacy of deliberate under-development of blacks and undermining of their capacity to exercise their active agency in shaping the history of their country. The human resource base which has to engage the development process has thus been considerably weakened. But oppression does not only impact negatively on the oppressed. The oppressors also fall victim to the dehumanising process which is intended to privilege them. A significant number of white South Africans, particularly those in the civil service are also not well positioned to play a meaningful role in development.
- The legacy of liberation politics also poses additional challenges for development. The focus of any liberation struggle is on undermining the existing order and destruction of the pillars of its foundations. But human beings are creatures of habit. To get most South Africans, particularly the younger generation, to switch from a destructive to a constructive mode is not going to be easy.

The focus of development has been articulated by many workers in the field as a process of enabling people to have greater control over their lives. There is however no clarity in development literature about the right balance between the empowerment of the individual versus that of the community to which such an individual belongs. Debate around this area has often been clouded by ideological grandstanding by protagonists of both ends of the spectrum of possibilities. This presentation is an attempt at encouraging a rational debate about the relationship between individual and communal empowerment.

### A CLOSER LOOK AT EMANCIPATORY POLITICS

Anthony Giddens, a sociologist, defines emancipatory politics as "radical engagement concerned with the liberation from inequality or servitude" (Giddens, 1991:156). Thus the focus of liberation is on freedom from, and tends to be vague on defining what that freedom would entail. It is also necessary to examine the anti-apartheid struggle in South Africa and identify some of the features which may have a bearing on future developmental processes :

- The nature of the repressive apartheid system determined to a large extent the shape of the struggle against it. The viciousness with which the system responded to legitimate protest by the oppressed and the consequent brutalisation of both oppressed and oppressor have negative implications for development.

## Changing South Africa, Challenge for Europe: Working Group 1

- The focus on anti-apartheid left little room within the struggle for liberation to define

the nature of a post-apartheid society. In some instances individuals and groups attempting to tackle development issues found themselves at odds with the main thrust of the liberation movement because they were seen as introducing complexities which were strategically inconvenient.

- Of greater concern is the gap between progress on constitutional negotiations and almost total neglect of socio-economic restructuring by all the major political players. One gets the impression that South Africans are back to Nkrumah's misguided view that we must seek first the political kingdom and all others will be added on to us. The sad reality is that without a sound socio-economic base, no democratic constitutional order can be successfully sustained.

- Liberation strategies the world over often raise ethical and moral dilemmas for those charged with leadership responsibilities. The use of violence and coercion being only two of the most problematic ones. The wounds and scars left behind by wars of liberation are difficult to heal completely, and may have a negative impact on development.

Steele, an African American, analysed the difficulties faced by his people following the liberation politics of the sixties, in his book entitled, *The Content of Our Character* : "As many have said, this bill was more an Emancipation Proclamation than the early one. But, though it delivered greater freedom, it did not deliver the skills and attitudes that are required to thrive in freedom. Freedom is stressful, difficult, and frightening - a "burden", according to Sartre, because of the responsibility it carries. Oppression conditions people away from all the values and attitudes one needs in freedom - individual initiative, self-interested hard work, individual responsibility, delayed gratification, and so on. In oppression these things don't pay off and are therefore negatively reinforced. It is not that these values have never had presence in black life, only that they were muted and destabilized by the negative conditioning of oppression. I believe that since the mid-sixties our weakness in this area has been a far greater detriment to our advancement than any remaining racial victimization" (Steele, 1990:68-69).

### LIFE POLITICS AND DEVELOPMENT

Life politics are defined by Giddens as "the politics of self-actualisation...(it) refers to

radical engagements which seek to further the possibilities of a fulfilling and satisfying

life for all, and in respect of which there are no others" (Giddens, 1991:156). Life politics raise issues which are normally perceived as belonging to the arena of the personal and inter-personal. This personal arena forces the development process to define power relationships and empowerment in more precise terms.

Development efforts have, over the years, and across the political spectrum, emphasised the importance of community action, without problematising the implications for self-actualisation and responsibility for the individual. Individuals are either overloaded with

communal responsibilities at the expense of their own self-actualisation (mainly women and children) or are cushioned from taking responsibility for their own actions. Both outcomes have serious implications for development.

## Changing South Africa, Challenge for Europe: Working Group 1

The focus of the anti-apartheid struggle has been on issues of racism, and latterly on class distinctions and wealth distribution. The nature of power relationships in South Africa has not been explored in sufficient depth to establish the necessary link between the personal and the political. Our social relations are defined by race, class, gender, age and geographical location. Any development process which fails to take cognisance of these power differentials is doomed to failure.

All major political players in South Africa identify with the broad goal of establishing a

non-racial democratic future, some add non-sexism as important dimension of such a future. What is however disconcerting is the limited participation of people other than middle-aged and older males in the process of negotiating the new order. How are women, children, rural people going to explore the possibility of a more fulfilling life if

they remain the ,otherl in terms of negotiations?

History is littered with examples of the above groups being marginalised in post-liberation development process, or at best overburdened with the responsibilities of development without the authority to influence its direction. Tradition, religious custom

, political convenience have all played a critical role in the process of defining women, children and rural people out of the process of decision-making.

### THE CHALLENGE FOR DEVELOPMENT

- Involving all citizens in the definition of development priorities. Conflicting and competing interests have to be harmonised to ensure optimal usage of scarce resources.
- Empowering marginalised groups to become active agents of history and to take risks in redefining their self-identity, self-actualisation and its relationship to the process of

liberation.

- Vigorous attention to be focus on human resource development in both formal and informal education and training programmes to address the legacies outlined above. Equal opportunity programmes with appropriate affirmative action elements are essential to redress the imbalances of the past.

- Those previously excluded have to develop new habits of mind and take responsibility for their own self-actualisation. Solidarity action which is the hallmark of emancipatory politics to be tempered by an appreciation of the need for individual effort and excellence. Attention would have to be paid to the perceived costs of loss of support networks as individuals move away from total reliance on traditional relationships into negotiated ones demanded by modernity at the personal, national and global level.

- The relationship between research and development needs to be strengthened. The pursuit of excellence in research and teaching is a vital ingredient of successful development. Any attempt to undermine research in the interest of meeting short-term populist demands will be costly in the long-term. Lessons from ithe cultural revolutioni in the Peoples Republic of Chinaais recent history, and political interference in universities in Africa, should serve as a warning to South Africans as they search for appropriate approaches to development. Berger, a sociologist who studied the complexities of the articulation of emancipatory and life politics in Latin America, has

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Changing South Africa, Challenge for Europe: Working Group 1

message for all of us with regard to this issue in his book, *Pyramids of Sacrifice* :  
"Myth fosters total commitment, and people who are so committed tend to be  
blind to inconvenient facts, and indifferent to the human costs of this  
mythologically legitimated programme. For this reason demythologisation is both  
theoretically and politically important in the area of development. There is no  
alternative to having intellectual and political elites, but it makes sense to prefer  
theorists who have doubts, and policy-makers with scruples" (Berger, 1974:46).

IDENTIFICATION OF STRATEGIES FOR POVERTY ALLEVIATION IN  
SOUTHERN AFRICA: IMPLICATIONS FOR FUTURE POLICIES OF  
EUROPEAN DEVELOPMENT AGENCIES

Alan Fowler

December 1991

I . INTRODUCTION

1 Some thirty years of experience shows that a complex, strategic and mutually reinforcing mix of activities are needed for the sustainable alleviation of poverty. This paper draws on what has been learnt during the last three decades to identify how the mix needs to be built up and applied in the diverse countries of southern Africa.

2 Using a simple framework, section two reviews what is presently known about eradicating poverty. Specifically we examine the factors that should inform the formulation of development policies and programmes that have this primary objective. The question then posed, is what development actors--institutions and organisations--are probably best equipped to undertake the various tasks required to enable poor communities to improve their lot in lasting ways? Answering this question forms the body of section three. The fourth section places this general discussion of poverty alleviation principles within the context of southern Africa. Section five identifies the likely implications of the preceding sections for policies of the European Community (EC) in the years ahead.

3 Of necessity, the discussion, although focusing on southern Africa, remains broad and general because the nature and causes of poverty in any one country or location within the region are very diverse. Nevertheless, the basic principles offer a relevant, comprehensive framework for tailoring policy choices to specific situations.

II. POVERTY ALLEVIATION

4 Poverty is a physical state resulting from the interplay between material and immaterial factors operating at household, community, regional, national and international levels. Eradicating poverty therefore requires interventions designed to counter the contributory causes of poverty at each of these levels. And, importantly, each level of intervention should reinforce the other.

5 For the sake of clarity, figure 1. on the following page sets out the primary factors currently believed to be involved at the micro level of households and communities, and at the macro level of nation states within the international order. The intermediate levels are discussed in the text.

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6 The framework on the previous page is derived from perspectives on poverty alleviation and sustainable development built up over the years. It takes as its starting point the need for any development organisation to choose its priorities. At minimum, five factors should inform prioritization: the organisation's (or department's) founding rationale or mission; its theory or analysis of the nature and causes of poverty in the area

and for the groups that may be its specific concern; the particular context where it wishes to intervene; the type of resources it has at its disposal; and, what it has learnt from past experience.

7 Obviously, the range of choices and priorities differs significantly between the various types of development actor. For example, the mix of factors significant for the World Bank differ markedly from those, say, of a nongovernmental development organisation operating a famine relief or child sponsorship programme. Be that as it may, all organisations must go through this process. This paper hopes to contribute to this process for the European development community.

8 The next step is to determine the strategies required in order to realize the policies and priorities selected. Experience shows that successful development strategies must recognise and accommodate multiple levels of action. At the micro level, this entails concrete activities that lead to improvements in the circumstances of the poor. At the macro level, reforms in the policy environment are needed to ensure that they support, rather than undermine, what is being promoted and supported with the poor themselves. Eradicating poverty in lasting ways is critically dependent on the coherence between micro and macro action. Achieving this is a major challenge requiring the collaboration of many actors--the subject of section three.

#### Action at the micro level

9 Micro interventions are built up from many elements. Experience shows that four are critical for achieving sustainable benefits for the poor. These are: facilitation of group awareness and community action, usually through "change agents"; improving access of poor people to services they need; a temporary input of resources--technical, financial, training, etc.; and the creation of supportive linkages to the market, government

agencies, other communities and so on. The actual combination is dependent on the people, the location and the problem to be addressed.

10 Successful interventions at the micro level appear to require three basic process ingredients. First, group formation around some concrete point of action that poor people want to address. This could be improvements in water supply, land tenure rights, health, education, income generation and many more. Second, an intervention approach that "empowers". By this is meant types of mobilization of human and other local resources that increase a community's ability to articulate and promote their interests so that patterns

of control and exchange with local political and economic systems are changed in their favour. What binds these two factors together as well as strengthening and maintaining their impact over the longer term without external inputs are local institutions of the poor themselves. It is beyond the scope of this paper to detail how such complex micro



interventions can be designed with the population. A substantial amount of literature is available on this topic (see, for example, Friere, 1973; Honadle and van Sant, 1975; Korten, 1980; Chambers, 1983; Esman and Uphoff, 1984; OXFAM, 1985; Uphoff, 1986; Annis, 1987; Tilakaratna, 1987; Roling, N. and de Zeeuw, 1983; Lewis, et al, 1988; Duming, 1989).

11 Further, micro interventions can support the collaboration of local institutions into networks, associations, alliances and movements. The amassing of peoples organisations at local level, growing in diversity, scale number, levels of aggregation and linkages are

considered to be a critical feature of civil society, enabling it to exercise increasing demands on, and countervailing power to, state institutions and unrepresentative political

interests. This, it is argued, fosters democracy through a more "inclusive" politics. Action at the macro level

12 The second, complementary, thrust of a poverty alleviation strategy must be directed at national and international economic reform (Wallcrstein, 1988). A number of instruments are available to promote reform at the macro level. First, is public education

to inform society of the causes of poverty and their potential contribution to its eradication. Changes in lifestyle in the North, voluntary contributions for development, analysis of government budget allocations for aid are some examples of the issues addressed by development education. Advocacy and lobbying on issues critical to the poor can be pursued towards national and international development institutions--financiers, specialist UN agencies, government aid departments and major economic conferences. Finally, ideally when informed by experience and expertise coming from grassroots action, agencies can enter dialogues with policy makers. What are the current issues to which these methods can be applied?

13 International action must reduce the debt burden of poor states and more equitable terms of trade are required to improve the ability of governments to provide basic infrastructures and services and to provide incentives to micro-level producers. Others argue that these changes are in themselves inappropriate, what is needed being a new economic order where capitalist expansion does not continue to export to the periphery the costs of accumulation in the centre. Only then will there be an economic environment truly appropriate for poverty alleviation (Havnevik, 1987). Whatever the case, adjustments are needed to the international economic order if people are to lift themselves and remain above the poverty threshold.

14 Nationally, restructuring of the state is being called for--both economically and politically (World Bank, 1980, 1989). Restructuring is currently understood to mean a redivision of labour between social institutions--the state, the market and the third or voluntary sector. Crudely speaking, current adjustment thinking takes the view that the governments role is to provide the policy framework and infrastructures necessary for the business sector to realise its comparative advantages in acting as the motor of growth through market enterprise. The voluntary sector, it is believed, can most effectively address socially desirable goals in situations where the state is inappropriate and the market not viable. For example, ensuring equity for vulnerable social groups. In addition, restructuring should weaken the alliance between economic and political interests

Changing South Africa, Challenge for Europe: Working Group 1

groups common to many developing countries to ensure greater rationality in economic decision-making and greater spread of benefits to presently excluded groups and classes. 15 Reform of government structures are almost uniformly argued to require some form of decentralization of responsibility and authority to lower levels of administration

that are closer to the people. Then government would become more participatory and responsive to local opinions, potentials and needs. This, it is believed, will lead to greater mobilization of existing resources, more cost-effective bureaucracy, better accountability of government officials to the population and more realistic planning and implementation of development projects and programmes (Conyers, 1983, 1984; Commonwealth Secretariat, 1986; Rondinelli, 1989, Mutahaba, 1989).

16 Public policies should be revised to make them more appropriate to local action. For example, internal terms of trade should benefit small scale producers, agricultural research should include farming systems approaches instead of concentrating on monocropping, laws disadvantaging the informal sector should be eliminated, the rights of women to tenure of land should be recognised and legislated for, and so on. In each case, the experiences coming from micro action are meant to be fed into the policy changes being advocated to ensure that they reflect and are appropriate to the reality of poor people.

17 In combination, the restructuring and reforms described above are expected to lead to better governance. The state will be held more accountable for what it does or does not do; alternative policies will be openly debated and selected from; the plurality of society will be better expressed and institutionally accommodated; divergent views will have a forum for debate; and, state power will be legitimately exercised based on popular will. The gradual incorporation of the elements of better governance will in themselves enable civil society to grow and exert more influence. The interplay between a stronger civil society and reforms in governance sketched above will, it is believed, eventually lead to a democratic state functioning as a peoples institution based on their popular will.

### III. ACTORS AND ACTIONS IN POVERTY ALLEVIATION

#### Organisational competencies

18 Management science suggests that distinctions can be made between three primary types of organisation depending on how they obtain compliant behaviour of their members (Etzioni, 1971) or their method of raising the resources for their work (Brown and Korten, 1989). In both cases we can distinguish between state, market and voluntary or value-driven organisations. The state has the power of coercion to obtain both compliance and revenue; the market uses incentives to gain compliance and exchange to raise resources; value-driven organisations gain compliance and resources due to the shared values of members and the wider society. While any organisation may use all three methods; one usually predominates.

i .This section draws on the work of David Brown and David Korten (1989).

19 The distinctive features of these three organisational types gives them particular competencies. Or put more simply, one type of organisation is better at doing things than others. State organisations can regulate and control more effectively through legitimate coercion; they can command and reallocate wealth in society and interpret the common good in the interest of the whole. However, when a state is under the exclusive control of particular powerful political groups it may not operate for the common good but to perpetuate injustice, inequality and poverty. Given the power to command and coerce, the state need not be so efficient as the market nor as responsive to the needs and demands of citizens. And, because maintaining the status quo is one effective way of dealing with competing demands the state tends to be less innovative than market or value-driven organisations.

20 Commercial enterprise works on the basis of exchange by selling goods and services on the market. The need to respond to market forces promotes efficiency and innovation. Their role in society is to generate new wealth. They are most responsive to those with the ability to pay and hence are less inclined to provide for the poor than for the rich. And, frequently, alliances between political and economic interest groups gives rise to enterprises with semi-monopolistic control over market sectors or operations that works against the economic betterment of the poor.

21 Voluntary organisations arise from a concern to promote and realize value-goals that are important to some members of society. There is no limit to what these value-goals may be, making the sector appear incoherent. Voluntary development organisations (NGOs) are normally united around a vision of more economically equitable, socially just and globally sustainable societies than we have at present. This common vision is the driving force for action that is distinct from political agendas of governments or imperatives of the market. It is value commitment that directs NGOs to social groupings that are politically marginalised and economically deprived. By nature of their size and social position, NGOs cannot simply command or monopolize, they must negotiate with their clients and innovate on the basis of client situation, response and needs. NGO innovation normally has to address the integrated nature of poverty (Chambers, 1983: 103-139), differentiating itself from the innovation usually originating from commercial enterprise.

22 Sustained poverty alleviation requires a positive interplay between the various social institutions, with each respecting the identity of the other. However, this will inevitably means that NGOs will often have to adopt a critical position towards the state as they seek to solve the problems of their specific constituencies while the state maintains its position based on a consensus arrived at through brute force or through compromise between more powerful groups. The constant questioning of state priorities and methods by NGOs and others is one important source of social progress and gives necessary impetus to the transformation required to eradicate poverty (Dalton and Kuechler, 1990). In this sense, true NGOs cannot be expected to purely function as substitutes for state agencies or compensators for market failings--they have their own vision to realise. Moreover, their material base will make such a strategy of state substitution unsustainable in the long term.

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### Allocation of tasks in poverty alleviation

23 The development arena provides an array of institutional actors with diverse comparative advantages for undertaking the activities described in section 11 above. International financial institutions (IFIs), bilateral donor agencies, governments, in the

South, formal and informal business enterprises, non-governmental organisations (NGOs) and community or peoples, organisations all have a role to play in combating poverty. This being said, the most effective division and re-combining of roles between institutions

is no simple affair because for historical reasons it depends on normative views of the functions of the state vis a vis other social institutions. This is a political issue in which

the premises of Western liberal politics and market capitalism currently hold sway. Deciding how roles are to be allocated between actors also raises the question of who does the choosing and how. For many developing countries their choices are constrained by the conditions of finance available to them. It is this reality, rather than my own opinion, that informs the divisions of roles and tasks that follow.

24 In addition to the political dimensions, change in institutional roles gives rise to their problems. It is in the nature of poverty alleviation that the change in relations between economic, social and political groups will seldom be conflict free. Furthermore, giving up or modifying existing role patterns is problematic because of vested interest that

benefit from current structures. In sum, organisational change is rarely painless and is likely to meet with--bureaucratic--resistance.

25 Combining what we know about tackling poverty with our understandings of organisational competencies what division of tasks should we be striving for. Table 1. summarizes what principle divisions of tasks could be envisaged for a number of important institutional actors that operate outside of poor communities themselves: international financial institutions such as the World Bank and International Monetary Fund; multi and bi-lateral donors; national governments and NGOs.

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## Table 1. Division of tasks in poverty alleviation

Institution Support to Micro-Interventions Support to Macro Action

International

Financial

Institutions

Multi and bi-

lateral aid

donors

National

governments

-Ensure loan programmes assess  
and counter likely poverty  
enhancing effects.

-Support devolution of public  
administrative system.

-Prioritise support to sectors of  
particular relevance to the poor.

-Modify funding methods to  
accommodate the physical,  
institutional and community  
empowerment dimensions of  
micro-interventions and macro  
action.

-Do' not fund NGOs as state  
substitutes.

-Treat NGOS as potential  
sources of development  
innovation and learning, not  
substitutes.

-Create mechanisms for  
systematic dialogue with NGOS.

-Properly identify and relate to  
poverty groups.

-Produce effective integrated  
micro-intervention models.

-Structure to ensure that micro  
learning impacts at the policy  
level.

-Keep poverty on the international  
economic agenda.

-Press for inclusive politics.

-Press for trade reform  
benefitting poor countries.

-Press for debt alleviation.

-Argue for trade reform and debt  
relief.

-Argue for increased, untied aid.

-Continue to stress and negotiate  
appropriate pro-poor policies  
with governments.

-Ensure coherence of funding  
with other donors.

-As for IFIs.

-Adapt "inclusive" political and  
administrative strategies.

-Decentralize administrations by  
devolving power.

-Implement pro-poor legislation,  
e.g., for the informal sector.

-Improve the rights of vulnerable  
groups, especially women.

-Continue to point out the relation  
between poverty and macro  
(debt, trade, aid) policies,  
offering alternatives.

-Continue to point out the relation  
between poverty and political  
reform.

-Continue to point out the relation  
between poverty alleviation and

enabling the capabilities of  
people themselves.

IV. POVERTY ALLEVIATION IN SOUTH(ERN) AFRICA2

The roots of poverty

26 There has been a centralization of economic power within the state apparatus of southern African countries--but to a lesser degree in the white-dominated capitalism of South Africa. The nature and distribution of poverty by social group or region is therefore closely correlated with access to political power, usually through patronage and

ethnic clientalism. Hence, poverty is a political as well as a material condition and its alleviation will necessitate changes that make the political process more inclusive. While

this is obviously the case in apartheid South Africa, the same situation prevails in masked

form in other countries of the region. Here, political reform is more difficult to envisage

or operationalise because the dominant forces are less easily denoted in black-white terms.

And calls for multi-party politics are too simplistic a solution to complex ethno-social structures differentially affected by colonial rule and its inheritance. The challenge--as in

Eastern Europe--is to create political institutions that recognise and build upon plurality in

ethnicity, religion, etc., not negate it.

27 The countries of South(ern) Africa are becoming more diverse in their political structures--some moving from single party to multi party politics as in Mozambique, others seeking to consolidate de facto single party rule as in Zimbabwe. But most countries have distinct similarities in the economics of poverty. Throughout the regions, modern development interacts with domestic economic systems in ways which are extractive. In other words, "modern" and "traditional" economies are not in conflict modernization theory would suggest because the former structurally exploits the latter.

For example, the payment in South Africa of industrial wages that are insufficient for 21 families social reproduction subsistence is made possible by the subsistence agriculture economy of the women, youth and children who remain in rural areas. A similar situation applies in many other countries of the region although the proportions differ due

to different levels of industrial development. One consequence is a slow accumulation of a rural household surplus which limits the growth of any internal mass market leading to a continuing dominance of exports in the national economic calculus.

28 The vast majority of the population in southern Africa who are not receiving wages must apply their labour in some other way in order to survive. This usually takes the form of subsistence-oriented agriculture, with limited surplus for sale. An excess of labour for agricultural needs, together with terms of exchange that are weighted against domestic producers, again limit the ability of the majority to accumulate. Further, the possibility of poor people to break out of a downward poverty spiral is constrained by their vulnerability to seasonal variations, survival strategies that give rise to ecological

decline, rapid population growth and peripheralization in the world economy.

2 This section draws heavily on my work with NOVIB, HIVOS and OXFAM-Canada in Southern Africa

and their poverty analyses: see NOVIB, 1990; HIVOS, 1989; OXFAM Canada, 1990).

' 29 Modernization has brought with it new types of poverty. The residents of urban slums, educated unemployed youth, the rural landless--displaced by capital intensive agriculture and female headed households that place extra demands on women.

Poor people in Southern Africa

30 If poverty is both a political and economic condition, what poverty groups presently exist in the southern Africa region.

The politically marginalized. Two prime categories of politically marginalized can be identified. First are those yet to be enfranchised--the black majority in South Africa. Second are other Africans who are enfranchised but not politically empowered due to undemocratic systems of governance, lack of education and information, or simply due to repression.

The rural poor. This is probably the largest group of poor people, made reasonably homogenous by their lack of access to productive resources and to services. Lack of access could be due to natural resource endowments, physical isolation, intra-household allocations, civil war and subordination in the wider economy. Poor women and young people are two distinct and particularly vulnerable categories within the rural poor.

The "modern" poor. In urban slums and shanty towns live growing numbers of people finding it more difficult to cope as economic growth flattens out or declines. Malnutrition, illness, mental stress and adoption of survival strategies that may be outside of the law all contribute to a growing vulnerability of peri-urban dwellers.

The unemployed. Often within the modern poor are a fast growing group of potential economically active but jobless individuals. Destitutes undertaking unregistered work for minimal wages, they depress the returns of the labour market as their numbers swell and compete.

31 To the lowest economic strata in southern African societies we may then identify the following groups:

- poor rural residents, including the landless, women and youth;
- richer rural residents;
- poor (unemployed) urban residents;
- perieurban informal sector traders and artisans;
- industrial wage earners.

To the politically marginalized belong:

- black South Africans;
- displaced peoples (due to war, famine, etc);
- migrant groups, such as pastoralists;
- tribal minorities.



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32 A further set of arguments can be made to support the view that the very poor, those with no access to resources--will not benefit from adjustment and cannot be sustainably supported by welfarism, they will be forced to migrate to urban settlements.

#### V. POVERTY ALLEVIATION IN SOUTH(ERN) AFRICA: POLICY IMPLICATIONS FOR THE EUROPEAN DEVELOPMENT COMMUNITY

33 What does the foregoing analysis imply for appropriate policies towards the alleviation of poverty in southern Africa for the European Commission as a multi-lateral organisation? We can answer this question in terms of appropriate principles and funding priorities and practices.

##### Principles

34 Arguing the poverty case. The EC an important international economic actor.

Through membership of international financial institutions by influencing decisions on trade, tariffs and debt, the Commission can have critical impact on the way poverty-causing forces are generated and transmitted in the global economic order. While past experience suggests that we cannot be optimistic, the EC can articulate the poverty case in

the international fora to which it belongs. For the countries of southern Africa--many of which are Lomé members--this requires changes in terms of trade and tariff barriers for primary products, larger quotas and lower international interest rates.

35 Twin complementarity. The first principle to be followed in policy and programme strategies at country level is one of twin complementarity. The first complementarity is between micro intervention and macro action. Here EC assistance for activity at the micro level should be matched with supportive reform at the macro, and visa-versa. The second complementarity to be recognised is in the unequal exchange between domestic and modern economies that causes impoverishment within countries. These two types of economies are interlocked and for the foreseeable future the former is not going to be overtaken by the latter. Hence, policies towards either sector must redress the inequality of exchange between them. Strengthening rural incomes is, for example, of questionable merit if the resulting surplus is being absorbed by the modern, predominantly urban sector. EC strategy should therefore be directed at the generation of the maximum possible value added within the domestic economy prior to its exchange with the modern sector.

36 Poverty conditionality. The position of the European Commission gives it particular comparative advantages at the governmental level, but only very indirect impact

on strengthening of civil society. As all donors attach some conditions to their support, what is required is the design of poverty conditionality. By this we mean a coherent set of conditions that encourage governments to change the structures--legal, economic and administrative--that keep the poor. This approach moves beyond special programmes to mitigate the negative effects of adjustment. It seeks to include pro-poor--in addition to pro-growth--policies as part and parcel of an adjustment framework. And, where there is the inevitable conflict between the needs of adjustment and those of the poor the trade-offs can be made explicit if well defined pro-poor set of policies are available for each

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country. The Commission could take the lead in identifying appropriate poverty conditionality lending criteria and promoting these amongst international financial institutions.

37 Primary poverty focus. No single organisation can tackle the development needs of all the poverty groups listed above. Which group, if any, should receive the ECIs primary attention? Our analysis suggests that the poorest of the poor are asset less rural dwellers for whom urban migration is often the final survival strategy. Because the

primary governmental instruments available to the EC limit its ability to target, one way to assist the poorest is to concentrate efforts on infrastructural and economic development in intermediary centres and small towns and their hinterlands. This will provide a

strategic alternative for migration to cities and supports value-added economic activity at local levels.

Funding Priorities and Practices

38 From figure 1., there are six GOALS of development action that can be supported

by the European Community. These are:

At macro level:

1. Reform of the international economic order;
2. Reform of government organisation and public policy within the southern Africa region and its states;
3. Restructuring of regional and national political economies.

At the intermediate levels:

1. Devolution of public administration;
2. Strengthening internal domestic economies.

At the micro level:

1. Community mobilization and empowerment;
2. Local institutional development;
3. Sustained physical improvements in the lives of poor people.

Given its position as a multi-governmental agency, the European Commission has more likely direct impact at the macro than micro levels because partner states in Southern Africa have demonstrated to have difficulty in appropriately directing their efforts to the needs of the poor and poorest.

39 The instruments available to the European Commission to assist the poor directly are more likely to lie in the non-governmental channels. The caveat being that expanded support to this sector may so divorce it from the economic base of the country that it becomes suspended, insensitive to rural reality and unsustainable. Funding to NGOs should therefore be for actions that are judged to produce sustainable outcomes for the poor, recognising that such outcomes are dependent on inter-related action at the macro and micro levels. Support to NGOs working on policy analysis, public education and improving the performance of other NGOs is critically necessary.

40 There is a natural bias in officially funded development programmes towards realising tangible, material benefits. Amongst others, it is believed that such an emphasis is gives greater likelihood of accountability for public funds. Our analysis shows that for any material improvements to be both appropriate to and sustainable by the poor themselves requires substantial non material inputs, most essentially the long-term involvement of change agents as listeners, catalysts, mobilizers, facilitators, linkers, educators and advisors. Such inputs are not overheads, they are an integral part of good development practice and need to be recognised as such by funders.

41 More generally, there needs to be a stronger recognition that the mechanisms required for an official aid agency to relate constructively to NGOs differs markedly from relating to nation states. We must ensure that problems in interfacing between NGOs and the official aid system do not work against poverty alleviation. Systematically reviewing how the interaction between the European Commission and NGOs is working needs to be strengthened as an ongoing activity. Assessing this relational area cannot be satisfied by project evaluations.

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Working Group 2:

"What are the priorities for the future development cooperation in order to contribute to a balanced and sustainable regional economic and social development?"

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PROMOTING SOUTHERN AFRICAN DEVELOPMENT :  
BEYOND STRUCTURAL ADJUSTMENT AND OFFICIAL INTEGRATION  
Sam Moyo

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1.0. INTRODUCTION

1.1. Introductory remarks

This paper reviews the currently dominant economic development model governing national and regional policies in respect of future prospects for regional cooperation. We identify some actually existing developmental pressures in the region, existing official and unofficial models and forms of regional "cooperation" and potentials and constraints for further balanced development. Finally the paper proposes some aspects and mechanisms which require support in future regional and development cooperation programmes.

## Changing South Africa, Challenge for Europe: Working Group 2

### 1.2. Post-Apartheid development pressures and angling

The advent of negotiations for a free South Africa in the last few years have generated a variety of pressures and responses in Southern Africa (and abroad) in terms of intellectual activity, economic policy, development programming, regional cooperation strategies. The region has experienced significant changes, politically and economically. Strategists increasingly speculate on possible scenarios for regional development and cooperation in Post-Apartheid Southern Africa. Their scattered views, range from the negative or pessimistic to the positive and over-optimistic. For instance, some envisage the emergence of widespread national chauvinism related to slow economic growth in most countries, while others foresee regional benevolence based on improved economic growth and economic interaction. Much of the current scenario building is based, however, on a priori socio-political assumptions about the nature of the region's liberation movements, national governments, civil societies and SADCC experiences. Current empirical evidence on actually existing socio-political trends and forms of interactions in the region, seem to escape much of the formal modelling, which has so far focused on modelling formal comparative statics on regional economic indicators and trade.

Economic development policy and cooperation scenario formulation are not hopeful because they are restricted conceptually by current structural adjustment orthodox and a focus on formal and official models of regional integration or cooperation. Real and popular pressures for regional economic interaction and demands for transformation, suggest the need to look beyond the monetarist and medium-term framework of structural adjustment programming. Long-term market opportunities offered by Southern Africa also suggest real Northern interest in more broadly based development and cooperation strategies.

Political changes in the SADCC countries, including pressures for "multi-partyism", human rights, shifts in ideology and propaganda (the role of the media) and for a changing role of the state ; have so far received inadequate attention in current scenario building regional development.

In this respect, the direct impacts of current constitutional negotiations, trade unionism and civil organisation in South Africa and of recent NGO and civil advocacy in the SADCC on socio-political organisation and processes, tends to be neglected.

A static model, which ascribes political change only in Apartheid South Africa, disregarding currently operative official and unofficial regions interactions through state organs, political parties and civil society organisations, restricts prognostications on regional cooperation. A rather state-centred cooperation model, based on a old model of state functions and imperatives governs the present thinking.

' See for instance the data and orientation of various papers from the Southern African Development Bank and SADCC studies, and specific regional studies such as :

- 21) Colin Stoneman and Qtohl Thompson (1991)
- b) C. Thompson (1991), Harvest on Fire
- c) E.P. Beukes and S.F. Coetzee (1991) : "Good Hope for Southem Africa? A profile of conditions and a strategy framework for poverty alleviation in Southern Africa".



Most crucially, apart from the officially recorded data and processes of economic regional interaction (trade etc.), there are actually existing economic interaction processes, mostly illegal/underground, informal and "invisible", which have yet to be incorporated into the modelling of regional cooperation. Recognition and formalisation of such interactions may indicate the building blocks of a future regional development and cooperation model.

## 2.0. STRUCTURAL ADJUSTMENT, MARKETS AND REGIONAL COOPERATION

### 2.1. The limits of structural adjustment and markets

The salient but prevailing trend in Southern Africa's economic development has been the uncoordinated and informal partial harmonisation of economic policy based on adoption structural adjustment programmes. Key areas of commonality are to be found in policies, orientations and activities related to the following set of issues :

i) Macro-economic balancing, through policies on currency depreciation or exchange rate management tool, reducing fiscal deficits, reduced state borrowing, market determined interest rates, money-supply restrictions addressing to inflation, trade liberalisation, administrative deregulation, export-orientation and the reduction of direct state participation in production and services-through privatisation and equity-sharing (joint ventures). These standard structural adjustment principles place hope for future development on market efficiencies and private enterprise.

ii) The broader withdrawal of the state, through "leaner" structures with "meaner" roles, some decentralisation of authority especially over cost-recovery, a focus on infrastructure development by central governments, cost-effective provision of administrative, legal and physical security for investments, conflict resolution and the regulation of "externalities". The latter refers not to existing market imperfections (e.g. in land, capital and skill markets) but to unaccounted or unquantifiable market-based problems (e.g. conflicts and environmental damage).

iii) The evolution of legal, property and management principles based more on individual rights to replace actually existing group and collective rights. The latter rights pertain mainly in so-called "communal" bantustan or trustland areas, due the macro-economic policy dualism and central state trusteeship, characteristic of Southern African economies. Rather than restructure or re-orient the macro-economic and investment dualism and ameliorate market imperfections, through resource redistribution, present strategies emphasize the determining role of broadening individual private property and human rights.

The key problem with the presently dominant development strategies is that the envisioned policy "harmonisation" process, depends primarily on trade liberalisation and exports in the context of global markets, rather than on expanding internal regional markets, regional auto-centred investment and collective expenditure on improving the quality of life. The average of benevolent regional coordination and collective

## Changing South Africa, Challenge for Europe: Working Group 2

manipulation of external markets, limits real export potentials, since rationally driven market conflicts diminish collective opportunities to optimise external receipts.

Moreover, global protectionism (USA, Europe and Japan) and inappropriate technology transfers, based on colonial economic heritage, diminish the prospects for economic optimisation in terms of prices, costs of production and employment.

Thus national economic realisations limit the prospects for poverty alleviation. Another problem with the current economic development model is that it simply identifies poverty as a social condition derived from human qualities (skills, education, culture etc), rather than as a problem of access to resources and imperfect market structures. Specifically the structural adjustment model, which focuses on macro-balancing and free markets, is weak in its treatment of resource use efficiencies, investment expansion processes, resource mobilisation methods and poverty alleviation strategies. The present social dimensions approach is endogenous to the model - i.e. it is added on.

The actual focus on macro-balances has in fact constrained the efficient use of, for example, land and labour resources in Southern Africa. Both the skewed distribution of these two resources in relation to existing patterns of capital and technology, markets control, and the narrow consumption/demand structures addressed by present resource expenditure strategies trivialise the significance and need to optimise land and labour utilisation. Land distribution and broadened access to technology thus play a marginal role in the present model. Small producers in agriculture, industry, services and commerce thus tend to receive rhetoric recognition, as does the related prospect for employment development.

Furthermore, the expansion of investment, through redistribution and small producers, based on new forms of finance (new collateral bases, investment credit guarantees, new lending practices and micro-level joint and venture capital etc tends to be restricted by current statist approaches. State credit accountability and state oriented lending conditionalities, diminish prospects for broadly based financing initiatives and practices.

### 2.2. Poverty alleviation and development strategy

Recognition that at least 50 million Southern Africans live in abject poverty<sup>1</sup>, requires specific explanation. Poverty here is based on "dualistic" economic structures, whereby consumption in the broadest sense is restricted mostly to minority white "classes" and in some countries a super-elite black classes. Thus out of the total 100 million people in the region, the present patterns of incomes, markets and distribution systems, mainly service the consumption preferences of approximately 15 million Southern African elites. The economies provide these elites with the bulk of the resources (materials, finances and expertise) required for housing, education, services (water, electricity etc.), food and

beverages, and other consumer goods, through capital-intensive and cheap labour based

<sup>2</sup> Sam Moyo (1991), "The impact of structural adjustment on agriculture and communal area development in Zimbabwe", a ZIDS Working Paper, Harare.

<sup>3</sup> SANAM Association (1991), "Changing South Africa, Challenge for Europe", Conference brief.

production systems. The majority of the population provides its own meagre subsistence, through financially unremunerated labour, from restricted resource bases (land, finance and other inputs) and based on extremely low labour and land productivities. Low productivity and low quality consumption patterns are the key element of poverty. Furthermore, wage-labourers and their dependents, survive on a restricted consumption bases. Unfulfilled and ineffective demand, and constrained productivity are thus central to poverty in Southern Africa. Poverty alleviation strategies need to address these constraints as they may also provide a basis for triggering-off, broader economic development, on the basis of industrial and agricultural strategies, which accord the regional domestic markets a crucial place?

Broadening the consumption base, through promoting employment, productivity and incomes diversification strategies, requires extra-market interventions, which need not necessarily contradict macro-economic balancing, the operation of markets and private property relations. Greater research into these issues and related strategies, as well as into the appropriate definition and target of demand expansion, within a "social market" context, is well overdue.

### 2.3. Regional cooperation models

Most modelling of the regional cooperation process tends to contradiistinguish the future potentials of only two models on : one hand on customs union/trade blocks (including here the SACU and PTA) and on the other hand the infrastructure/services projects model (SADCC)<sup>7</sup>. While numerous possibilities combining these and other models are neglected, there is a tendency to dwell on the short-comings of the two modelss.

The following issues and problems thus dominate current concerns:

- a) the lack of formal regional investments projects in production;
- b) slow growth in trade (based here on official statistics);

<sup>1</sup> See also S. Moyo (1989), "Land and labour capacity growth: Issues for smallholder agricultural and employment growth", a ZIDS Monograph.

<sup>5</sup> Apart from the highly urbanised South Arica and Zambia, together average an urban population of over 60%, wage labourers and urban residents constitute less than 30% of the rest of the countries.

<sup>6</sup> P. Ncube (1991), "Problems and Reconciliation in South Africa : Implications for the Region".

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<sup>7</sup> Because numerous papers have been written on these two mochs, this paper does not describe or discuss the SADCC, SACU and PTA experiences.

<sup>8</sup> An article which comes Close defining a multi-form cooperation model was written recently by C.

Stoneman and C. Thompson (1991) : "Southern Africa with a free South Africa - The impact on the region of changes in South Africa." (A UN briefing, unpublished).

c) actual or potential imbalances in growth, with a few beneficiaries (South Africa and Zimbabwe respectively);

(1) the overarching role of subsidies and inefficient infant industry protection (SACU);

e) inefficient bureaucracy or inflexibilities in decisionmaking (SADCC consensus models);

f) aid dependency (SADCC on Western Aid and SACU on South Africa);

g) the problems of ideological and policy diversity.

The analyses generally tend to neglect the pervasive role of aid in issues such as, for instance, the primary commodity export orientation of the EEC/ACP - SADCC agreement, the USAID led unplanned grain specialisation and importation strategy, promoted under food security aid,<sup>9</sup> the excessively determining role played by external expertise linked to aid, and the reinforcement of historic technology dependency evoked in the implementation of regional aid.

Furthermore, current modelling neglects the difficulties facing the new trading blocks (Nordic, South East Asia, Japan, South America, and sections of Europe) in penetrating regional markets, due to monopoly structures and restricted access to information systems. This suggests that partisanship and static analyses dominate present regional modelling, hence their failure to provide intellectual responses to the intra-national segmentation of markets by transnationals.

### 3.0 CURRENTLY EXISTING COOPERATION ACTIVITIES

#### 3.1. Unofficial Regional Interactions

More fundamentally, however, because most "positive" modelling of regional cooperation, regards only the officially sanctioned and economically determined process of regional interactions the "norm", there is a tendency to ignore, neglect and condescend on other valid processes of cooperation. Thus the official sphere (governmental and inter-governmental) of interactions, such as bilateral or multilateral agreements involving the states in Southern Africa, constitutes the focus of regional analysis and prognostication. The widespread interaction activities of NGOs, private companies, financial houses, political parties, trade unions, civic organisations, kinship

and friendship networks, and generalised popular cross-border interactions, have yet to be formally recognised, let alone receive systematised support.

Conceptual and administrative blinkers restrict our appreciation of actually existing forms of consumer response to imperfect national and unbalanced regional markets : for capital, goods, services and infrastructural goods. The regular and daily subversion of administrative, tariff and financial regulations by producers and consumers through various regional and inter-country interactions points towards popular and feasible areas of cooperation. The deeply rooted nature of existing kinship, business and friendship networks based on black migration, intermarriage, educational and liberatory fraternity, 9 C. Thompson (1991), Harvests under fire : Regional cooperation for food security in Southern

Africa, (Zed Books, London).

and among white informal regional interaction. Here, trust and communication systems and shared socio-political values form the basis for actually existing regional cooperation, even if these operate on a low volume, erratic and undervalued basis, due to labor self-exploitation, official criminalisation and risk aversion strategies. Conceptual difficulties for Southern Africa administrators and regional modelers are also derived from the nature of operations (the units involved and procedures) characteristic of these informal and underground forms of regional interactions. For instance, women in Southern Africa, (unlike their West Africa counterparts), are usually typified as peasant farm managers and/or urban domestic and home workers, within the migrant labour system, subdued by various population, residential and labour policies. The last 15 years, however, have seen the expanded involvement of women in small-scale non-farm industries, services and commerce (individually or in groups), undertaking cross-border import-export activities on a wide range of products. Defying formal expectations, women and men operate parallel financial and commodity markets, administer trade and realise incomes and goods required by large sections populations. Women and others sub-contracts with the textiles industries, with middlemen, with consumers and with suppliers of finance (foreign currency of local monies) and equipment (sewing equipment etc...), and operate credit and trust systems to secure their trade and production. Cost-effective (albeit arduous) transportation and distribution systems are operated by regional cross-border traders. Regional modelers lack the data, concepts and goal to deal with such processes; few appreciate the administrative, legal and substantive constraints that formal cooperation may need to address if it is to be based on broadly based economic participation.

In formal sector, "massive" illegal or underground, and/or informal regional cooperations also exist. Activities here include : transfer pricing, invisible transfers (services and goods), large-scale currency black markets, the provision of markets for resale of personal travel imports, no-currency "involved" import deals, deals in tourist "time and service-sharing" - a form of barter trade and forex externalisation, -informal technology trade and unrecorded skills transfers. These and a variety of other services, which constitute the widespread regional interactions in the business community, suggest that fundamental regional mechanisms (such as common currency, transport and customs regulations, immigration etc...) are required simply to formalise existing practices. Meanwhile some elements derive rents and untaxed incomes based on the illegality of such interaction.

Research and modelling also lags in its appreciation of the forms and pace of South Africa business responses to Structural Adjustment in the region. Structural Adjustment has led to new forms of food insecurity, cheaper labour structures based on devaluation and inflation, new but relatively cheap land markets arising from privatisation and credit

concentration, new export incentives and growing effective imports demand. Recent corporate strategies suggest a range of South African investments in selected countries. These new processes need to be incorporated into regional modelling.

The existence of a handful of large corporation branches in all or most Southern African countries and their dominance of key financial, trade, transport/freight, mining and industrial activities, facilitates actually existing unrecorded regional interactions

. Racial solidarity and monopoly structures engender peculiar regional cooperation mechanisms which are yet to be fully understood. The fetters and inefficiencies in the

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operation of regional markets (e.g. their segment and narrow base), which derive from official and informal business interactions, will require special attention in regional modelling.

Labour migration among countries, formally regarded to have been declining in the last two decades has expanded among the unskilled and more recently among the skilled and professional worker categories. Organised private formal and informal, and illegal migration of the skilled, especially towards South Africa, has replaced the notorious state supported labour movements of the past. Again, kinship networks, skills gaps and professional contacts facilitate such regional transfers and interactions, while present wage differentials (likely to shift upwards in a free South Africa) and consumer commodity market differentials generate mass migratory pressures. The absence of investment in SADCC countries generates the push factors. Is it administratively feasible and, politically and economically desirable to impose barriers to entry or departure particularly among skilled?

Regional modellers, nationally chauvinistic politicians, and administrators have so far failed to treat the regional labour process satisfactory. Whether formal regional cooperation is legislated or not, whether future cooperation is balanced or not, the pressures for labour migration are a foreseeable feature of Southern Africa, which only dirigiste regimes can curtail.

NGOs, civic organs, business association and labour organisations interact across borders in search of new institutional forms of mutual exchange, professional and business ties, information, appropriate technologies (price, utility and accessibility) and financing mechanisms. Numerous such non-state interactions struggle to beat and better the colonial and apartheid heritage in the economic and socio-political sphere, to diversify markets, and identify the real "comparative advantages" in various countries. Official recognition and support, in particular policy accommodation of these pioneering activities is critical for any vision of regional cooperation.

In general research, official policy formulation and development cooperation have been rather conservative, lagging behind the real pressures for regional cooperation and at times constrained actually existing potentials.

### 3.2. Official Responses to a Free South Africa

Apart from the above gaps in official support for existing interaction and the superfluidity of regional modelling, official political responses to a free South Africa have been problematic. Some national blocks have tended to be defensive and protective of "national interests" lacking a strategy or planning framework for pro-active and mutually beneficial regional cooperation. Other blocks have been over-zealous, thus plunging politically and economically into formal linkages with South Africa, equally lacking strategies for cooperation, and responding to the short-term carrots of bi-lateral

arrangements. The SADCC response has yet to be formally and publicly debated, in order that a broader base of ideas is incorporated. cursory evidence suggests that SADCC bureaucrats are encumbered by conservative, minimum risk approaches to cooperation, focusing their prognostications on present rigidities within SADCC administrative structures and within state bureaucracies.

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Broadly based research, planning and public participation in designing official and private responses to a free South Africa, remain a key constraint in preparation for a future Southern Africa.

### 3.3. Responses from O.D.A.

Furthermore Official Development Aid (ODA) tends to reinforce national weaknesses related to planning and mobilisation for future cooperation in Southern Africa. This relates to the nationalistic and bi-lateralist approaches to state dominated forms of support, and the neglect of financial, technical and technology support systems for NGOs, civic, private and informal sector regional initiatives. Taking into account the above discussed actually existing forms of regional interactions, their constraints and capacity weaknesses and future information and other needs, a plethora of responses from ODA at various levels, for different targets and activities can be envisioned. Recently, development cooperation seems to target, however, some of its support to mainstream NGOs development trusts and external over-centralised NGO channels. New channels receive pitiful and social welfare oriented support for rehabilitation or relief

. This reinforces the monopolistic economic structures upon which such channels base their present credibility. An unimaginative, exclusive development model with little prospects for broadening economic participation results from this. We turn below to a few aspects of future cooperation that require attention.

## 4.0 POTENTIAL AREAS FOR COOPERATION

### 4.1. Areas of Cooperation Identified

Apart from identifying the broad areas of potential and actually existing regional demand for interactions in Southern Africa, there is need to specify areas for future development cooperation activities. In particular, it is felt that development cooperation

n should be based on promoting processes that promote regional and economic development, based on existing interactive practices, rather than be focused on projects/programmes which target immediate output growth. Development cooperation needs to facilitate the evolution of ideas, policies, systems and procedures for regional interaction as reflected in the following.

1. Continued, more elaborate and broadly based support to research, exchanges, planning, feasibility studies and policy formulation activities targeted for deeper regional cooperation at the SADCC, PTA and national levels.

2. Specific support as in (1) above for NGOs, trade unions, civic organisations, universities, business organisations etc. Process support for these organisations and their interactions with governmental institutions will be essential to mobilise consensus on promising ideas.

3. Promotion of systems analysis (administration, regulations, procedures and new mechanisms of interactions) and constraints, among governmental, non-governmental, private and the informal sector require special support.

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Women producers and traders, a variety of small and medium-scale enterprises and, other disadvantages economic actors and areas, require direct targeting for assistance by NGOs, governments and ODA. Assistance mechanisms appropriate to their problems and needs require investigation and support.

Labour studies on productivity issues, future skills requirements and skills transfers, migration supports, training and re-training, informal sector technologies and consumption patterns, need through investigation leading towards local projects identification.

Institutional analyses and interactions should be promoted so as to facilitate locally determined capacity building initiatives and processes.

Long-term economic policy formulation on issues such as, monetary policy, lower-end demand and credit expansion, and investment incentives, deserves special attention.

Venture capital schemes for small enterprises in relations to resource distribution should be tested early, in order to present resource use efficiencies and market imperfections are better understood and fed into adaptive policy formulation pI'OCCSSCS.

Sectoral support for regionally interactive development initiatives is critically required in, for instance: mineral beneficiation and processing, agricultural production and inputs services exchanges, multi-lateral tourism packaging and servicing, freight integration and, manufacturing technology exchanges and complementarities.

Spatial patterns of future regional interactions, based on identified potentials and constraints will need investigation (see for example Table 1), so that interactive planning for future regional cooperation can assess the nature and basis of presumed comparative advantages of various sub-regions of Southern Africa. The issues of commodity and process specialisation require much greater interactive research and modelling than so far achieved, in order to move beyond the static trade promotion and infrastructural development orientations of current regional cooperation strategies.

New and appropriate forms of state participation also need to be explored and supported, in order to counter-act market imperfections, while older forms of state participation are relieved where feasible (the mixed economy/social market). Specialised medium-term poverty alleviation strategies, based on the above macro-economic and sectoral insights will also require support. These may include:

a) Establishing a regional food stabilisation and security system. This should be based on subsidised food storage and distribution, and inputs supply (seed, water, etc.), which target the 50 million poor, in order that they are guaranteed reasonable prices access to foods and production inputs.



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Changing South Africa, Challenge for Europe: Working Group 2  
b) Establishing a non-farm producer and service support systems for small-scale and new operators, especially in the informal sector.  
c) The deliberate targeting of infrastructures, development resources towards the production base and areas of the poor.  
There is urgent need to critically reassess the efficacy of present ODA strategies, administration, interests, innovativeness, synergy with regional development, and the technology "treadmill" tendencies associated with current aid and trade. Inputs from Southern Africa into such assessments and the design of future cooperation are fundamental to the appropriateness of future cooperation.  
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. Expertise  
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. Technology  
. Information  
. Management  
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a) Sea Access  
b) Inland distribution Services  
c) Transport  
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. Technology  
. Skills  
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8) Skills Supplies

- b) Food Security
- c) Agricultural Raw Materials
- d) Seed/Fertilizers
- e) Mineral Raw Materials
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- g) Energy and Water
- h) Restricted Manufacturing  
(e. g. textiles, leather)
- 1:) Skills Development
- b) Special Raw Material (livestock products etc.)
- c) Skilled Labour ('3)
- u) Import/Export Services
- h) Transport Services
- c) Financial Services
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- e) Distribution Services

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South Africa

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- 8) Integrated Packages
- 1)) Specialised Packages
- c) Transport Integration
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- e) Services Coordination

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#### 4.2. Strategic Support Processes

The above areas of future cooperation suggest the need to significant shifts in ODA, in terms of client diversification, differentiation of approach and forms of aid, investment in strategic thinking, risk and venture management and addressing the longer-term framework.

#### 5.0 CONCLUDING REMARKS

Much more work is required than presented here to define the problems and areas of future development cooperation in a Southern Africa with a free South Africa. Frank, open and broad based debate is crucial for future initiatives of this kind.

PRIORITIES FOR FUTURE DEVELOPMENT COOPERATION IN ORDER TO  
CONTRIBUTE TO A BALANCED AND SUSTAINABLE REGIONAL ECONOMIC  
AND SOCIAL DEVELOPMENT

Elwil Beukes

University of the Orange Free State

Bloemfontein

Development cooperation in the region must be seen from two viewpoints :

- (a) between countries in the region , and
- (b) between the region and the rest of the world.

These two dimensions of cooperation must be managed in a complementary and mutually supportive way. Furthermore, policies and actions for development cooperation must be based on

- (a) the current realities and their likely changes,
- (b) appropriate development goals, and
- (c) correctly timed phasing of actions.

(A) REALITIES

The realities of the development situation in the region, comprising the SADCC and SACU countries, are not inspiring. Although positive conditions occur in some instances, the general picture is bleak. The most salient dimensions are :

1. Political - The majority of countries in the region are in the throes of uncertain transformation to a more democratic order. Particularly in Angola, Mozambique and South Africa, the outcome is still completely in the balance. The results there will be decisive for the whole region.

2. Economic - Estimates show that between 49 % and 57 % of the inhabitants of the region live in dire poverty. In addition severe inequalities in income and wealth exists between whites and blacks inside South Africa. Nonetheless, the power imbalances in the region are demonstrated by the following :

1: South Africa produced 79 % of the regional GDP in 1989, with an income per capita twice that of Botswana, which was next in line.

1: The value added by manufacturing in SA in 1988 was more than 10 times that of Zimbabwe, which was next in line.

While the rates of GDP growth were comparatively good during the 60,3 and 70,8, it declined sharply during the 80,3. In South Africa, it dropped to an average of 1,5 % p.a. with a population growth of 2,8 % p.a. In almost all countries, structural shifts in the composition of GDP occurred away from agriculture towards mining and government services.

This was accompanied by rapidly increasing capital intensity of production, mirrored in the decrease of the average labour absorption capacity of the formal sector in SA from 74 % p.a. in the late 60ls to 13 % p.a. in the late 80s.

The region has large untapped resources in energy and water, but low general levels of skill in the labour force, with private and public management capacity particularly SCHICC.

The fi\_r.9\_t priority, particularly regarding SA, is cooperation towards political  
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must entail a relinquishing of undue reliance on government action to "provide" development. Instead the change should be towards a developmental state, providing an enabling environment for self-reliance and market-mediated action. This will also provide a new impetus towards good governance.

The second priority is to get the right framework into place and to make it operate effectively. Actors in the region will need to deal speedily with the issue of economic integration versus other forms of cooperation. A strong case exists for the extension and strengthening of cooperation via existing institutions like SADCC and PTA, rather than trying to emulate the EC at this stage. The latter flows more naturally from success with the former. A central issue in cooperation will be industrial policy in a regional context.

Together with institutional frameworks, immediate attention should be given to appropriate policies and their management in terms of balance, timing and sequencing. This should be done with regard to the perennial importance of the accumulation of physical and human capital, of appropriate technology, and of the enhancement of human resources - improving the position of women in particular. Two further considerations are of the essence, namely improved equity and sustainability, without which progress will remain unattainable. Equity must be improved in a growth-enhancing way - learning from experience elsewhere.

The m priority - almost running parallel with the others - is the structural adjustment and transformation of the SA economy in particular. The challenges are :

- (1) broadening access to basic services,
- (2) reducing absolute poverty and income differentials,
- (3) avoiding an exodus of skills and capital, while averting social unrest,
- (4) broadening access to productive wage employment and small enterprise,
- (5) productivity enhancing labour relations,
- (6) narrowing backlogs in social infrastructure,
- (7) achieving output growth to provide the resources.

Possibilities for a structurally transformed set of economic interactions in the region, demands a new dynamic of economic interaction. This suggests a coordinated approach to production, validated by trade. A facilitating and enabling climate can be created by

- (1) identification of mutually perceived mutual interests,
- (2) preferential access to markets and finance,
- (3) trade enabling measures beyond tariff reduction and commercial clearing,
- (4) involving private enterprises and civil society actors in their own right,
- (5) coordinating action within a macroeconomic perspective and not only sector by sector or policy by policy.

The region - like much of the South - also suffers from a net outflow of capital. This must be reversed. While it is agreed that ODA does not and cannot solve the problems of the region, the necessary progress will be well-nigh unattainable soon enough without it. The local manifestations of global problems, such as dealing with environmental degradation and supporting democracy, cannot be adequately addressed without recognition of enlightened mutual interests of both donors and recipients. Assistance should, however, emphasize : poverty reduction programmes, macro-economic balance, effective family planning, ecological responsibility, good governance, and a developmental instead of an all providing state.

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Working Group 3:

" The relationship between aid, trade and investment policies for South(ern) Africa from perspective of achieving a balanced and sustainable development scenario, how such development can be promoted through new forms of regional cooperation, and what are likely implications for Europeiv future policies towards South(ern) Africa"

Contributions by:

Robert Davies

and

Reginal H. Green

## SOUTHERN AFRICAN ECONOMIC INTEGRATION AND EC RELATIONS

By Robert Davies,  
Research Professor and Co-Director,  
Centre for Southern African Studies,  
University of the Western Cape,  
South Africa.

The relationship with the EC is potentially one of the most significant for both South Africa and the rest of the southern African region. The countries of the EC are already major trading partners of all the countries of southern Africa. The way this relationship evolves in the future could have a major impact on the prospects for growth and development throughout southern Africa.

Both regions have in common the fact that closer economic cooperation and integration is firmly on their respective agendas. However, while there are some similarities, there are also important differences between the processes underway in the two regions. First, integration in the EC is much further advanced than it is in southern Africa. This is partly because political conditions in Western Europe have been conducive to integration for some decades, whereas in southern Africa they have only recently begun to evolve in a way which makes a programme of cooperation and integration involving all countries of the region conceivable. As a result, while there is fairly broad agreement (although evidently not unanimity) in Europe about the pace and scope of an integration programme, in southern Africa a variety of different plans proposals have been put forward by different groups and organisations and an agreed framework has yet to emerge.

Second, while the EC is one of the global economic giants, southern Africa, though important in African terms, remains a small region by global standards. The following table shows that the combined GDP of South Africa and the 10 SADCC member countries is equal only to that of a country like Finland.

Southern Africa Combined GDP in Comparison with Other Countries and World GDP  
(1989)

GDP (\$ mn)	% of World GDP
SADCC countries	27.210 0,14
South Africa	80.370 0,40
SADCC & SA	107.580 0,54
Finland	100.860
World	19981540

Source : World Bank, World Development Report, 1991

All this means that while the process of integration in Europe certainly needs to be a source of valuable lessons for southern Africa, there are also critical differences that have to be taken into account. In southern Africa we are not talking about promoting integration in a region of advanced industrialised countries, but in a region characterised

by acute poverty and underdevelopment. Southern Africa includes the poorest and most aid dependent country in the world (Mozambique), and two countries (Angola and Mozambique) which share the unenviable distinction of having the highest rates of infant mortality in the world. Even though income levels in South Africa are somewhat higher than those elsewhere in the region, its per capita Gross National Product of \$2.470 in 1989 is just over ten per cent of the average level of the OECD countries (\$19090) and is very unevenly distributed. At least half of South Africa's population receives an income below the poverty level, and 40% of its working age population are under or unemployed.

One of the key issues to be confronted in an integration project in southern Africa will be how will the disparities and inequities of existing relations be addressed. Not only is

the South African economy nearly three times as large as that of the ten SADC member countries combined, but relations between South Africa and other countries are characterised by patterns of domination and dependency which other countries have identified as barriers to their own development. One of the key questions for the future is, thus, will South Africa be willing to become part of a programme of post apartheid regional cooperation and integration which explicitly seeks to forge new relations of equity, mutual benefit and interdependence, or will it merely seek to capitalise on its power in relation to the rest of the region to promote narrow, partisan interests? An equitable and balanced pattern of cooperation and integration in southern Africa will clearly provide new opportunities for growth and development in the ACP countries of southern Africa, but even an integrated regional market will not provide a sufficient basis on which to effect the kind of restructuring which all the economies of the region need to undergo. The pattern of relationships established between southern Africa and the outside world will thus be of critical importance in determining the development prospects of the region.

Aid will obviously remain a key issue. Building peace in war torn countries will require large injections of resources which the region as a whole lacks. The repair and upgrading of infrastructure will also remain an essential priority. The question of market access is, however, of even greater potential importance. The efforts of an integrated southern Africa to become more productive and competitive will not achieve their full potential, unless all the countries of the region, including the more advanced but still underdeveloped, are given fair terms on which to compete in the major market places of the world.

It is in this respect that parallels can be drawn between the desirable relation of South Africa to the rest of southern Africa and that between the southern Africa region as a whole and the major global trading blocs. The linked challenge facing both southern Africa and the EC is then how to act together to forge an equitable integration in southern Africa and an equitable relationship between an integrated southern Africa and the EC.

Among the key policy questions which need to be debated are the following :

1. Given the acute problems of poverty and inequality that a democratic South Africa has to face, the significance to southern African ACP members of South Africa's participation in a regional integration programme and the critical

Changing South Africa, Challenge for Europe: Working Group 3

importance of access to the major market places of the world for programmes to restructure South Africa's economy on a more productive and competitive basis, will the EC be willing to respond favorably to an application from a democratic, non-racial South Africa for admission to the Lome convention ?

How can the EC assist in promoting balanced, equitable integration in southern Africa ? What resources and expertise can be made available to support programmes oriented particularly towards overcoming imbalances and inequalities in existing relations and ensuring that the benefits of closer regional cooperation and integration are spread throughout the region ?

How can the EC contribute towards the creation of a development oriented, non-militarised security system in southern Africa ? What resources and expertise can be made available to promote social peace by rebuilding the social fabrics of war torn countries and how can EC contribute to preventing potential future intra and inter-state conflicts taking violent forms ?

b.)

## THE ECONOMIC IMPLICATIONS OF POST-APARTHEID:

HOW TO ADD TEN AND ONE

Reginald Herbold GreenI

### SOUTH AFRICA AND SOUTHERN AFRICA: ECONOMIC INTERACTION

The economic state of affairs and policies of the "new", post-apartheid South Africa will be of significant importance to SSA and of major importance to Southern Africa, the sub-region it has dominated economically for over three-quarters of a century. But real questions arise as to how structurally sound South Africa's economy is; the parameters of economic transition domestically and the viability of any attempt to restore the pre-1975 pattern of South Africa/Southern Africa economic interaction.

#### A SICK SSA ECONOMY

The vision of the South African economy as a powerful locomotive which will by 1995 be surging down the Cape to Cairo track either (depending on the variant of this vision selected) pulling Southern Africa and SSA out of stagnation or crushing their weaker economies like stalled bicycles on a rail crossing is a grossly inaccurate perception of reality. Its 1981-91 performance indicators are below the average for SSA and even more below the Southern African average for 1986-1990. In respect to most performance tests, Zimbabwe (while much smaller) has been a markedly better managed and better performing economy.

#### TOWARD TRANSITION

At least seven basic challenges confront the South African economy economic transition:

1. achieving a broadening of access to basic services and to human investment for both social and productivity reasons;
2. reducing both absolute poverty and income differentials related to race;
3. maintaining a structure of wages and salaries consistent with avoiding an exodus of high and middle level personnel and also averting frequent, production crippling social unrest such as strikes and riots;
4. broadening access to reasonably productive wage employment and household enterprise (including family- or peasant - farms) employment to make absolute poverty reduction and differential narrowing sustainable;

' l Professor of Economics, The Institute of Development Studies, University of Sussex, England;

Senior Social Policy Advisor - National Planning Commission, Mozambique; T rustce, International

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Changing South Africa, Challenge for Europe: Working Group 3

5. creating a structure of labour relations (managerial, trade union and human) able to achieve sustained rapid increases in labour productivity;

6. narrowing the backlog in availability of directly productive and social (e.g. housing) infrastructure;

7. achieving the output growth, savings expansion and export development rates necessary for providing the resources, investible surpluses and import capacity to achieve the first six goals.

The initial five years after an agreed, legitimate government is achieved may - at best - achieve 5 % annual growth and similarly, initial partial movement toward the other goals. Its maximum attainable aim is to lay a basis for fuller meeting of these requirements from 2001.

#### THE OLD REGIONAL HEGEMONIC ORDER

It is agreed that the 1981-89 South African combination of aggressive, overpriced exporting with military and terrorist aggression to block alternative transport routes is no longer sustainable. What is not so widely realised is that the 1960-75 system cannot be restored because major elements in it are unacceptable to South Africa, to Southern Africa or to both.

#### WHAT ARE THE BASIC PRE-1975 PARAMETERS ?

1. High levels of South African exports (usually though not always high cost) to Southern Africa with very limited return flows of goods except from Zimbabwe, whose manufacturing sector was becoming disturbingly competitive in some lines, and from Namibia which was a low price source of fish and a buffer zone for balancing meat supply;

2. Substantial and growing RSA imports of transport services (pre-UDI, RSA handled little external traffic except for Lesotho, Swaziland, Botswana and its *de facto* colony of Namibia), hydroelectric power and - in prospect - water as well as tourism;

3. A very large South African business presence at all levels from the RSA TNC groups through semi-permanently resident individual proprietors creating an information network (and a habit of using it) which channelled import trade to or through South Africa and produced substantial investible surplus flows from the Region to RSA for reinvestment there;

4. Large numbers of low cost, migrant workers to South Africa -perhaps 500,000 in the largely recorded mining sector and 1,500,000 overall including agricultural, domestic, manufacturing and casual;

5. Very large net hard currency transfers to South Africa because exports to the region exceeded imports of goods, services, labour and tourism;

### Changing South Africa, Challenge for Europe: Working Group 3

6. A highly protective (of RSA industry) Customs Union nominally making compensation transfers to Botswana, Swaziland, Namibia (once its fiscal status was reorganised) and Lesotho but, in practice, probably yielding the first three economies less on a cash flow basis than an independent national tariff structure at comparable overall levels would have done.

The migrant labour component is increasingly unacceptable to South Africa; SACU is terminally ill; importing overpriced South African exports for hard currency is unacceptable to Southern Africa and growth could not be afforded on the scale needed by the South African manufacturing sector even were the Southern African states passively accepting overpricing without seeking to resource them from other, lower cost suppliers.

#### TOWARD A NEW PATTERN OF ECONOMIC INTERACTION

For the Southern African region and South Africa there are possibilities for a structurally transformed set of economic interactions which could provide more mutual benefit, growth and stability. Lesotho, as a long distance bed-sitting room for the Rand and the Free State mining belt is a special case. It needs economic union - a solution potentially in the "new" South Africans interests as well.

For post-apartheid South Africa and Southern Africa a series of economic needs suggest a mutual interest in achieving a new dynamic of economic interaction:

1. South African manufactured exports will be crucial to its import capacity and domestic growth - whether as stimulant or constraint;
2. at present the main market for these exports - beyond a narrow range dominated by processed foods - is in Southern Africa;
3. that market is endangered by the present high prices of the exports, but also - perhaps even more - by the need to pay for the bulk of them in hard currency;
4. the Southern African states all need to consolidate, expand and broaden their manufacturing sectors;
5. to do so on a selective basis (to maximise acquired and to exploit natural comparative advantage) they need secure, initially preferential, access to a large market;
6. the most logical and potentially accessible of such markets is South Africa;
7. in areas beyond manufacturing - especially natural gas, electric power, water, tourism and transport services - substantial exports can be built up to mutual advantage, especially because in these sectors the overall balance is likely to be an export surplus by the 10 (albeit no by each of them taken separately).

This suggests that a coordinated approach to production validated by trade is possible if trade is interpreted broadly to include invisibles and market mechanisms are managed to create a facilitating and an enabling climate for Southern African-South African economic regionalism.



### Changing South Africa, Challenge for Europe: Working Group 3

Among the relevant modalities are preferential access, affirmative action, identification of mutually perceived mutual interests, trade enabling measures beyond tariff reduction and commercial clearing, involving enterprises and civil society groups as actors in their own right and coordinating action within a macroeconomic perspective not only sector by sector or policy by policy. This set of parameters suggests that the Preferential Trade

Area of Eastern and Southern Africa is relevant as a broad market access and commercial clearing facilitating forum; the Southern African Development Coordination Conference as a coordinating forum for a denser cluster of enabling policies and actions and the Development Bank of Southern Africa as a basis for an 11 or 20 country trade and joint venture financing, merchant banking and external finance mobilisation institution.

#### ONE, TEN AND TWENTYSOME

PTA and SADCC are basically complementary - market-access groupings have economies of scale whereas, beyond a more limited range operation, coordination-enabling groupings have diseconomies. The institutional structures of the PTA, SADCC and the DBSA are such that new accessions to link the "new" South Africa with its regional neighbours should be relatively simple.

SADCC's four basic goals are not inherently inconsistent with this. Indeed, the changes necessary for mutually beneficial, restructured regional economic interaction constitute reduction of unilateral dependence on South Africa even if the wording of that goal would at that point need rephrasing. The negotiating agendas will be complex and there are real issues to tackle and balances to be struck, but few evident basic contradictions.

However, this assumes the "new" South Africa does view regional economic relations from a more balanced and less South Africa-centric perspective - a result which will not automatically flow from the end of apartheid, particularly in respect of enterprises. Because the "new" South Africa will have severe social and economic, as well as political problems, there is a danger it may turn to inward looking economic nationalism. This danger is increased by the fact that formal negotiations cannot begin until a legitimate government is in office. That increases the case for informal but informed dialogue toward exploration of issues and a mutual agenda for later negotiation.

The alteration of perceptions, building up of mutual trust and acquiring of the habit of dialogue leading to coordinated action is a sine qua non for structurally transforming Southern African-South African economic interaction on a purposeful mutual advantageous basis. The alternative to such transformation is not continuation of the present pattern of relationships but its erosion and disintegration in a setting of growing

acrimony and rising promotion of petty sectional or enterprise interests disguised as "economic nationalism". That route is not in the interests of the "new" post-apartheid South Africa, of Southern Africa or of Africa more generally. A realistic case for change and genuine mutual interest will not be adequate unless perceptions (especially Rand centric ones whether hegemonic and defensive), attitudes and mutual confidence and acquaintance levels among key actors (institutional and personal) are achieved.

Working Group 4:

"Development strategies enhancing  
the proces 0f democratization in  
Southern Africa and adherence  
towards the universal human rights"

Contributions by:

Ahzar Cachalia

and

Ineke van Kessel

## SUMMARY OF STRATEGIES FOR THE DEMOCRATIZATION OF SOUTH

- 1.1.
- 1.2
- 1.3
- 1.4
- 2.1.
- 2.2.
- 2.3.
- 2.4.
- 2.5.

## AFRICAN SOCIETY AND ADHERENCE TO HUMAN RIGHTS

by Azhar Caehalia

### INTRODUCTION

This synopsis is based on my brief on the topic "Strategies Towards the Process of Democratization in South Africa and Adherence to Universal Human Rights".

In addressing the question I was requested to concentrate on the following areas:

- 1.2.1. Civil Society and Development
- 1.2.2. The need to maintain independent human rights organizations
- 1.2.3. The accountability of public officials and the question of the judiciary
- 1.2.4 The independent press

A strategy aimed at democratizing South African society should embrace government and the society as a whole.

The approach adopted in this synopsis stresses the promotion of free participation on equal terms by all individuals and groups in social, political and economic activities, as central to the building of a democratic culture in a post-apartheid society.

### DEMOCRACY AND THE QUESTION OF POLITICAL POWER

It is widely accepted that South Africa is on the brink of a new order. We hope that apartheid will be replaced by democracy.

At the root of apartheid's problem is the total denial of political rights to the majority. It follows that until the majority has obtained full and effective political rights the democratization of South Africa is impossible.

The strategy of the Nationalist Party government is to negotiate a constitutional order which will make it impossible for a future government to effectively address the legacy of apartheid (see National Party's Constitutional Proposals).

By contrast, the African National Congress and other constituent members of the Patriotic Front are demanding an interim government to oversee elections for a Constituent Assembly which will draft a new constitution. Both the process, and the outcome (if such an election, will create the basis for a democratic government to effectively undertake the responsibility for developing the social, economic, legal and political infrastructure for the transformation of the society. It is therefore crucial that the international community supports this demand.

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#### CIVIL SOCIETY AND DEVELOPMENT

In the course of the struggle against apartheid, grassroots organizations (many of which became aligned to the United Democratic Front and the Congress of South African Trade Unions) evolved social development programmes which embraced a transformation agenda.

In view of the wide range of grassroots organizations involved in social development, many commentators have concluded that a vibrant civil society exists in the South African context. Thus, a recent study into Welfare Policy Options for South Africa found that 457 social service and trade union programmes were involved in "developing an alternative model of service delivery in response to the changing political, economic, social and cultural context which represents an authentic development which has grown out of the real conditions and tradition of struggle".

A future government, no matter how benevolent or democratic in intent will face massive demands with limited resources at its disposal. It will be confronted by a wide range of forces expecting it to be responsive to their interests and needs. Social movements which have arisen in the defence of the needs and rights of subordinate classes will therefore be a crucial component in the period of transition in placing their proposals for future policies on the national political agenda. They will also act as a complementary and a countervailing force after a democratic government is elected.

Many organizations have been weakened and others have disappeared due to state repression during the State of Emergency, the ongoing violence which has become endemic, and because of a lack of expertise in development. Special attention needs to be given to the rebuilding and the strengthening of such organizations. Particular emphasis needs to be placed on the least powerful groups who are most vulnerable to the effects of mass poverty and underdevelopment. These include children, youth, women, rural people, and homeless urban dwellers among others.

#### INDEPENDENT HUMAN RIGHTS ORGANIZATIONS

In the struggle against apartheid human rights organizations played an important part in exposing the crimes of apartheid while acting as an important shield against abuses by the authorities.

These organizations must continue to play an important role in the transition phase and after a democratic government is elected.

Human rights organizations would need to remain independent of all political forces and require continued support from the international community.

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#### THE JUDICIARY

There is general agreement in South Africa for the need to an independent judiciary clothed with the powers of judicial review. This will be an important check on any future legislature.

The judiciary is at present all white. It lacks legitimacy as it upheld apartheid laws. In its present form it cannot be responsible to the needs of a democratic society.

It may not be possible to make drastic changes in this area in the immediate future. Training for members of the judiciary needs to be encouraged to prepare them for the demands of a democratic South Africa.

Proposals for restructuring access to the judiciary by a broader section of lawyers, particularly Black Lawyers, are being considered.

#### MAKING GOVERNMENT ACCOUNTABLE

Under apartheid, the government was not accountable to the majority of the people. In fact, it is questionable whether the Nationalist government could be said to have been accountable even to the white electorate.

A future government will have to adopt certain guidelines to ensure accountability of public officials. Guidelines which have been suggested include the following :

6.2.1. that the bureaucracy not be allowed to expand unnecessarily

6.2.2. that the bureaucracy function efficiently, and be guided by the principles of cost-effectiveness

6.2.3. that limits be set on the salaries of public officials

6.2.4. that a code of ethics be devised for state bureaucrats and political leaders

6.2.5. that accountability be built into the functioning of all bureaucracies and that appointments be made on the basis of expertise, job descriptions and subject to probationary periods.

In addition, the African National Congress has recommended that the office of an independent ombudsman be set up to investigate complaints against members of the public service.

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#### BUILDING A DEMOCRATIC CULTURE

Apartheid was not only an undemocratic system of government, but is fostered a culture which itself was undemocratic.

The liberation movement in the struggle against apartheid, was compelled to resort to the strategy and tactics appropriate to waging a revolutionary struggle. This was not a situation which was conducive to democratic practice.

A special responsibility rests on the liberation movement to address the question of building democratic structures within the movement itself, which will contribute to the development of a democratic culture in the society as a whole. A future government will need to evolve appropriate and effective mechanisms for the participation of the people in decision-making which effects them in all spheres of social, economic and political life. Resources, skills, expertise and training in this area is an urgent priority.

#### THE INDEPENDENT PRESS

A free press is a central feature of any democracy.

In South Africa the commercial press is firmly in the hands of either English or Afrikaans-Language monopolies, while broadcasting is largely in the state hands. These powers disseminate their own narrow view of South Africa's reality and in effect have legitimated the status quo over the years.

It therefore remains important for those brave newspapers that have come to be known as "the alternate press" to continue to receive support from the international community.

At the same time a new information policy will have to be developed. The state will have to play a critical role in broadening access to the means of disseminating information and supplying channels of communication (as opposed to controlling the information and determining its content).

In addition, some kind of anti-trust legislation aimed at breaking up information monopolies is imperative.

## CIVICS IN SOUTH AFRICA:

### FROM PEOPLES POWER TO ORGANS OF CIVIL SOCIETY

Some notes on civic associations and local democracy in South Africa, focusing mainly on the second theme of this working group: ipromotion of formation of civil society, by empowering community organizations to engage actively in process of developmenti.

by Ineke van Kessel

Professionals in the development industry, from NGOs to the World Bank, are scouring the African continent in search of the iinstitutions of civil society -- the new buzz word in development jargon. The state has come to be perceived as at the same time weak and overblown, incompetent and serving the interests of a small urban elite: not a proper vehicle for ,developmenti. Thus, icivil society has become the new beacon of hope. The next problem is: which are the iinstitutions of civil society, where to find them and how to enlist them in the development process without destroying them in the process.

In many African states much of 'civil society has been strangled by an overbearing state, eager to use all kinds of organisations as transmission belts for official policy.

In

South Africa however, decades of resistance against the apartheid state have thrown up a myriad of institutions which can be considered as part of icivil societyi: civic associations, trade unions, church-based groups, independent media. Is South Africa the new developers paradise?

This contribution does not aim to come up with policy recommendations. My aim is to provide some background and to raise some issues - mainly in the form of questions - which may be relevant for the discussion.

I propose to take a closer look at the civics, the township-based community organizations which are awarded a central role in many development scenarios where much attention is paid to popular participation. The civic movement in South Africa has a history of just over ten years. In this fairly brief time span, civics have been cast i n a

series of different roles: watchdog bodies representing the interests of all township residents; organs of ,peopleis power,; front organizations for the ANC, preparing to grab local power in the case of a seizure of power by the liberation movement. After the unbanning of the ANC, many civic activists became engaged in building local ANC branches. Now civics are to be empowered as organs of civil society and ,to engage actively in the process of developmenti. Are civics equipped to combine a watchdog role with a developmental role?

Before looking in more detail at civics, some questions need to be asked about underlying assumptions.

What is a ,community"? What is idemocracy"? Who are ,the people?

These concepts mean different things to different people at different times. It is perhap s

useful to have a brief look at the meanings of these concepts in the political discourse of the 1980s, since civics by and large have been shaped in the struggles of this decade and are themselves carriers of the political culture of this period.

#### THE COMMUNITY

The fact that people share the same geographical space does not make them a community. A community of space does not imply a community of interests, except perhaps in periods of intense crises when inhabitants unite against a common threat, such as in the mid-1980s.

The term community was popularized by the Black Consciousness movement of the 1970s. The Black Community implied a community of purpose, a will to act for the common good. The word has become popular idiom on opposing sides of the political spectrum. The South African government uses the term 'community' frequently as a euphemism for race or ethnicity. In the idiom of the United Democratic Front (UDF) and civics, community is used to designate a following for political action. It has been rightly pointed out that the use of the term does to guarantee that a community actually exists. Claiming them to in order to legitimate a political programme or to support a plan of action does not create them. (R. Rhlhornton and M. Ramphele, "The quest for community", in: South African Keywords; the uses and abuses of Political concepts, Cape Town/Johannesburg 1988, pp. 29-39. Moreover, communities are not static, joint action against a common threat might engender a community spirit, but this is rarely a lasting phenomenon.

Community organizations, in the sense of township-based organizations, will operate in a very different environment in the 1990s. With the external threat hopefully gone, the focus will shift from protest action to development efforts. The severe repression of the 1980s was not conducive for the growth of democratic grassroots organizations. While people have learned valuable lessons in the struggles of the 1980s, democratic processes are often in a rudimentary stage.

If the emphasis shifts towards development, new questions have to be addressed.

Development for whom? Who will set priorities? who will control funds?

Most townships show an increasing economic differentiation; their inhabitants share some interests on some issues, but may have divergent targets on other issues. In terms of civic pre-occupations, the following main categories can be distinguished:

- council tenants
- house owners (either fully-owned or on leasehold schemes)
- backyard tenants
- hosteldwellers (migrant workers)
- squatters

Rent issues, a central concern in many civics, are a pressing problem for tenants, but not for house owners. Backyard tenants pay rent not to the council, but to the main occupant of the plot. In Seshego (in the Northern Transvaal), the civic found itself dealing mainly with rent problems of backyard tenants, rather than with the main occupants, who were largely house-owners. Serious frictions have developed (during rent boycotts, when the main occupant stopped paying rent and/or service charges to the council, while still collecting rents from this subtenants).

While hosteldwellers and squatters can be regarded as the most marginalized people in the township, they have a radically different outlook. Squatters are aspiring township residents, hoping to find permanent accommodation in urban areas. Hosteldwellers are for the most part temporary sojourners, who regard their stay in town as a necessary evil. Some would prefer family accommodation, so that their family could join them in town. But the majority most likely considers the rural homestead as home: they want



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to maintain a rural foothold, to which they want to retire in due time. Very few organizations have tried to cater for the specific interests of migrant workers. While civic organizations in the Transvaal claim to represent all these categories of inhabitants, in the Western Cape the diversity of interests is institutionalized. Apart from

the civic associations (grouped under two umbrellas: WCCA in the African townships, CAHAC in the Coloured areas), there is a separate 1-Hosteldwellers Association and a Western Cape United Squatters Association (WECUSA). All of these organizations are affiliated to the UDF. While in the Transvaal tensions have developed between residents and hosteldwellers, in the Western Cape squatters are pitted against residents. One reason for the formation of Wecusa was the persistent tension between the icleveri township people and the squatters, who suspected township people of embezzlement of funds meant for squatter communities. While the extent of Weeusa's membership may be open to question, the summary of crimes and atrocities perpetrated against squatter communities by the WCCAT in a recent Wecusa report to the UDF Western Cape is illustrative of the strong feelings aroused by these conflicts.

#### THE PEOPLE

Who are ,The Peoplei, who are invoked in slogans such as iForward to People% Power, and The People shall governi?

An authoritative interpretation, gleaned from the UDF journal Isizwe (vol.1, no.2 March 1986) can be summarized as follows:

" The term is used to distinguish between the two major camps in society - the enemy camp and the peoples camp. The people% camp is made up of the overwhelming majority of South Africans - the black working class, the rural masses, the black petty bourgeoisie (traders) and black middle strata (clerks, teachers, nurses, intellectuals). The

people,s camp also includes several thousand whites who stand shoulder to shoulder in struggle with the majority. The main common goals that unite the peoples eamp are: the struggle to remove all racial oppression; the struggle to remove the grip of the monopoly companies over our country; and the struggle to build democratic majority rule in a unified South Africa. In this popular struggle, the UDF has identified the working class as the leading class. The workers are the key to victory for the whole people,s camp. Only this class, because of its numbers, discipline and its major role within production, can guarantee the fullest development of democracy in our country."

#### DEMOCRACY

What is meant by democracy? This summary is again based on an article in Isizwe (vol. 1, no. 4, March 1987).

"Our approach to democracy is very different from the abstract, liberal view of democracy, of political parties competing every few years for elections. It is also very different from the concept of supposedly progressive groupings, who put all their stress on ithe right to differi and lthe need for eriticismi. Whether a future, liberated South Africa may have a one party or a multiparty system is largely irrelevant. The essence of democracy does not lie in this debating society view of politics, but in the ability of the working masses to effectively control their lives. Only united disciplined mass aetin

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can lay the basis for real democracy in South Africa. Pluralism is democratic only in form, it is sectarian in essence.

The essence of democracy means that the broad working masses, should have real control over all aspects of their lives - from national policy to housing, schooling and working conditions.

This then is to be achieved by Building Peoples Power

This ins and them scheme may have been quite plausible in the insurgent years of the mid-1980s, but it degenerated easily in undemocratic practices: it became easy to brand dissent as a deviation of the 'will of the People. The us and them pattern leaves no room for compromise. There will be only two camps: victors and vanquished. In many instances, the meaning of the people, or our people was narrowed down to those belonging to our political tendency. The reservation of the people for one's political following can lead to a dehumanizing of the opponents.

I have elaborated somewhat on these concepts because the UDF years have been a formative period for a generation of activists who can be expected to play leading roles in the future, both on a national and on a local level.

The implication is not that present political parties give exactly the same meanings to these concepts. As a consequence of political change in South Africa and in the wider world, the need for political pluralism has come to be widely recognized, certainly among leading politicians if not always among their followers. For example, both the ANC and the SACP have come out in favour of a multiparty system.

#### THE MYTH OF PERMANENT PARTICIPATION

The belief that people should at all times be involved in all decision-making at all levels is typical for the utopian streak in UDF thinking.

"We want laws that are widely discussed throughout our country, street committee by street committee before they are even debated in parliament."

This is the utopia of the professional activist.

While the mid 1980s were a period of mass mobilisation, this episode has not resulted in sustained mass organization. In times of crises, thousands of people may attend a civic meeting; in normal times they may prefer the beach, the soccer field or the television. Most ordinary people spend much of their time and energies on daily survival. They may be willing to participate in a trade union, a parent-teacher-student association, a civic, a sports club, a church choir, a political party or a creche. But they

certainly are not willing nor able to be involved in all spheres at all times. On the other

hand, people certainly would want to have some control over important aspects of their life.

Thus, it is important to establish priorities for popular participation and to develop adequate modes of participation.

The experience of civics in the 1980s indicates that the more successful ones were those who concentrated on bread and butter issues. Civic organisations with a high political profile tended to have little grassroots support.

Language can also inhibit participation. The use of English can strengthen the dominance of well educated; the use of activist jargon can similarly alienate ordinary people.

#### ORIGINS OF CIVICS

Since 1979 there has been a proliferation of ,progressivel civic associations. Early examples are the Port Elizabeth Black Civic Organisation (PEBCO) in Port Elizabeth, whose name betrays its Black Consciousness origins and the Soweto Civic Association (SCA), formed in 1979 in response to rent increases. Around Cape Town civics grew out of parent-student committees formed during the 1980 school boycott. In some other parts of South Africa civics are more recent phenomenon. The civic of Seshego (Pietersburg) in the northern Transvaal was formed only in 1990, by a group of young men who were looking for a new form of political involvement since they felt themselves too old for the youth congress. In most rural areas, civics are a very recent phenomenon. While township-based civics see themselves nowadays predominantly in a watchdog role, civics in rural areas aspire to take over certain functions from the chief

, such as the control over school funds, water-pump funds etc. Some civics have a registered fee-paying membership, most operate on the assumption that all imembers of the community are members of the civic. Some have an elected leadership, others have a coopted leadership. Very few civics have known regular elections and re-elections. Thus there is a considerable unevenness in levels of organisation and experience, and there are marked differences in the perceived role of civic associations.

#### THE POLITICAL SCALA OF CIVICS

The world of civics shows also a considerable diversity in political orientation. Civics established in the early 19805 were initially perceived as representing the interests of all inhabitants, regardless of political alignments. When civics affiliated to the UDF, they came to be seen as part of the Charterist camp, and by some as front organisations for the ANC. For this reason, the Soweto civic, which included AZAPO members, initially refused to join the UDF.

It has become common usage to associated Icivicsi with those community organisations which during the 1980s affiliated to the UDF and which are now grouped under umbrella organisations such as CAST (Civic Associations of the Southern Transvaal). Although these civics represent undoubtedly the dominant tendency, there are also township-based organisations outside the Charterist fold.

In several PWV townships, ,popular conservative, leaders established a certain following, especially in the late 19703 and early 19803. The best known example is the Sofasonke party in Soweto, but at various times similar parties operated in Mamelodi, Alexandra. etc. While the progressive civics engage in collective action, popular conservative leaders usually acquire a clientele based on their success in mediating individual grievances. In some places they acquired a significant following among the most disadvantaged people : squatters, backyard tenants, women. Neither radical nor conservative civic organisations seem to have had significant following among hosteldwellers. Inkatha was probably the only party purposefully recruiting in the hostels. Since- the 1990 ltownship war, many hostels in the PWV area have been transformed into a sort of military barracks under Inkatha command.

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Competition comes only from the right. Rivalling civics are also found to the left of the mainstream Charterist civic organisations. In the Western Cape the Federation of Cape Civic Associations (FCCA) was launched in 1979. These civics are affiliated to the Trotskyite New Unity Movement. In a number of Transvaal townships, one finds civic organisations with AZAPO or PAC leanings. Although on a political scale these can all be grouped to the left of the Charterist organisations, they uphold very different

tactics. The FCCA's doctrine of non-collaboration prohibits any form of negotiations with local councils, while for example a PAC-oriented civic organisation in Kagiso (Krugersdorp) sees no harm in dealings with the local council, if this would enable the civic to deliver the goods.

#### CHANGING ROLES

During the heady years of 1985-86, civics were projected in the role of iorgans of peoples power. They were seen as the nucleus of a future local government and urged to prepare themselves for the ,seizure of power. It is however doubtful whether all leadership of the civics could identify with this insurgent perspective. Many were rather alarmed by the calls to make the country ungovernable, which were taken quite literally by numerous township youth.

Most civics collapsed during 1986, when the local leadership was detained, killed, driven underground or abroad, banned or intimidated into inactivity. Only in the more tolerant political climate of 1989 did it become possible to revive the civic movement. COSATU has been instrumental in reviving civics. The involvement of numerous trade unionist may have given a new injection of bargaining and organising skills to the Civics.

When the ANC and other organisations were unbanned in February 1990, many civics were still operating as interim structures, preparing for their relaunch. After Feb. 1990

, many civic activists became involved in building the ANC.

The question raised here : is it possible to ,undo history"? Can civics revert to their earlier role as watchdog bodies meant to represent the interests of all residents regardless of political affiliation? Is it possible or desirable for civics of different political loyalties to co-exist, or should civics be seen in a-political role?

The possibilities of extra-state organisations to build patronage networks have been fairly limited since they were not in a position to offer much help to individual inhabitants. Township parties operating within state structures have had more possibilities to establish a clientele; if they gained control of the local administratio

n, they could allocate housing, permits and licenses. But even their scope is limited : it has been argued that township councils find themselves in a position of ,responsibility without power. Township politics in South Africa have not thrown up ipolitical machines, with the possible exception of some squatter areas.

This state of affairs may however change with an injection of funds. Civics, which up till now have had little experience in handling money, may be transformed into very different organisations when access to -and control over- funds becomes a strategic concern.

Here the question rises : how to enlist civics in development activities without destroying them in the process?

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Many talented and committed people have been unable or unwilling to pursue careers in the apartheid state. Consequently, civil society, in South Africa has benefitted from an unusual quantity and quality of capable people who put their energy and talents into trade unions, civics, legal resources centers, independent media, rural advice centers et c.

In a post-apartheid society, many of these people might be attracted by greener pastures and better pay in the state bureaucracy. This could become a serious drain on civil society. Many organisations, especially in the rural areas, relied on a fairly thin layer of activists.

If civic leaders run for local office, who will fill the gaps?

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