

62/11/90

Dear Shaheed,

I'm finally going to put on paper the rough ideas I felt might contribute to the discussion on an ANC strategy for Development Projects in SA. It's a pity that time and other constraints prevented me from doing this earlier and that clearance problems are preventing me from participating. However, I hope that these notes will be of some use.

I will only touch on those aspects that I feel the movement can implement or facilitate as an organisation through its various structures and not those that we would have to consider as a participant or leader of a future government.

The main aims / objectives of such a strategy would be to contribute to:-

- meeting the basic needs of the whole population by providing access to food, clothing, shelter, employment and productivity, welfare, 'decent family life and basic services such as transport, health, education, water, sanitation etc.
- the elimination of poverty and deprivation and improvement of the quality of life and lifespan of the vast majority of South African people.
- redressing the racial, class and spatial imbalances in the distribution and concentration of economic power and activity.
- the elimination of the effects of the policies, laws, practices and institutions of residential, occupational and national apartheid which have denied the majority of South Africans the opportunity to maintain a decent standard of living, to enjoy basic human rights and to contribute equally to the future development of our country.

'm'prent-r

TH

THE CONTEXT OF A NEW DEVELOPMENT STRATEGY

To play a meaningful role the ANC/MDM structures involved in projects and developmental work would have to concentrate on filling the gaps in those areas of development in which the future state is unable and

capitalists participate adequately. Capitalists view growth as the cornerstone of development and capitalist production relations as the vehicle of growth. The ANC alternatively is evolving a policy which views redistribution as the engine of growth. However, neither a high growth rate, nor redistribution of wealth will succeed in increasing resources available to the masses in the immediate future on the required scale. Despite the virtues of both growth and redistribution, experience has shown that their benefits "trickle down" too late, are insufficient or

(I)

e

60

\$

(3;) - create new and improved forms of collective and individual ownership air tend to bypass the disadvantaged and poorest sections of the community altogether. Specific strategies will have to be addressed to cater for the needs of the most deprived sectors of our population.

A major constraint facing development in South Africa in the future will be the lack of skilled human and financial resources. Available resources will have to be divided amongst the private sector, the formal sector, the cooperative sector and the state to meet the social needs of the people. On the other hand unemployment is rife. This requires the evolution of strategies to rationalise the use of resources available to us and to ensure maximum job creation.

Increasingly there are growing expectations by the people that a new democratic government, with a massive inflow of foreign aid will overnight be able to redress the imbalances of 300 years of colonial oppression and resolve the acute problem of poverty, hunger, homelessness, unemployment etc. that afflict millions of our people within a short space of time. Failure "to deliver" might create hostilities and apathy that will rob the new government of the "breathing space" it requires to formulate and implement new policies.

Even if we assume the existence of a politically stable climate and a huge injection of foreign capital (both unlikely), strategies for development projects by the ANC will have to seek ways of addressing short - and medium - term needs which are supplementary to the efforts of the state. Some of the elements of such a strategy would be to:-

- evolve an urban development strategy for projects which would accelerate the quantitative and qualitative growth of the informal sector and facilitate its integration with the formal sector.

evolve a rural development strategy which enables rural areas to be more fully integrated into the wider economy.

facilitate self - help income and job creation for the poor by the poor themselves.

create alternative development institutions and approaches to developmental work based on the pooling of resources and maximum coordination of development work. 341 IAJQM JW dwaptmi- W43 6/ WSiS, m.

establish new methods of cooperation with existing institutions such as indigenous SA NGO's and development agencies, state institutions, "corporate social responsibility" funds, foundations and trusts state

. . . . I

institutions and foreign NGO's.

productive capacity. 2.8 wear: ,

(25) - create alternative financial, credit and savings institutions.

6?)

(v)

0

Mk

- derive alternative forms of education, welfare and shelter provision.
- evolve concrete and practical methods of affirmative development action for women.

INTERGRATION

I

Apartheid and capitalist policies have resulted in the creation of clearly defined dualistic economic conditions. In both the urban and the rural areas there exist distinct "formal" and "informal" sectors. The informal sector comprises elements of the industrial, commercial, agricultural and service sectors that are characterised by their subordinate role, lack of resources. small economic scale, archaic technical, management and hygienic conditions and poor, often barely subsistence level of return. Despite the vivid demarcation between the two economies, they are largely inter related and interdependent.

In the post-apartheid era, with an expected increase in urbanisation and removal of many of the constraints (eg. legal constraints on ownership), greater participation by blacks in the modern; formal economy can be expected. On the other hand one can expect a dramatic growth in the urban informal sector. It cannot be wished or legislated away. Therefore a strong argument exists for its support, modernisation and integration into the modern economy.

This would require the underdeveloped sector to contribute to the development of the economy as a whole, not by fulfilling a certain subordinate role to the modern economy but by increasingly participating in the planning and decision making process. "Top-down" macroeconomic policies of redistribution, decentralisation etc. Will have to be supplemented with "bottom - up", "grass roots" strategies that focus on matters that satisfy basic needs of people and result in the attainment of self - sustaining communities. The "trickle-up" effect of such a strategy would greatly enhance growth and partially relieve the state of a major problem.

The practical aspects of such a strategy requires detailed attention.

A comprehensive framework or programme needs to be worked out

k

the nature, location and rate at which projects are formed

and can be integrated into the formal economy. a) AL ciiVWVWM/

Detailed research into existing projects and needy areas as well as feasibility studies will have to be carried out in all regions.

EEEEENEE % EEEE
.me 3x9... 3 K403. 4%
(2 0n x3534
BA SK aniyg N. xSVQVSJAESWxQ. v Qxfs
QochEVSXQ/x R3 S.E/xiofax. Exaggk M6 3.85 M6 436\$:
K E nguwx b x E591 \$\$\$ka x :1? 31 3x398
. x?eKQWJQ Exam.
IWNQ Q&AESNVQ QDr\$
AMEXM X8 5W E). c_,. #3 3.
E E . 32. m3:
ER xuwk M&MQ 4931: \$3.9va x33 MtseM 92\$
. G .qgsbkq. 40.3%) ,
QWNENN %5S&Wx9 REX MSE E va \$5 S. Ngnuu m8 Wtk
\$05M . Q \$8? 23 So x3? T). is 453 \$4
E EE 3? E u. W E j. i
13.53 Masai SSA; \$ (...
.3; 510x? x)? S E W / . N(QN EKSWs. (.3
E E E saw 3% FEE 3T3
EVE
Ts NVQN \$\$\$\$me gin (.3? 6 Qt). .. k9)?!
EN EE E g
E T
x.
Q X . Md
V55 3& .wa XXSonvmx E tsvosmuxEMMeRb dngw C
(#03 (\$32 3
XE ESE E EEK 383.35 vxEEEstEs :2
nxca \$\$ng 3s 33%. allay EVEVEQ, 9K \$3? 3 \$3\$9L Q
guy: .3 Xx .KQQQM EEK 3:: 9.5. (23%qu 3%. 1,8
(3X53nxg 333\$ 6 2% ?qug B \$5.?2ES .35
xgsvtxosir Va Wxxadu d4 i8 3.454% 0,2963 xsTSM ?stawi
LE wigs V E

CO - OPERATIVES

The South African co-operative movement is still in its infancy. Non-agricultural co - ops have been classified as falling into two broad categories:- x

1) handcraft producers - groups making clothing, furniture, t-shirts etc. for sale on the commercial market.

2) the township-market production group - organised co-op version of informal sector manufacturing - brickmaking, metalworking, sewing, panelbeating, motor mechanics, carpentry etc.

Most of the production areas are upgraded areas of domestic "backyard" skill, which in itself is an improvement on single household production. However co - ops find themselves competing in areas where there is already stiff competition - in the informal sector and the commercial market. With an increase in the communities buying power on cash terms as opposed to the highly advertised hire - purchase consumer market) The market potential for co - ops is immense. a

pnp44fxg;i/

Nevertheless co-ops in South Africa need to be put on an iaaaxadual footing to be able to compete successfully on the market. There is a need for feasibility studies in marketing, financial viability, technology, training potential of co-ops members in specialised skills in areas like printing, food processing, building construction, large - scale furniture manufacture etc.

One of the problems that will arise in the townships and rural areas is the inadequate infrastructure (eg. lack of 3 phase electricity for industrial production), but this implies that all co - ops need to set their sights farther than the township backyard.

The NUM and other organisations have had some experience in setting up co-ops and this experience highlights some of the problems that will need to be tackled. The two most important are limited access to capital and lack of sufficient skills to build technically, organisationally and economically viable co-ops. Development agencies can assist with legal, technical, personnel advice, in security, various forms of finance and credit for capital and conducting feasibility studies, setting up management and accounting systems, providing skills training from literacy to financial management and production planning, in setting up democratic management structures etc.

A data base on people wishing to join CO-Ops, their skills, needs of co-Ops, available training, experiences of the co-op movement would be of great service.

The experiences of other countries like Zimbabwe, will have to be studied in such crux 0.8 00wa r m annual, 72y .JOMM Md 7&r 2.x-

wmbw'x'; K.

km cBmQQQka ,2 Lam(3 g SEW 94? EKRTQ E
DmemeVc VM wVQHUw % g gee x mv\$ 8.565% mvv
XSKXQ Na YSXQQQSxQx X Q 053x o: g 35 X SS . xix?)
XQXK k 5le NU6K x XSLxQ KQK g XQWDQI WHQNWK L J U3rm.
WQMK E Huhtkkwntw %6,31 X330 0kg wdsnw. x93
\$\$ 359% ng \$3XSQ kaL 3M. x936 .
a 0X qumguk XPVQ ENVQGG :53 xNQxZ E?
:30wa EC anxim %::m. g Xikmxugu T
EEWQSSNWQ % NEW E & (03M. VXGNEw
Q&Sb & E: kkix c E .3i 3% s.
HVQXGSP 53 d Xwiw 3x6 .Six 5. (x
9% VNQK 3 x 3 3mm E Haxxawk \$3) n6
x 0.1. 3% HXQNQK v S3 393% 3 3g
.quV V50 thqAX x5e s6 Evssmvx xxi x? XSVPanumFL
EEUSEX 0wa R694. g.gasaw xSonQK 8m. bugjs g ,
H g V K&Kg an/ X16 3V3? ax mvxudanxs
% N(uvxxnmym g 933% Q 3 3%.? 5.63 4i.
. \$33 5 3a 1% m. mam?
5% k. % x3 EFFQP: 533\$ aw? gr
nwas 3 \$0 XVNGkK .HNQ .xQL WCNszNVBQV

am? 142.: 79 MAM max M. 3w? 7&m yza .75
z' -' ;' - .; % 1-: 5-? ; f-W t
WM EA M 50% eX/ae/xznau M/ a n hark ' 5M 16 1:
LLj,:gi:-:2:rm'co/ :6 Sim M 672,,W_ ,
a803, VJ? Wu Can 52 0/01 if A M17645 W
i " 3m/I- Jea/e: (EVO/VIA? cra/x-A '4 IWagZWI ipwxw %
41% WW N67&' 0/ aQ(/- 036/? '3 % WW% % '
role M x0 w W34
WM WSIM7 740 Mark. W 34% 32 'a' 3040/ M 444/7
I94 Julie #e M.?(MV! m a (m M (9%
HQ. Sm" rstL knJJS'FrIAl de/V'MI/I (a/UMJfWV W /
WW7ME?) 'W 043/ W L&MJ

___ W A
g enfnlai MJdchA :M/Gec: fwa/v'm7 19M Kahuna,
Qddxw j) &)w m 40 %/a7/1 g/ng,
xz K eraa ' (1/
/. 1752/ 'Djmrtofb/ am 721 m faggx 9% 3x21?) 7; 4/;
. ZZ/A he, .J/Icas'g/ mull! inc/ud' IHIXa/AW) yam
Access 1 (Wan (9.5970?! %/ &fef\$h A W Mk Jme,
2-. (fyu'aA N901 ch/ Le; MWngx/k /yawak 0x P//
, 'a / m w ,Mcbal) "/ZCMCa/A_QQ 75/.
fMKAA L Sf .9ch J 'g f d 57, ,/w / 4 (Pl
MA Mum. A rm #9 - c a M
4! #3) a W 1 623% 75
Wh/I sawcgr 05 W W/ A0 .
skoDa/ A/m M m M AL Wpiml ,A-%W%g
Dw- Ham? Wke/Lvu H' L: nww /o um M ukadc
39W WVCAA 91%le a M M 079/9/20110/

0/ (1/ AUA 1:! M 6A.? C #a% %&f5/'6IZF
MWQB M 1A1L0w/w/
0AM, A4 Me, Cfa'antf. EXIDzn'e/u. # 0M Cavnfnml
OM cm 140.: SWA 4hr; H" E 414
Four, m W'g m Mam m Z/a/er/ , #2 O/LCMM
air. wb ore, com/erx am? ()er M #v, /M A7l
,J/M 2a/a74'cxw am/ g2
Mia. I W WMIM'IL/ '
8840lan vr/z/(SVE okra 52nd. JM/fgf;% Fro; rjmmjpo 0/: /(
an 4 m
729/ m .c/W iw7i dxa/z/M7Qiz/ M
0/1); veal 6/94 '15 Mail, W7L #1;fo Wl W
adw macaw;
WW 1% Sara f?l(1l WM
Chm -