NEW AGENDA

South African Journal of Social and Economic Policy

IS THE IMF CHANGING?

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FREEDOM OF INFORMATION IN SOUTH AFRICA

The concept in South Africa is born of section 32 of the Constitution. The concept evolves from a moral indictment of secrecy to a tool for market regulation, more efficient government and economic and technological growth.

The last decade can be heralded as seeing the enactment of formal statutes world wide guaranteeing citizens of the world a right to access of government information. From Russia the former communist countries to Japan, Ireland and now South Africa, which is unique in the sense that our freedom of information Act, covers not only government but the private sector as well. Fact is that the world is now having an interest on how we would manage to create a new culture of openness and accountability for the corporate world.

The Minister of Justice and Constitutional Development has once more succumbed to pressure by small businesses to grant them a further extension of two years before they can comply with section 51 i.e. the development and submission of their catalogue of information through to the Human Rights Commission. The new deadline is now August 31 2005.

Again having realized that the publication of manuals in the Government Gazette is circulated only to subscribers, thus isolating the majority of the population, the Minister once more recommended that companies should no longer publish section 14 and 15 Manuals in the Government Gazette and that other methods to make organizational information available to the public be exploited

I understand that we need to cultivate a new culture of openness and that government has to be as tolerant as possible since the legislative took a deliberate decision not to include in the Act, Promotion of Access to Information penalty clauses. My concern is, two years down the line, will the private sector be ready to fully comply? Some people think that the exemption granted is permanent. My second concern with the department granting extensions each time a deadline is looming (by the way this was a third general exemption granted) who will take government seriously in future when it comes to the implementation of legislation?

We are at the time where our country is gripped by waves of corruption. While in other countries the motivations behind access to information is grounded on war and terrorism, in our case, the public's right to know is not just a moral imperative, it is an indispensable tool for thwarting corruption, waste and poor governance particularly in the public sector.

My source of concern as expressed above regarding the reticence of business (small businesses particularly) to compile their information manuals is their lack of insight as to the value this Act may add in business. Because of globalization, we need to understand the concept of freedom of information beyond the indictment of secrecy to include a more value-neutral meaning. For an example, as another form of market regulation, as a contribution to economic growth and the development of information industries and of course a more efficient administration of government. At global markets, regulating governments and corporations (global players) may be done more efficiently by promoting full disclosure of their activities, rather than by relying on multiple bureaucracies in multiple countries that are likely to provide multiple opportunities for corruption.

In creating openness we need to focus on the following principles, which are internationally recognized, though not always fully implemented:

1. The approach to the Promotion of Access to Information Act should begin with the presumption of openness. The state does not own the information. It belongs to the citizens. Classification of information system in government should not be first a reason for denying access to information.

2. Any exceptions to the presumption of openness should be as narrow as possible and written in statute and not subject to bureaucratic variation and the change of government.

3. Any exceptions to release information should be based on identifiable harm to specific state interests, the citing of "national security" or damage to "foreign relations" is not sufficient.
4. Where there is identifiable harm, the harm must outweigh the public interests served by releasing the information.

5. A court, or an information commissioner or an ombudsman (as we desperately need in SA) or other authority that is independent of the original bureaucracy holding the information should resolve any dispute over access.

Central to these principles is the role that active media and active civil society play. These two may change the culture quicker than statutes. In fact this was the case in Philippines where media and NGO's compelled government to open records and even brought down former resident Joseph Estrada.

Clearly, South Africans are not aware of this Act and how it can change their lives. Both Government, the private sector and the citizens alike, we must all embrace and get used to the new culture. Bureaucrats need to change their mindsets. That is why training on the Promotion of Access to Information Act is important to all of us. Lastly, indeed the Act needs to be amended in certain areas to make it more efficient.

Department of Justice and Constitutional Development

Should you require assistance or have further questions regarding the manual, please do not hesitate to contact the Deputy Information Officer of the Department of Justice and Constitutional Development:

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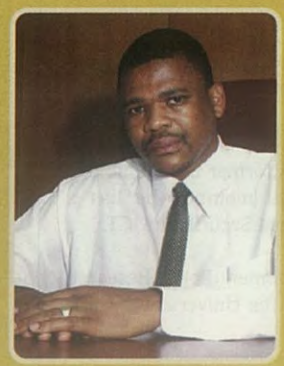

TO ALL OUR READERS

This is to advise you that New Agenda has signed a contract with Picasso Headline for them to take over production of our journal. This new format is designed to make our journal more visible in bookshops and outlets and to allow for advertising to be included.

The editorial responsibility remains with the New Agenda Board and all advertising and related matters will be passed to the Board for approval. We want to assure our readers that the content of the journal will remain of the same high standard as in the past and we are hoping that with the new arrangements, New Agenda will become even more influential and prominent in South Africa and abroad.

The Editorial Board

EDITORIAL BOARD

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This issue includes articles provided by the Centre for Civil Society, University of Natal. We appreciate their contributions.
For space reasons, however, several articles will only appear in the next issue.

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women'snet

What is Women'sNet?
Women'sNet is a vibrant and innovative networking support programme designed to enable South African women to use the Internet to find the people, issues, resources, tools and skills they need.

Women'sNet aims to empower women . . .
Women'sNet aims to empower South African women to use information and communication technologies more effectively in their struggle towards advancing women's equality. The Women'sNet web site contains information and discussion generated by South African women on gender issues.

Women'sNet seeks to:
· make this technology accessible and less intimidating to women
· provide gender-sensitive training and support
· link people working in related projects and help them find tools and resources on the Internet
· create a platform for women's voices and issues
· help distribute information in formats accessible to women not directly linked to the Internet.

How can your organisation use Women'sNet?
Women's organisations in South Africa are beginning to use the Internet in all sorts of ways:
· to keep up to date on the latest policy developments on issues like reproductive rights and violence against women
· to bring public attention to urgent issues using web sites and widely distributed email announcements;
· to find information and ask questions
· to find jobs
· to work together, share newsletters, press releases and announcements, and plan events.

Vital stats:
URL:
womensnet.org.za
Started:
1998 as a project of SANGONeT and the CGE, registred as an NGO in 2003
Visitors:
4000/month
News mailing list:
600 members
Scope:
National (South Africa), Regional
Audience:
Gender activists
NGOs / CSOs
General public
Website Subjects:
- Women and Human Rights
- HIV/AIDS
- Women and Information and Communication Technologies
- Violence Against Women
- Health
- Women and Enterprise
- Gender in Parliament
- News
- Jobs
- Events

Women'sNet provides all the things you need to be able to take advantage of the new information and communication technologies. It is a one-stop information resource for organisations and individuals committed to women's development and empowerment, and offers:
· advice, training programmes and resource materials
· a supportive community in which to explore what the Internet has to offer.
Women'sNet is part of the Association for Progressive Communications' Africa Regional Programme (APC-Africa-Women), an international programme of similar women's networking support initiatives working together to ensure a productive online workspace for the international women's movement.

How can I get involved?
Women'sNet is here for you and your community. There are many ways to get involved:
· if you need an email account, a web site, training, or just more information, please get in touch
· use our online bulletin board or email us to tell us about what you'd like to see the Internet do for you
· share your information resources with the Women'sNet community using our web site or our email discussion groups
· if you have a particular women's networking project in mind, we can help you develop it
· help us promote Women'sNet by telling other women about it.

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women'snet
http://womensnet.org.za

MAKING EXCLUDED PEOPLE PRODUCTIVE

BEN TUROK

There is a growing concern about the large number of people living in rural areas and townships who are still not economically productive. Our dualistic society still seems to be firmly rooted in a dualistic economy where a proportion of the population are involved in work while a significant number are not. Under apartheid, this dualism was based on a forced cheap migrant labour system which needed a reserve army of labour to support it. Now that the supporting legal structures have been abolished we need to find ways of overcoming the legacy of this unequal system. Simply, we should make it possible for all our people to find productive work so that they can obtain incomes, overcome underdevelopment, achieve self-respect and build the economy overall.

The harsh truth is that there is little prospect of reducing unemployment substantially through the modern sector alone. Nor will the modern sector alone enable us to reduce poverty and inequality. We need to find the key to alternative paths to capital intensive, modern sector economics which will put our people to work.

Clearly it has been essential to address seriously the need to restructure the economy in order to modernise industry and make it competitive in international and domestic markets. But this may have diverted our attention away from the problem of making our whole population productive. Once we decided that we were not moving towards a welfare state – though indigence must be attended to – then the productive aspect of people's lives came into strong focus.

In focusing on this, it is necessary to examine both the rural areas and the townships because of the flow of people from one to the other and back again. Indeed some people argue that our whole society is integrated seamlessly, with even the most remote parts of the country inextricably linked with the urban centres. Some believe that these rural areas are really peri-urban, and that our agriculture is in fact part of the mainstream economy.

Be that as it may, it is apparent that the linkages between agriculture and small-scale manufacturing are not well established even though this could create many jobs and enhance conditions in the rural areas and townships. Some agriculture academics argue that there are large multipliers to be gained and that general development would be associated with this process. A greater focus on upgrading rural infrastructure, preferably by community-based labour-intensive methods, would do much to facilitate this.

It is also indicated that co-operation is not a feature of rural communities nor of the townships and that impetus in this direction is sorely needed.

We need a national discussion on how to unlock the potential for making the marginalised productive.

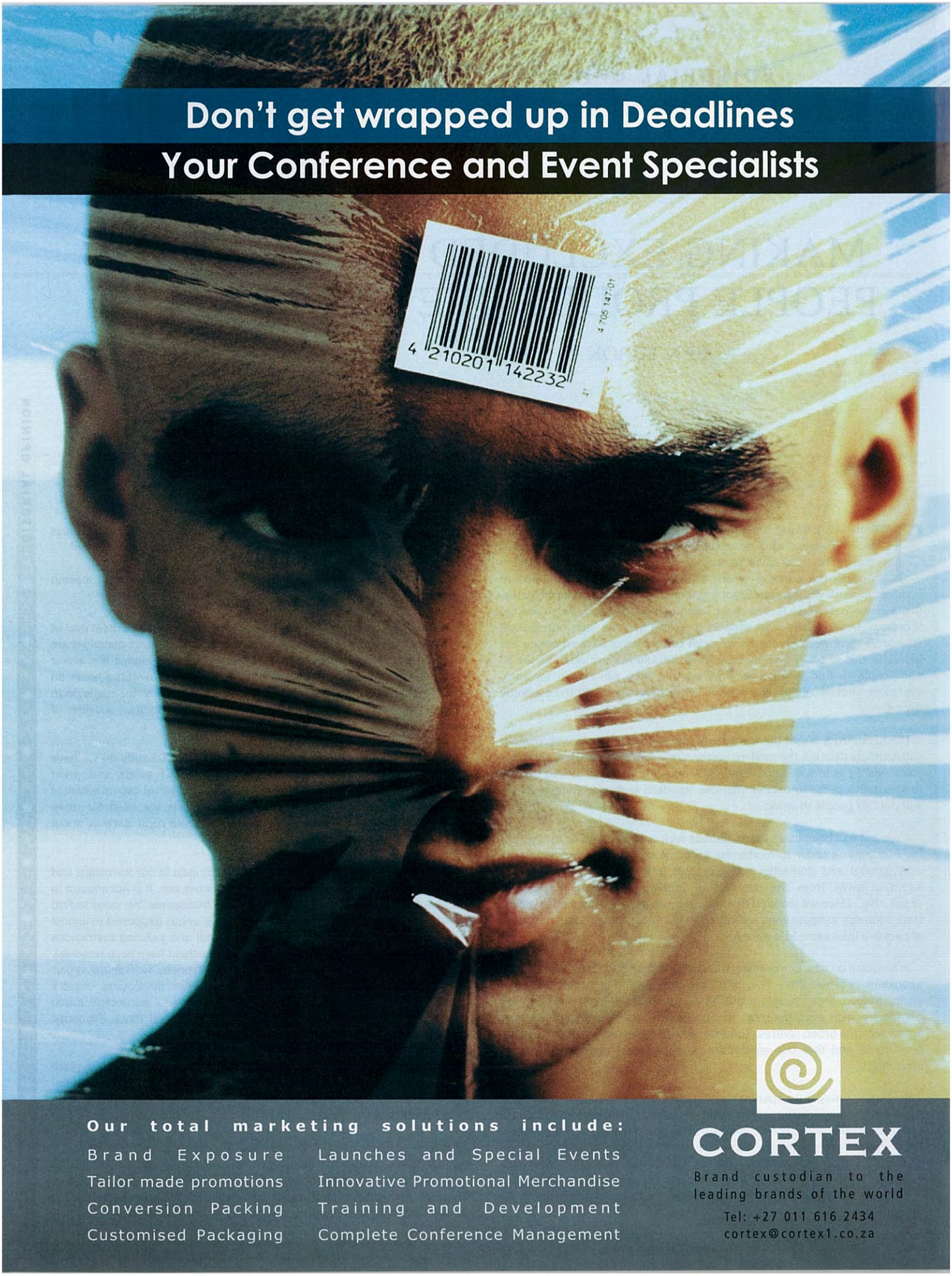
In many developing countries it is understood that there is a great deal of underemployment. That is, that a large proportion of human capabilities are underutilised. Many people live at the margins of economic life, either eking out an idle existence, or spending many of their working hours on trifling activities such as selling small amounts of fruit at the roadside in order to garner a few rand, or becoming involved in criminal activities of one sort or another.

The experts tell us this is a resource rich country. Not only do we have abundant minerals, a great deal of other natural assets and great agricultural potential, but we also have human and social capital which is not being adequately used. To utilise such assets we need far more information: about the people living on farms, about rural markets, about land availability and land distribution.

We also need information on what capabilities exist in our townships and how people can put these capabilities to productive use. It is not enough to talk about the desirability of small and micro businesses. We need to find out why these are not emerging spontaneously as has happened in almost all developing countries. Presumably, the legal and policing restrictions which held township people in check under apartheid have been removed. So why are there not more one-person small enterprises, workshops, repair shops, and all the other services found in other developing country townships? Do we have enough support systems to encourage micro enterprises? This must surely be part of Broad-Based Black Economic Empowerment.

Some people argue that there are many policies and programmes in place to support the kind of activities listed above. But there is insufficient co-ordination and integration across departments and agencies, and between the different layers of government.

If this is so, there is an important task before us all, namely to start a national debate on how to turn people in the rural areas and townships into productive citizens, contributing to their own welfare, gaining additional skills and capabilities, and raising the whole floor level of our economy. Let us overcome underdevelopment, the destroyer of people's lives.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WE WILL NOT WEEP... NELSON MANDELA SALUTES HIS COMRADE – WALTER SISULU

In the last few years we have walked this road with greater frequency, marching in the procession to bid farewell to the veterans of our movement, paying our last respects to the fallen spears of the nation from a generation now reaching the end of a long and heroic struggle.

Those of us from that generation, who are singled out to stay the longest, have to bear the pain of seeing our comrades go.

We shed tears over them because we have walked such a long road together: sharing trials and tribulations; danger, anguish and fear; and precious moments of joy, gladness and laughter. Their going must leave an emptiness with those of us who stay behind.

They fought a noble battle and lived their lives in pursuit of a better life for all who follow. The democracy in which we bury them and honour them is the sweet fruit of their lives of struggle and sacrifice.

Today we stand at the grave of one of the greatest amongst that generation of great freedom fighters.

We take leave of a man of whom I have already said in these sad days since his death, that from the moment when we first met he has been my friend, my brother, my keeper, my comrade.

We shall not weep for Haemal. He would not expect us to, or approve of us doing so. We do, though, deeply mourn his death. A part of us is gone with his passing.

He neither sought nor wielded his authority by virtue of office. He was ever ready to draw others into leadership. In addition, he never asked of others what he was not prepared to do himself.

His greatness as a leader derived from his humility and his ingrained belief in and respect for collective leadership. He knew and taught us that wisdom comes from sharing insights and listening to and learning from each other.

He was always the unifier, never a divider. Where others of us would speak a hasty word or act in anger, he was the patient one, seeking to heal and bring together.

The spear of the nation has fallen, as the militant youth of our country once sang during funerals. Let us pick up the spear now to build a country after the example that Walter Sisulu has set for us.

IS THE IMF CHANGING?

BY DR CYRUS RUSTOMJEE

Dr Cyrus Rustomjee talked to Ben Turok. Dr Rustomjee was adviser to the executive director at the World Bank, representing English-speaking sub-Saharan African countries, and then a member of the board of directors of the International Monetary Fund (IMF), from 1998 to 2002.

The IMF and World Bank have long been subjected to strong attack in the Third World, and especially Africa, for the imposition of harsh economic programmes called Structural Adjustment Programmes (SAPs) on countries struggling to survive in a tough world economic system. It has been shown repeatedly that these programmes did not assist economies to overcome their difficulties and that external debt and unfair trade have not been addressed.

Recent criticisms of the IMF have come from Trevor Manuel, South Africa's Finance Minister, who knows these institutions better than most. He recently chaired a conference of African Ministers of Finance, Planning and Economic Development in Addis Ababa where he said: 'I think it is time for decisions in the IMF no longer to be imposed on us, but to derive from consultation with us.'

The context was a proposal in the IMF to divide its Africa Department into two.

On another occasion, at the HSRC Conference in May 2003, Mr Manuel said: 'Countries which are entirely dependent on the Bretton Woods Institutions for finance, would have the policy limitation imposed through the Washington Consensus or its derivatives. This is quite a formal limitation... globalisation, taken at the full, fetters decision-making... If the leadership is incapable of withstanding these stress tests, the 'golden straitjacket' could easily become a whalebone corset, designed and fitted by outsiders... We have to push hard for policy room and democracy against the mediocrity and risk of 'one-size-fits-all' globalisation.'

We note these comments to preface the following interview which gives a much more positive view of the IMF and World Bank by a South African representative who worked there for many years. We print his experiences in the interest of providing important insights to a very complex issue.

BT You had two very important jobs in Washington – can you tell me, what was your role?

CR Both jobs were with the board of directors, called the executive board – initially at the World Bank and then subsequently at the IMF. At the IMF, I was one of the members of the 24-member executive board. In that capacity, I represented 21 sub-Saharan African countries, including South Africa. The shareholders of these institutions are the member countries. All the various countries that have shareholdings in the institution are represented in the board of directors. As mentioned, there are 24 board members in the IMF, and also 24 board members on the World Bank. So, their arrangements for representing their interests are very similar – it's just that these institutions do different things.

In the IMF, the 24 board members represent in total all 184-member countries of the IMF. South Africa is one of those and we have grouped ourselves into a group with 20 other sub-Saharan African countries namely, Angola, Botswana, Burundi, Eritrea, Ethiopia, Kenya, Cambia,

Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Every two years that group elects a representative to represent them on the board. I was appointed as the alternate executive director, from 1998 to 2000, and then from 2000 to 2002 I was elected by the countries as the executive director, a full board member.

BT I thought that board members were politicians? I understand that Trevor Manuel is a member – what is his position?

CR There are two 'boards'. The one is called the board of governors. Each member country has one governor to the IMF and one governor to the World Bank. In most cases the countries arrange for their governor and alternate governor to be the finance minister and the central bank governor. These individuals are members of the board of governors and the board of governors is a 184-member group – one governor per country. It is a large group of people and they meet once a year, at the annual meetings of the (boards of governors) IMF and of the World Bank. Then there is an executive board. The executive board sits in Washington on a permanent basis and it conducts the day-to-day policy-making functions of the IMF. It derives its authority from the board of governors of the IMF.

BT So, you were a member of an administrative executive?

CR Yes, I was a member of the executive board, the organ to which the IMF board of governors has delegated most of its day-to-day functions.

BT How did you get your mandate as an official?

CR I received my mandate by being elected. I was elected by the IMF Governors of 21 sub-Saharan African countries, including South Africa. Some of whom, as I've explained, could be Finance Ministers, but nevertheless, 'Governors' of the IMF, and some will have been central bank governors from these countries. As an IMF executive director, it is these 21 sub-Saharan African countries that I represented. They cast their ballot for me in the election that was held in October 2000 at the annual meetings held in Prague.

BT How did you actually get a mandate for what you do there? How do they ensure that you represent their interests?

The Mandate

CR The mandate is provided in several ways. Firstly, by virtue of the election itself. Secondly, from instructions received from the authorities (central banks and finance ministries) of the countries that elected me. The duties are onerous and require a fully functioning office administration in Washington. For this purpose, the 21-member sub-Saharan African group also elects an alternate board member position; and as executive director I was provided with an excellent team of staff. Through this process, I was effectively asked by these 21 central bank governors and finance ministers to represent all their various interests either individually or collectively. The country authorities would communicate with me on a daily basis to conduct various tasks for them, for example representing their positions in the IMF executive board when seeking debt relief, requesting financing from the IMF or representing the countries during the annual surveillance exercises. The tasks are very wide ranging.

BT Are there collective documents that guide you?

CR When I arrived at the office in the IMF in 1998, there were some guidelines as to what an executive director might be expected to do, but in practice the role and functions of the executive directors change quite significantly over time. For example, during the East Asian crisis in 1997, a great deal of attention and focus was placed on the help of financial sectors and the role of the financial sector in precipitating the macro economic crises, and this then became a very substantial body of policy decision-making work within the executive board.

BT We are told often that Africa does not have a collective voice. Did you feel that you were speaking for Africa or for individual countries?

CR Having been elected by 21 African countries, I made it my job to speak for all of these member countries in the IMF board, both collectively when necessary, as for example in policy making on debt relief, IMF conditionality and other issues on which IMF policies affect our member country interests; and individually, for example when one of the member countries in the group was seeking a financing arrangement with the IMF. The extent to which an African executive board member succeeds in persuading his or her board colleagues depends on the enthusiasm and determination of the office team, the executive director and the alternate. Given the huge scope of work and the fact that country relations with the IMF are often critically important for low-income African members in the IMF, there are effectively two approaches to the job of executive director: one can take one's task, as representing a sort of a relay station between the countries themselves and the institution or one can take a more proactive role, trying to assemble collective views on a whole range of issues of relevance to our members.

I took the proactive route, making sure that all other 23 board members knew and understood that our members had specific views and interests that warranted urgent and ongoing attention. I also took advantage of the fact that the African continent is represented by two executive directors (myself being one of them) on the IMF board. My colleague, representing Francophone African countries, worked closely with me during my four years at the board. As regards collaboration within the 21 member group I represented, through new initiatives in the Washington office, including better use of communications technology to bring the 21 members closer together in terms of information dissemination and sharing of policy positions. Increasingly we were able to stimulate a stronger sense of a common purpose, that this entity which represented almost a half of the African continent could, through its collective voice, have an impact on the board.

For example, during 1998 – 2002, there were many very critical discussions on the HIPC or Heavily Indebted Poor Country debt initiative. I found, when I first arrived in the office, that our chair on the board of executive directors tended not to be well understood and well heard on issues that pertain to debt relief. By putting together very detailed positions for the countries in our group who were candidates for HIPC we actually began to have a stronger voice. By the time my term ended, our group had been able to negotiate the largest share of debt relief among all member country groups (known as constituencies) in the IMF. This was notwithstanding the fact that as a group of 21 countries, of the 184 countries represented there or approximately 8% of the entire number of countries on the board, we had a voting share of only 3.2%. But decision-making tended to be done on a consensus basis and I found that, by assembling a common set of views and putting the arguments in the spirit of a consensus-based corporative institution, we could get our views across.

Consensus

BT You say the IMF is essentially co-operative.

CR Yes. Much of the day-to-day work of the board is conducted on a co-operative basis.

BT Without US dominance – even though they have 18% of the voting power? A veto power?

CR The US has a veto right over a range of decisions on which an 85% majority is needed, but for the bulk of the decisions taken in the board, a simple majority is required. So it is possible to build a consensus among

FABCOS

THE FOUNDATION FOR AFRICAN BUSINESS AND CONSUMER SERVICES [FABCOS]

TURNING THE EMPOWERMENT DREAM INTO REALITY

FABCOS is a voluntary national association of small business people, focusing on the creation of business opportunities and ownership stakes in the South African economy on behalf of its members.

FABCOS was formed in 1988 to focus specifically on bringing entrepreneurs from the informal sector into the mainstream economy.

MISSION STATEMENT

The FABCOS policy initiatives are driven by its mission statement:

'FABCOS promotes the development of black business by striving for the advancement of its members: helping them secure economic empowerment, self-reliance, and respect.

Through active participation in formal business and governmental initiatives, FABCOS campaigns for the continual improvement of South Africa's socio-economic climate for the benefit of its members.

As a means of developing its members to their full potential, FABCOS is committed to the pursuit of education, training, transfer of skills and sound administration.'

INVESTMENTS

FABCOS also participates in large investments on behalf of its membership, thereby ensuring broad-based ownership by small business in the SA economy. Through its investment arm, the FABCOS Trust, FABCOS holds significant investments in the gaming and leisure industries [Tsogo Investments and Luck Holdings], the food industry [Premier Foods] and the training and education industry [the FABCOS Institute of Entrepreneurship].

FABCOS' National Distribution Network makes it a preferred BEE partner for local and international investors in industries where there is a need to reach untapped consumer markets.

Through the utilisation of the FABCOS National Distribution Network of small businesses, goods and services are delivered to communities effectively at competitive prices, whilst creating new jobs and entrepreneurs.

board members – sometimes including the US. I found that much of my work was focused on building the consensus necessary to get the board to cast their votes in favour of the financing programme of a member country.

BT The allegation is often made that this common voice is undermined by interference from the US, but also other G8 powers. Did you find this happening?

CR You raise a crucial issue in understanding power relations among IMF member countries. I found during my time at the Fund that there were two dimensions to this. Firstly, 'influence' in the sense of relative voting power among members. Here, there is clearly a very strong case indeed to improve the voting share of developing countries in the Board and I made this position abundantly clear while at the Fund. In fact this is a theme I am taking up in some further research and writing since leaving the Fund, which I hope will soon be published. The second issue is that of, as you put it direct 'interference' from the large industrial countries. I found less of that, partly perhaps because these countries already have a dominant voting power. This meant that while most decisions are genuinely arrived at on a consensus-based decision-making process, if push came to shove, the larger countries could exercise their dominant voting share to attain a simple majority. This did not happen very often, but when it did, it could occur on some key issues, usually policy-related rather than country-related. Accordingly, there was very strong influence by the G-7. Generally though, in my experience, as regards African issues, it did not extend to 'interference'. I took steps to work very, very closely with my colleague representing the Francophone African countries, and so we effectively combined into a unit of 44 countries, almost a quarter of the board's membership. We would put across common views on a very wide range of issues of interest to sub-Saharan African countries, for example the HIPC initiative. The nature of the facilities provided by the IMF to low-income countries, many of which are sub-Saharan African countries, what is called the Poverty Reduction Strategy Paper, was a common focus. As regards the issues relevant to emerging market economies, I did tend to find a stronger and more vigorous approach by the large industrial countries. This was particularly the case when we dealt with some of the very large financing packages, for example for Indonesia, Argentina, Russia and Brazil.

BT But we are told by finance ministers that these papers, PRSP and so on, are actually drafted mainly by officials of IMF and World Bank and not by those governments. And that they have to conform to structural adjustment programmes and the relevant conditionalities. That, in fact, the whole process is driven by officials and based on the Washington Consensus. Is that impression wrong?

CR I think the impression may have been accurate in the past. I think it is changing quite considerably, and particularly I would say in the last three years. Again, my comments are focused particularly on the 21 countries I represented, rather than on the overall membership of the IMF. There have been some important recent policy developments in the fund and the World Bank. In the fund we had some very critical policy discussions on matters pertaining to low-income countries during my term as executive director. Some of these, for example, were the framework decisions on the HIPC initiative itself, and there our chair and the Francophone African chair had a lot to say about the terms on which the HIPC relief was provided. I can't say that everything that we put forward was accepted by the board members, but a lot of the issues that we raised were accepted at the time that the key discussions took place and then progressively as the HIPC initiative unfolded.

Bear in mind, of course, that the combined votes of these 44 sub-Saharan African countries was 4.4%. Our group was by far the larger of the two groups, with 3.2% of the total voting power; the other large group of African countries had a very, very small 1.2% of total voting power. I think we probably extracted benefits through that process of co-operative dialogue in the board, probably in excess of what our shareholding might have expected us to obtain.

Reforms in the IMF

BT So, the allegations of dominance from Washington and the priority given to the Washington Consensus are overstated?

CR Yes, they are overstated in the context of low-income countries and particularly sub-Saharan African countries, particularly in the context of recent policy developments and reforms within the IMF. It is overstated because the nature of the challenges that these countries face are altogether different to the kinds of challenges that, for example, emerging markets and the advanced industrial economies have.

BT So, are you saying they are more generous in relation to LDCs and Africa?

CR My experience was that the large industrial countries tended to be much more generous in terms of flexibility in policy conditionality, than in the case of the programmes negotiated by the large emerging market economies. For the low-income members, I think they have become a lot more sensitive than they were before. We had a very major discussion on conditionality in the fund, that it was not justified in terms of either the programme contents, or in terms of the administrative capacity of these countries to actually discharge their commitments. It was conclusively found that conditionality had been excessive. This discussion took place over approximately 18-months and it concluded in the first quarter of last year.

BT Is this co-incidental with the departure of Michel Camdessus, the previous managing director?

CR No, he had started the process of reviewing conditionality and it developed very significant momentum when the new managing director, Horst Kohler, came in. He instructed his staff to pay very close attention to conditionality, pending the conclusion of this review. At the end of the review, during Mr Kohler's term, the management of the IMF issued a guidance note to the staff of the Institution. The guidance note, which was a form of operating instruction to the IMF staff in the field, said that there is a need for parsimony in the application of conditionality; and that there is a need for focusing conditionality in the core areas of the IMF's work and in the IMF's mandate, which is drawn from the Articles of Agreement of the IMF.

BT Can you set out what the core areas are?

CR They are attuned to the broader issues of macro economic management, financial stability and exchange rate management. Regarding the application of IMF conditionalities, I found that they varied both in scope and content. Some were standard forms of IMF conditionality, while many tended not to be 'off the shelf' conditionalities – they were tailored to specific country circumstances. This is something I found revealing when I came into the IMF, as I had thought that conditionalities were very standardised, both in form and in content.

One Medicine?

BT We used to talk about one medicine for all.

CR In fact, I found conditionalities varied quite widely across my 21 member countries. Of course there are certain generic categories of conditionality – associated with good fiscal management, for example, budget deficit levels and so on. But the same figures would not be used as a standard by which to judge or to impose conditionality on every country.

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The review of conditionality I mentioned earlier was of critical importance to low-income countries. The outcome of the review greatly benefited these countries. Non-core conditionalities must now be explained by the IMF staff if they wish them to be included. So the board has an opportunity before it decides on the programme to review the content of the conditionality that is embedded in it. In the past it was the other way around. All the conditionalities were included and it was left to the country, through its executive director on the IMF board, to challenge why some conditionalities were being included. Now, if a conditionality is to be included in a financing programme supported by the IMF, if that condition is not part of the core area of mandate of the IMF, the staff of the IMF are required to explain in the programme documentation why they have included such a conditionality.

Quite aside from all of this, there is always scope to negotiate the extent of conditionality. In a large part, though, this depends on the negotiating ability of the country. For example, assume that country X enters into a financing programme with the IMF. The IMF staff say we would like to propose a conditionality that the budget deficit should be 3%. Now the member country objects because the IMF accepted a budget deficit of 5% in another country. That issue becomes the subject of negotiation by the staff and the member country itself, and it would not automatically mean that the 3% level proposed by the IMF staff would prevail.

BT Who decides if there is a conflict?

CR Usually at the end of it all, a consensus emerges. I have participated in a number of these negotiations and have found that often trade-offs were embedded in the whole arrangement. Sometimes a country would concede on a particular issue, but then if it was astute in negotiating it would open the discussion on another issue and extract a concession there. In many cases the conditionalities are inter-linked so that the increase in one conditionality may almost automatically cause the reduction in the relevant variable in another conditionality.

BT Let's turn to this question of capacity. We are often told that the staff at the IMF and the Bank are so sophisticated that there is no way that a developing country in Africa can keep up. So are these negotiations real?

CR The imbalance is very significant indeed in the case of many, many sub-Saharan African countries. There is an acute lack of capacity in macro-economic management and public sector financial management, and this is a very real challenge that these members face. Some countries are very strong performers – Mozambique has very astute negotiating skills. They have had a financing programme with the IMF for a long time. There are others which negotiated very, very strongly and effectively and extracted, in my view, many concessions from the staff of the fund and these would include countries like, for example, Tanzania and Uganda, because of their negotiating acumen and also because of their years of very strong economic and financial performance. And then there are a number of countries where negotiating capacity is very limited.

BT So what happens there? Do they lose out? Do the staff members impose?

CR I would say that the negotiation ends up with programme conditionalities which are very difficult to discharge on the side of the countries. But, for the countries I represented, I never found a situation where the conditionalities were simply impossible to discharge. As executive director representing the countries I would never have accepted such an outcome. The conditionalities are proposed by staff of the institution. A country comes to the fund and says I request a facility from you, I request money from you and, usually, because of the nature of the IMF, when a country comes to the fund that is usually because it does not have many other sources of access to international capital. And so it requests a facility and the facility is provided from finances of all the other members.

The IMF, as what is commonly understood as a credit union in a sense, does not go outside to borrow the money. That pool comes from the quota which is the shareholder contributions of the member countries, so in other words it is not coming, say, from a commercial bank. So because of that, because of the fact that it operates as a credit union, when the executive board of directors has a discussion on a particular arrangement, those members of the board that are creditors have a very keen interest in ensuring that the money that is lent to a member is going to be repaid, because it is their own shareholders that are providing that money, and so comes into being a conditionality that is really the terms and conditions of a financing facility.

BT You are giving me the impression that it is a totally financial arrangement. Our understanding is the conditionalities are very political.

CR I found that the very large bulk of conditionalities in the time that I was at the fund were explicitly economic variables, and it was in those areas where it was not clear that a conditionality was imposed within the core areas of the fund's mandate, that issues such as political conditionality and this discussion arose, and it is precisely in that area that this review of conditionality has helped clear some of the air. For example, in the past, there would have been conditionalities quite unrelated to the core work of the fund and really quite unrelated to anything that one could imagine would be critical to the outcome of an IMF programme. With these new conditionality guidelines, the chances of that happening now are much diminished.

BT Why is that? You are giving an impression of a world which is becoming fairer. The IMF is seen as the ogre of the world financial system. Yet you are giving an impression of fairness, of multi-lateralism?

The Success Rate

CR I understand the question. I think there are good reasons why the changes that I am describing have been under way. I think one key impetus is that the past track record of programmes was that the success rate was not particularly high.

BT Are you not being a bit polite when you say it was not really high. I mean, many economists will say that the failure rate, both in the IMF and the World Bank, is very high?

CR Well, I developed a habit while I was at the fund of not over-generalising and trying to focus on specifics. I don't recall finding an entire programme which could be described as having not succeeded. This is because any fund programme has so many diverse elements. There were elements of institution building, there were elements of fiscal discipline, there were elements of a capital account liberalisation, there would be structural elements in the programme – some would work, some would not work. By and large one may be able to come to a judgement on a particular programme. But I feel that it was to a large extent in recognition of the need to improve the success rate that some introspection started taking place.

BT So, you are saying, in the IMF there is a self-correcting capacity and a self-improvement capacity. Is the United States, by virtue of its large stake and its veto power, able to direct and

command this kind of process?

CR The US is a very significant voice in the fund. I did not feel that it had the kind of capacity that you mentioned – 'direct and command'. I didn't find that. It certainly was very clear about its positions on a whole range of issues and extremely well prepared on those positions. It certainly possesses a veto power over the major decisions – those requiring an 85% voting majority. And it was certainly able to mobilise support in favour of the positions it supported, particularly from the other G-7 members, but also often from debtor members of the IMF. As an executive board, though, members are influenced in their decision-making by the instructions they receive from the members that elect them. In many cases individual board members would feel quite free to say – we do not agree with an issue or conclusion in the staff paper, we don't agree with that position, for this, that or the other reason.

Often, this is because the nature of programmes in each case is so complex and there is so much detail, and there are so many aspects of the programme of varying degrees of interest to different board members. But that would not lead that particular board member to decide to abstain or not to vote in favour of the programme. It would be most unusual to find a situation where consensus was not able to be built up on a key decision such as whether to approve a programme or not. I am talking now of low-income countries. In the case of some of the very large-scale transactions which every board member has a responsibility to examine and to come to a decision on, it may be different. Perhaps there are greater prospects that a fundamental difference of opinion will emerge during a board discussion. It could be that a programme with a very large-scale, financing component, could succeed or fail in the short term; and as board members, we expressed our views on these issues. Now, those programmes, which required multibillion-dollar funding support to address immediate short-term balance of payments needs, are different from the kinds of much more structurally oriented programmes that most of the member countries I represented were engaged in. So, I tended to find more acute differences of opinion with some of these emerging markets economies that were taking financing from the IMF, rather than from the lower-income member countries.

Types of Financing

BT Let's be clear – financing has always been a loan – not a grant.

CR In the fund there are two major types of financing instruments. There are a number of other smaller ones but the two mainstream ones are firstly, a financing instrument on highly concessional terms for low-income countries; and secondly, a more regular facility, which is made available to countries other than low-income countries. These regular facilities are the standard IMF financing facilities and they are based on an interest rate based on what is called the SDR rate. The SDR is a unit of currency of the IMF and it is linked to a basket of currencies and the lending rate there is some percentage of the SDR rate.

BT But it could change? You could borrow at a lower rate and then find yourself trapped.

CR It could change.

BT And leave a huge debt?

CR It is unlikely, for two reasons: firstly, in recent years the variation in the SDR rate has been low; and secondly, the quantum of financing that a country which comes to the IMF for regular funding borrows from the IMF tends to be low in relation to its total external borrowings. The situation is different for the low-income countries, for whom the IMF often represents a major external creditor. However, for low-income countries, such as those I was representing, that loan is provided at a 0.5% interest and over 10 years. So, in my case, of the 21 countries I represented, 18 had financing arrangements with the IMF. These were all based on the low-income, concessional facility. Note that not all countries that have financing arrangements were paying interest. Most were, because they were current, or up to date with their repayments to the IMF. But some had gone into arrears.

BT And when there is an arrear, they go to the Paris Club for rescheduling, or what?

CR It depends whether they are in arrears to other organisations. It would be most unusual but, had they been in arrears only to the IMF, they would simply have a dialogue with the IMF about how to exit from the arrear situation. But in reality, a country that's in arrears to the IMF would, in practice, also typically be in arrears to all other official creditors or to many other official creditors, and would certainly be going to the Paris Club for negotiations. And then the kinds of questions you raised about capacity to negotiate, again, become very important.

BT What would you say about a country like Nigeria which has an external debt of US$30-billion, and where the external revenues cannot cover it? They are on a downward spiral.

CR The objective of the Nigerian authorities in a situation like that would be, of course, to secure a rescheduling in terms of the Paris Club arrangement. I should mention, of course, that Nigeria particularly is certainly in excellent status, in terms of payments due to the fund. There is also what is called a precautionary arrangement. It is an arrangement between a member country and the IMF, which says that should the country be required to call upon the fund, then the fund will provide such and such a facility – quantum of money – if it is required by the country. In the meantime, here's a three-year arrangement, a three-year programme of policy reforms which we would recommend. Incidentally, we have been talking about one of the major functions of the IMF. But there are actually three: one is financing, which is where all the discussion we have had about conditionality, terms of loans, leverage of large shareholders, etc, comes in. The second major function is surveillance, and the third is technical assistance.

Surveillance is Worldwide

BT Surveillance is under Article 4 of the Constitution?

CR Exactly. Surveillance is really a full diagnostic, by the staff of the IMF, of the macro-economic position, including the balance of payments position – the external position – of the member country. There is sort of a club arrangement in the fund. Each member examines its own and everyone else's external position to make sure that the world economy is well managed. Where there is scope for improving the conduct of policy in any one of the member countries of the club, a vehicle to express that was created and that was Article 4 of the articles and agreement of the IMF, which mandated the staff to go to every single country and perform a surveillance exercise. Now that surveillance exercise is performed across the entire membership of the IMF. For example it is performed for the US economy; and it is performed for the smallest economies in the world.

BT In Africa, many countries are very resentful of these surveillance reports, partly because they are confidential.

CR What happens is that staff members come and conduct a very wide range of interviews, with public finance officials, with the private sector commercial banks, and a whole range of society participants. They then

put together a report which is sent to the management of the fund, and to the board for discussion under Article 4.

BT What about the sovereignty of the country concerned?

CR Well, each one of the members of the IMF is subject to Article 4.

BT Do they have a choice?

CR There are two countries that are not members of the fund. I think they are Cuba and North Korea. The reports can be made public on a voluntary basis, that is, with the consent of the member countries, and increasingly in the last three or four years, many countries have released their Article 4 reports.

BT There's a name for it.

CR There are three documents, one of which you may be referring to: firstly, the annual surveillance report for the country, mandated by Article 4 of the articles of agreement. Then there is a document which used to be called the recent economic developments report – it's like an appendix to the report which covers some topics. It is now called a selected economic issues paper. Then there is a short public statement issued once the executive board has completed its discussion. This is called the public information notice. It is a three or four page document and it comes out after the relevant board discussion. Your earlier question about the confidentiality of reports is probably about the Article IV surveillance report. In recent years this issue has also changed, as many more member countries are now giving their consent for the surveillance report to be published. In my time at the fund, for most of the surveillance reports, while there were detailed analyses of policies, I didn't really find there were items of utterly critical secret importance.

BT If a country is short on reserves, they have to divulge that and that could affect their ratings. It could affect everything.

CR To address this concern, there is a policy agreed to by the executive board, called the deletions policy. This policy provides the opportunity for certain aspects of the surveillance report to be deleted or modified, before it is presented to the public. The deletions policy applies precisely to market-sensitive information and focuses on matters that could affect markets, for example the estimations by the central bank on what the level of the currency may be in future, or the level of reserves, or for example any targets which it may have set in the conduct of its monetary policy, which it would not be willing to divulge to markets. In practice, I found that deletions policy was not regularly used and when it was, it tended to be a matter of deleting or modifying a few lines in the entire report.

BT Do the rating agencies get access to these things?

CR Once they are published, certainly everyone gets access. But at that time, the market-sensitive information would have been removed.

Bt Not before?

CR No, not to my knowledge. If they are, it is because of some misconduct, but in terms of policy of the fund, no one would have access to it, except staff of course, management, the board and the member country concerned. Now, in terms of the content of these reports, I found them to be really quite excellent. I have to say this: they were superb quality reports in terms of a diagnosis of the strengths, weaknesses and risks in a member country's economy, and I found increasingly over time, that the quality of sensitivity to the reality and the challenges of the administrative capacity and institutional capacity challenges in the member country, increased quite significantly. Many of these issues were settled in the day-to-day conduct of my work. I felt that many of these issues were actually being addressed.

On a related issue, I was concerned when I started in 1998 at the prospect of staff arrogance, particularly in the types of low-income countries I represented, where there was limited negotiating power and limited technical capacity. It was a real concern, as some of the member countries I was elected to represent have expressed some or other disenchantment regarding staff. I closely followed this issue in regard to staff visits to the 21 member countries during my term. Over time, as the sensitivity of the institution itself increased, this concern significantly diminished. I can't say there's not a single person in the fund who is not arrogant, but the rank and file, the vast majority of the staff that I dealt with did not exhibit that kind of attitude.

BT So, when Joseph Stiglitz accused economists in the fund of being third-rate academics from Harvard, you wouldn't agree?

CR I must say I wouldn't agree with that.

Regional Surveillance in Africa

BT You were talking about three functions.

CR Sure. The one is financing, the second is surveillance, and that largely happens through what is called Article 4. There is another aspect of surveillance, which is global surveillance. Here the IMF produces a report called The World Economic Outlook, examining the economic prospects for the global economy and highlighting in some detail, prospects and vulnerabilities in specific regions. This report is certainly extensively examined, for example, by rating agencies, who use the report as part of their analysis when tracking trends in the global economy. Some increasingly very useful analysis is being produced in those reports.

Then there is also, in some cases, regional surveillance. That is a surveillance report produced by the staff on say, a regional grouping. For example, in West Africa there is the West African Economic and Monetary Union. The member countries of the union have consented to the IMF staff providing a surveillance report for their benefit on the member country of that region. Regional surveillance exercises are conducted on a request basis, and other regions could request such an exercise, as some of them do.

The final major function that the IMF conducts is the provision of technical assistance. I must say, when I went into the fund I was most sceptical about the possibility of these people in Washington being able to provide expertise and assistance that could be valuable to the conditions in low-income country members. I found, however, that the fund, as with the World Bank, has become a repository of a great deal of know-how. Recall that the bank and fund are engaged on an ongoing basis with all of their member countries, and so they have a unique ability to extract lessons of best and worst practice across the world. I found that this is a very valuable component in the technical assistance that was provided.

BT Some people say this knowledge is used for interference?

CR I did not find it that way.

BT What is the quality of the staff – would you say they're very professional? Not Euro-centric or US-centric?

CR The staff operate in both functional and area departments. The area department that I dealt with the most was of course the African department. I didn't find staff in the African department to have any of those kinds of qualities. They were very professional and very, very

focused on the challenges in African member countries. They are clearly trying to bring to bear the knowledge that they are learning from the various countries they are dealing with and trying to see what relevance there is for the other member countries. It may be the case that in other area departments they confront the kinds of difficulties that you mention, though I'm not aware of it. I didn't find it in the case of the African department. What I would have liked to have seen more of, was the ability to try to extract some of the lessons of best practices from other regions, and bring them into the ambit of the African department. In the last two years, that process really developed a lot of momentum, and we started seeing more detailed comparative information being produced, of use and relevance to African members in the IMF. One outcome of this was the revelation that the track record of reducing inflation in member countries in sub-Saharan Africa, deficit reduction and the extent of capital account liberalisation in African countries, was actually more consistent than that in some of the other regions, because many of these countries have been in a structural adjustment framework for a long time.

Some SAPs did not Work

BT Let me be frank. The overwhelming literature in Africa says structural adjustment is responsible for the poverty in Africa now. You wouldn't accept that?

CR I think it is a generalisation. I think there are clearly many examples of aspects of some former structural adjustment programmes which may have been proposed by the fund in the past which simply did not work. These aspects include, for example, the wholesale privatisation of entities without thought to the market value, without thought to the employment consequences, without thought to the market conditions in the privatisation taking place, or without thought, for example, to the likelihood that it would simply transfer the public monopoly to a private one. I think these were mistakes that certainly have been made in the past. And they had significant consequences for the member countries. I was fortunate to benefit from an environment when I was there, where many of these issues were under intense scrutiny, precisely because some approaches had been wrong and were changing; and I found, for example, that the quality of the programmes coming forward in the member countries I was representing, was certainly qualitatively different from the programmes that those very same countries may have entered into five or six years before. So I left with a twinge of optimism.

BT Well, that's very encouraging.

CR In the case of sub-Saharan African countries I think these institutions are certainly embarking on a path which is changing. But there are also major challenges ahead. There are critical challenges for these institutions in trying to lead a new process of debt relief for the heavily indebted poor countries. That is absolutely critical. And I think there are many unresolved challenges, which will determine whether these institutions have worked or not for Africa in the future.

How the Bank and fund Differ

BT How do the bank and fund differ?

CR Well, they deal with different sets of challenges in the economies of the member countries that they work in. The bank tends to deal much more with structural and longer-term issues. The bank also has, aside from structural adjustment-type facilities which are broader macro-related facilities, individual project financing.

BT So the bank deals in structural issues as well as projects, because most people think it is only projects?

CR No, they deal with both. For example, the bank would provide funding for a specific education project, or for a water project. It could also lend for the purposes of improving education policies, or policies dealing with water delivery in the country. The fund focuses much more acutely on macro economic policy management, and on the conduct of balance of payment policy, exchange rate policy and management of member country reserves. It is really a core point, as it were, that a member country expects to come to the fund when it has a balance of payments need. That issue has evolved over time and the fund is involved in countries where it is not a short-term balance of payments need but a longer-term one because of the structural challenges in the economy.

BT I am trying to distinguish projects from bigger lending.

CR As mentioned, the bank will also lend, not only for a specific project in a sector, but also for the development of policies in those sectors. In addition, the bank provides certain grants. The fund does not provide grants; it provides the 0.5% interest loans I mentioned earlier, or the regular IMF financing facilities. It also provides some very large-scale financing. There were several such instances throughout my term, involving multibillion-dollar packages, and in each instance each board member would have to decide whether or not to cast his or her vote in favour of the package. There is a common area on which the two institutions both work, and where there is overlap, and where there have in the past been questions about which institution takes the lead, and this is financial sector development. Here, issues such as financial sector stability, the shorter-term issues associated with the stability of a financial sector – its regulation, the supervision component of it – tend to take place in the fund. Central bank-type issues tend to be dealt with much more in the fund.

There is an exercise which is jointly conducted by the World Bank and the IMF called the financial sector assessment (FSA), where a joint mission comes to a country and then does a very comprehensive study on the integrity of the financial system of that country. These studies are done purely on a voluntary basis, on application by the relevant country. This is different from the Article 4 surveillance exercise, which is mandated by the Constitution. By contrast, this is a voluntary exercise where a member country says – 'can you please come to our country and do this exercise for us', and that report is confidential and it is not published. At the time I was leaving the board, we were discussing the modalities for publishing these reports, again with the consent of the member countries concerned. They are high quality reports. They identify the kinds of risks that the financial authorities in the member countries benefit from understanding; and sometimes they alert the authorities to risks that they may not be aware of.

BT Have they done anything like this in South Africa?

CR Yes. They did do an FSA in South Africa.

BT Just return to the difference between the two institutions, because I have been to meetings with senior people in the bank who have said: 'We are quite separate and we are quite different from the fund'. And yet you indicated correlation and co-ordination; we know they have annual meetings together. Are they separate or are they umbilical twins?

CR They are linked institutions. They are certainly separate in terms of decision-making, in terms of the government structures, the boards. They share a common shareholding because the same 184 members in the bank are 184 country members in the IMF, but they have separate staff complements. But each one focuses on its own specialised areas.

BT But I have been told that the bank will not finance a programme unless the fund says that they have observed the structural adjustment programme?

CR I have often found that when a country matter was coming to the

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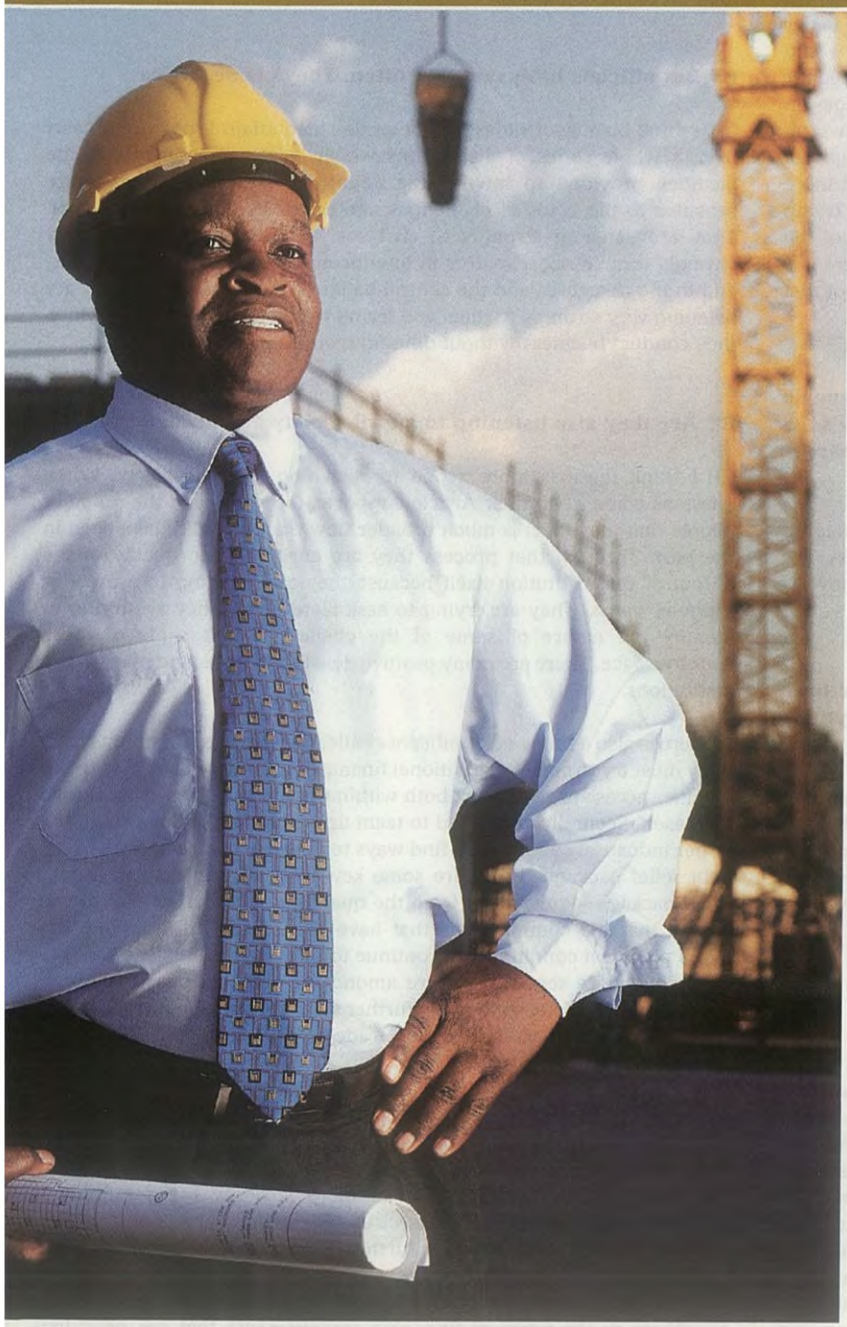

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board, that the fund board met first and then subsequently the bank board met. I don't know whether there was a trend in that. But I did not find a veto, as it were, from the fund. There are, however, some policies, such as the HIPC debt relief initiative, where granting debt relief is contingent on the approval of the executive boards of both institutions. That said, the fund has a much harder job to persuade anyone as to its concern for poverty, because the fund's focus is very much on macro issues and the bank's focus is very much on the long-term institution building issues which are more visible elements of a country that is stricken by poverty. My term at the board coincided to a large extent with the arrival of the new managing director. I found that a concern with poverty and a strong focus on sub-Saharan African poverty was a major driving force in the way in which the MD conducted his work. He would regularly alert staff, his management team and the board, of the need for the fund to become more sensitive and more attuned to the challenges on the ground, the need for staff to step back, and not force views on member countries, but to rather listen. He took extraordinary steps, all through the time I was there, to redirect the energy, to channel it more strongly into assessing institutional capacity constraints, and then trying to marry the skills and resources, and comparative advantages of the fund, with the realities on the ground. So I wouldn't say that there is a difference in the concern for poverty. It's just that the expression of that concern is channelled in different ways.

BT If the bank is lending money to a poverty programme in Africa its concern is with efficiency. If the IMF is concerned, its concern is macro stability, so therefore it would have the harder face of the two.

CR By virtue of its mandate it would have to be perceived as the tougher one, yes, because it is dealing with a different set of policy matters. The reality though, is that both are critical to a good turnaround in poverty levels.

BT South Africa has not borrowed substantially, but has been assisted with technical agreements. Are you able to say anything about that?

CR I can say, in general, that the relationship with both institutions was excellent. There is mutual respect for the skills and understanding on both sides. Bear in mind that South Africa was re-entering the board of the institution after a long absence. We were not members of the board prior to the time when I served there, since the 1980s, because of apartheid.

SA is Influential

BT Would you say South Africa is influential?

CR Yes, I think South Africa has a strong influence in both the bank and the fund. The institutions regard South Africa as a model of how a significant transition can take place in a stable environment and how major structural transformations can be accomplished in a consensual way. They also perceive South Africa to be a very sound model for rectifying poor public finance management – not simply in the short term but by embedding longer term institutional arrangements which can preserve the gains as they go, for example, the institutional medium-term expenditure framework that we have here, including multi-year budgeting. These are all institutional elements which I think are very well regarded by the institution. And this is in the context of South Africa having a voting share of less than 1%.

BT How do the fund and bank respond to hostility in the external environment?

CR The way they should respond is to listen very carefully to the nature of the criticism and see to what extent they can address those criticisms. I think that in the most recent period the institutions have done a better job of listening and a reasonable job implementing the findings. I took great heart from the outcome of the conditionality discussion. That was a discussion in the fund which could have gone the other way, which could have said: 'No, the reason for failure of these programmes is not because of excessive conditions, it is because of a lack of commitment by the member countries themselves'. But it went the other way and the shareholders and the institution accepted that conditionalities had been excessive, unnecessary and in many instances had failed to accomplish their intended objectives.

BT But officials have said that often. They blame Africa.

CR I think blameworthiness is not a one-sided affair. I took great heart from a whole series of discussions which led to amendments to the facilities provided to low-income countries – to make them more sensitive to the kinds of challenges and priorities that need to be set. They are listening strongly to civil society criticism. Listening very strongly to their shareholders in low-income countries, to the officials, and to the treasuries and the central banks of these countries. They are listening very strongly to them and trying to adjust the manner in which they conduct business without diluting their message.

BT Are they also listening to a civil society and academics?

CR I think there is more scope for listening to civil society. When missions come to do their Article 4 reports, the scope and the range of people that they meet is much broader now than it would have been in the past. Through that process they are enriching the quality of the output of the institution itself because they are listening to a broader range of views. They are trying to assimilate them. They are trying to identify the nature of some of the challenges that some of these countries face. There are many positive developments taking place in the institutions.

There is also a range of significant challenges that the institutions face. They must try to catalyse additional financing into these countries to see whether access to resources, both within the fund and the bank, can be increased. Secondly, they need to team up with other key players in the larger industrial countries, to find ways to improve the framework of the debt relief package. There are some key challenges in the HIPC debt relief package – quite aside from the quantum of resources. Thirdly, to ensure that the commitments that have been made in improving the IMF's policy on conditionality continue to be implemented; and that the changing, more sensitive culture among the staff becomes the norm. Fourthly, the IMF needs to apply further stronger pressure on the larger industrial countries to change their trade practices.

This is not a mandate of the fund, but we have recently had very encouraging papers coming from the staff of the fund about the impact of trade distortions on loan countries and the very contradictory implications of these distortions on IMF programmes in developing countries. The institution needs to more strongly bring out these revelations in the surveillance exercises with the fund and in other policy papers. Fifthly, the need to further strengthen support to New Partnership for Africa's Development (NEPAD). Very considerable support can be provided in all three areas in the case of the fund – more sensitivity to the types of financing arrangements that are provided; consideration, for example, of a regional type of financing arrangement; strengthened surveillance; and increased technical assistance when applied for by African member countries. This would depart significantly from the mainstream work of the fund but it is vital for our future.

BT Thank you for a most comprehensive briefing.

PPASA

PPASA TACKLES THE HIV/AIDS CHALLENGES

LEADERS IN SEXUAL AND REPRODUCTIVE HEALTH INTEGRATE HIV/AIDS INTO THEIR RANGE OF PROGRAMMES

ABOVE: Members of the PPASA Women's Wellness Programme in Khayelitsha wear Xhosa attire they made in their sewing project. BELOW: Peer educators discuss sexual and reproductive health issues including HIV/AIDS at a national conference.

The Planned Parenthood Association of South Africa (PPASA), the country's largest and oldest non-governmental organisation working in the field of sexual and reproductive health, has integrated HIV/AIDS training into all its programmes, based on its successful youth model.

From a youth centre in Acornhoek to a sex workers peer counselling group in Cape Town, HIV/AIDS prevention, peer counselling and training are part of a holistic approach to seeing HIV/AIDS as a community concern including youth, parents, teachers, health workers, faith-based organisations and government departments.

As a pioneer in providing youth information centres, PPASA recognised the need to provide sexual and reproductive health services, specifically for young people. PPASA has developed its adolescent-friendly clinics, peer education programmes and educational workshops into a nation-wide adolescent reproductive health service involving community-based youth centres in each province. These centres now provide computer training, entrepreneurial skills development, sports and recreation and soon to be rolled-out HIV voluntary counselling and testing services.

Lerato Louw, a peer educator in Kimberley, Northern Cape, said: 'The PPASA peer education programme has given me the opportunity to work in my community; to encourage the youth to make informed choices, share responsibilities and to be positive about their sexuality.'

Using this experience of developing relevant and targeted sexual and reproductive health services, PPASA is leading the way in a number of other life skills programmes that integrate the huge range of challenges associated with HIV/AIDS. These programmes, often conducted with partners such as provincial departments of heath, NGOs, or donors, are specially designed for women, men, school learners, parents, refugees, workers and groups at higher risk, such as commercial sex workers and truck drivers.

Men As Partners

For many years, campaigns around sexual and reproductive health, HIV/AIDS and gender violence focused on empowering women. As important as this work is, very often the people who need the information just as much, if not more, than women - the men - were left out.

Men As Partners (MAP) is a PPASA programme that aims to change that by bringing men on board through specially designed education and training programmes. MAP reaches out to men and women in communities on issues including gender equity, reproductive health, relationships, HIV/AIDS, sexually transmitted infections (STIs), domestic violence and sexual violence. MAP also uses life skills workshops, professional training and educational materials to create awareness and facilitate attitudinal and behavioural change among programme participants.

PPASA is the largest and oldest South African NGO in the field of sexual and reproductive health. It is affiliated to the International Planned Parenthood Federation (IPPF), which works in more than 180 countries around the world. Now over 70 years old, PPASA has developed innovative programmes including:

- Adolescent Reproductive Health Services
- HIV/AIDS Workplace Training
- Groups at Higher Risk
- Men As Partners
- Life Skills Programmes for Schools
- Parent Education Programmes
- Refugee Life Skills
- Teen Parenting
- Women's Wellness

PPASA has a large network of dedicated staff, volunteers and peer educators who work in communities, clinics, youth centres and offices, and on projects in all nine provinces. For more information, contact Martha Molete at (011) 880-1162 or email martha.m@ppasa.org.za or see our website www.ppasa.org.za

PPASA has centres in rural communities such as Nhlangwini, KwaZulu-Natal, pictured here.

INSTANT-MIX IMPERIAL DEMOCRACY (BUY ONE, GET ONE FREE)

BY ARUNDHATI ROY, A BOOKER PRIZE WINNING NOVELIST AND INDEPENDENT ESSAYIST AND ACTIVIST.

Presented in New York City at the Riverside Church Sponsored by the Center for Economic and Social Rights 13 May 2003

In these times, when we have to race to keep abreast of the speed at which our freedoms are being snatched from us, and when few can afford the luxury of retreating from the streets for a while in order to return with an exquisite, fully formed political thesis replete with footnotes and references, what profound gift can I offer you tonight?

As we lurch from crisis to crisis, beamed directly into our brains by satellite TV, we have to think on our feet. On the move. We enter histories through the rubble of war. Ruined cities, parched fields, shrinking forests and dying rivers are our archives. Craters left by daisy cutters, our libraries.

So what can I offer you tonight? Some uncomfortable thoughts about money, war, empire, racism and democracy. Some worries that flit around my brain like a family of persistent moths that keep me awake at night.

Some of you will think it bad manners for a person like me, officially entered in the Big Book of Modern Nations as an 'Indian citizen', to come here and criticise the US government. Speaking for myself, I'm no flag-waver, no patriot, and am fully aware that venality, brutality and hypocrisy are imprinted on the leaden soul of every state. But when a country ceases to be merely a country and becomes an empire, then the scale of operations changes dramatically. So may I clarify that tonight I speak as a subject of the American Empire? I speak as a slave who presumes to criticise her king.

Since lectures must be called something, mine tonight is called: Instant-Mix Imperial Democracy (Buy One, Get One Free).

Way back in 1988, on July 3, the USS. Vincennes, a missile cruiser stationed in the Persian Gulf, accidentally shot down an Iranian airliner and killed 290 civilian passengers. George Bush the First, who was at the time on his presidential campaign, was asked to comment on the incident. He said quite subtly: 'I will never apologise for the United States. I don't care what the facts are.'

I don't care what the facts are. What a perfect maxim for the New American Empire. Perhaps a slight variation on the theme would be more apposite: The facts can be whatever we want them to be.

When the United States invaded Iraq, a New York Times/CBS News survey estimated that 42% of the American public believed that Saddam Hussein was directly responsible for the September 11 attacks on the World Trade Center and the Pentagon. A news poll said that 55% of Americans believed that Saddam Hussein directly supported Al Qaida. None of this opinion is based on evidence (because there isn't any). All of it is based on insinuation, auto-suggestion and outright lies circulated by the US corporate media, otherwise known as the 'Free Press', that hollow pillar on which contemporary American democracy rests.

Public support in the US for the war against Iraq was founded on a multi-tiered edifice of falsehood and deceit, coordinated by the US government and faithfully amplified by the corporate media.

Apart from the invented links between Iraq and Al Qaida, we had the manufactured frenzy about Iraq's Weapons of Mass Destruction. George Bush the Lesser went to the extent of saying it would be 'suicidal' for the US not to attack Iraq. We once again witnessed the paranoia that a starved, bombed, besieged country was about to annihilate almighty America. (Iraq was only the latest in a succession of countries – earlier there was Cuba, Nicaragua, Libya, Grenada and Panama.) But this time it wasn't just your ordinary brand of friendly neighbourhood frenzy. It was Frenzy with a Purpose. It ushered in an old doctrine in a new bottle: the Doctrine of Pre-emptive Strike, aka The United States Can Do Whatever The Hell It Wants, And That's Official.

War Against Iraq

The war against Iraq has been fought and won and no Weapons of Mass Destruction have been found. Not even a little one. Perhaps they'll have to be planted before they're discovered. And then, the more troublesome amongst us will need an explanation for why Saddam Hussein didn't use them when his country was being invaded.

Of course, there'll be no answers. True Believers will make do with those fuzzy TV reports about the discovery of a few barrels of banned chemicals in an old shed. There seems to be no consensus yet about whether they're really chemicals, whether they're actually banned and whether the vessels they're contained in can technically be called barrels. (There were unconfirmed rumours that a teaspoonful of potassium permanganate and an old harmonica were found there too.)

Meanwhile, in passing, an ancient civilisation has been casually decimated by a very recent, casually brutal nation.

Then there are those who say, so what if Iraq had no chemical and nuclear weapons? So what if there is no Al Qaida connection? So what if Osama bin Laden hates Saddam Hussein as much as he hates the United States? Bush the Lesser has said Saddam Hussein was a 'Homicidal Dictator'. And so, the reasoning goes, Iraq needed a 'regime change'.

Never mind that 40 years ago, the CIA, under President John F. Kennedy, orchestrated a regime change in Baghdad. In 1963, after a successful coup, the Ba'ath party came to power in Iraq. Using lists provided by the CIA, the new Ba'ath regime systematically eliminated hundreds of doctors, teachers, lawyers and political figures known to be leftists. An entire intellectual community was slaughtered. (The same technique was used to massacre hundreds of thousands of people in Indonesia and East Timor.) The young Saddam Hussein was said to have had a hand in supervising the bloodbath. In 1979, after factional infighting within the Ba'ath Party, Saddam Hussein became the President of Iraq. In April 1980, while he was massacring Shias, the US National Security Adviser Zbigniew Brzezinksi declared: 'We see no fundamental incompatibility of interests between the United States and Iraq.'

Washington and London overtly and covertly supported Saddam Hussein. They financed him, equipped him, armed him and provided him with dual-use materials to manufacture weapons of mass destruction. They supported his worst excesses financially, materially and morally. They supported the eight-year war against Iran and the 1988 gassing of Kurdish people in Halabja, crimes which 14 years later were re-heated and served up as reasons to justify invading Iraq. After the first Gulf War, the 'Allies' fomented an uprising of Shias in Basra and then looked away while Saddam Hussein crushed the revolt and slaughtered thousands in an act of vengeful reprisal.

The point is, if Saddam Hussein was evil enough to merit the most elaborate, openly declared assassination attempt in history (the opening move of Operation Shock and Awe), then surely those who supported him ought at least to be tried for war crimes? Why aren't the faces of US and UK government officials on the infamous pack of cards of wanted men and women?

Because when it comes to Empire, facts don't matter.

Yes, but all that's in the past we're told. Saddam Hussein is a monster who must be stopped now. And only the US can stop him. It's an effective technique, this use of the urgent morality of the present to obscure the diabolical sins of the past and the malevolent plans for the future. Indonesia, Panama, Nicaragua, Iraq, Afghanistan – the list goes on and on. Right now there are brutal regimes being groomed for the future – Egypt, Saudi Arabia, Turkey, Pakistan, the Central Asian Republics.

US Attorney General John Ashcroft recently declared that US freedoms are 'not the grant of any government or document, but our endowment from God'. (Why bother with the United Nations when God himself is on hand?)

An Empire Armed

So here we are, the people of the world, confronted with an Empire armed with a mandate from heaven (and, as added insurance, the most formidable arsenal of weapons of mass destruction in history). Here we are, confronted with an Empire that has conferred upon itself the right to go to war at will, and the right to deliver people from corrupting ideologies, from religious fundamentalists, dictators, sexism, and poverty by the age-old, tried-and-tested practice of extermination. Empire is on the move, and Democracy is its sly new war cry. Democracy, home-delivered to your doorstep by daisy cutters. Death is a small price for people to pay for the privilege of sampling this new product: Instant-Mix Imperial Democracy (bring to a boil, add oil, then bomb).

But then perhaps chinks, Negroes, dinks, gooks and wogs don't really qualify as real people. Perhaps our deaths don't qualify as real deaths. Our histories don't qualify as history. They never have.

Speaking of history, in these past months, while the world watched, the US invasion and occupation of Iraq was broadcast on live TV. Like Osama bin Laden and the Taliban in Afghanistan, the regime of Saddam Hussein simply disappeared. This was followed by what analysts called a 'power vacuum'. Cities that had been under siege, without food, water and electricity for days, cities that had been bombed relentlessly, people who had been starved and systematically impoverished by the UN sanctions regime for more than a decade, were suddenly left with no semblance of urban administration. A 7 000-year-old civilisation slid into anarchy. On live TV.

Vandals plundered shops, offices, hotels and hospitals. American and British soldiers stood by and watched. They said they had no orders to act. In effect, they had orders to kill people, but not to protect them. Their priorities were clear. The safety and security of Iraqi people was not their business. The security of whatever little remained of Iraq's infrastructure was not their business. But the security and safety of Iraq's oil fields were. Of course they were. The oil fields were 'secured' almost before the invasion began.

On CNN and BBC the scenes of the rampage were played and replayed. TV commentators, army and government spokespersons portrayed it as a 'liberated people' venting their rage at a despotic regime. US Defense Secretary Donald Rumsfeld said: 'It's untidy. Freedom's untidy and free people are free to commit crimes and make mistakes and do bad things.' Did anybody know that Donald Rumsfeld was an anarchist? I wonder – did he hold the same view during the riots in Los Angeles following the beating of Rodney King? Would he care to share his thesis about the Untidiness of Freedom with the two-million people being held in US prisons right now? (The world's 'freest' country has the highest number of prisoners in the world.) Would he discuss its merits with young African American men, 28% of whom will spend some part of their adult lives in jail? Could he explain why he serves under a president who oversaw 152 executions when he was governor of Texas?

Before the war on Iraq began, the Office of Reconstruction and Humanitarian Assistance (ORHA) sent the Pentagon a list of 16 crucial sites to protect. The National Museum was second on that list. Yet the museum was not just looted, it was desecrated. It was a repository of an ancient cultural heritage. Iraq as we know it today was part of the river valley of Mesopotamia. The civilisation that grew along the banks of the Tigris and the Euphrates produced the world's first writing, first calendar, first library, first city, and, yes, the world's first democracy. King Hammurabi of Babylon was the first to codify laws governing the social life of citizens. It was a code in which abandoned women, prostitutes, slaves and even animals had rights. The Hammurabi code is acknowledged not just as the birth of legality, but the beginning of an understanding of the concept of social justice. The US government could not have chosen a more inappropriate land in which to stage its illegal war and display its grotesque disregard for justice.

At a Pentagon briefing during the days of looting, Secretary Rumsfeld, Prince of Darkness, turned on his media cohorts who had served him so loyally through the war. 'The images you are seeing on television, you are seeing over and over and over, and it's the same picture, of some person walking out of some building with a vase, and you see it 20 times and you say, 'My god, were there that many vases? Is it possible that there were that many vases in the whole country?'

Laughter rippled through the pressroom. Would it be all right for the poor of Harlem to loot the Metropolitan Museum? Would it be greeted with similar mirth?

The last building on the ORHA list of 16 sites to be protected was the Ministry of Oil. It was the only one that was given protection. Perhaps the occupying army thought that in Muslim countries lists are read upside down.

Television tells us that Iraq has been 'liberated' and that Afghanistan is well on its way to becoming a paradise for women – thanks to Bush and Blair, the 21st century's leading feminists. In reality, Iraq's infrastructure has been destroyed. Its people brought to the brink of starvation. Its food stocks depleted. And its cities devastated by a complete administrative breakdown. Iraq is being ushered in the direction of a civil war between Shias and Sunnis. Meanwhile, Afghanistan has lapsed back into the pre-Taliban era of anarchy, and its territory has been carved up into fiefdoms by hostile warlords.

Undaunted by all this, on May 2 Bush the Lesser launched his 2004 campaign hoping to be finally elected US President. In what probably constitutes the shortest flight in history, a military jet landed on an aircraft carrier, the USS Abraham Lincoln, which was so close to shore that, according to the Associated Press, administration officials acknowledged 'positioning the massive ship to provide the best TV angle for Bush's speech, with the sea as his background instead of the San Diego coastline'. President Bush, who never served his term in the military, emerged from the cockpit in fancy dress – a US military bomber jacket, combat boots, flying goggles, helmet. Waving to his cheering troops, he officially proclaimed victory over Iraq. He was careful to say that it was 'just one victory in a war on terror [which] still goes on'.

It was important to avoid making a straightforward victory announcement, because under the Geneva Convention a victorious army is bound by the legal obligations of an occupying force, a responsibility that the Bush administration does not want to burden itself with. Also, closer to the 2004 elections, in order to woo wavering voters, another victory in the 'War on Terror' might become necessary. Syria is being fattened for the kill.

It was Herman Goering, that old Nazi, who said: 'People can always be brought to the bidding of the leaders. All you have to do is tell them they're being attacked and denounce the pacifists for a lack of patriotism and exposing the country to danger. It works the same way in any country.'

He's right. It's dead easy. That's what the Bush regime banks on. The distinction between election campaigns and war, between democracy and oligarchy, seems to be closing fast.

The only caveat in these campaign wars is that US lives must not be lost. It shakes voter confidence. But the problem of US soldiers being killed in combat has been licked. More or less.

At a media briefing before Operation Shock and Awe was unleashed, General Tommy Franks announced: 'This campaign will be like no other in history.' Maybe he's right.

I'm no military historian, but when was the last time a war was fought like this?

After using the 'good offices' of UN diplomacy (economic sanctions and weapons inspections) to ensure that Iraq was brought to its knees, its people starved, half a million children dead, its infrastructure severely damaged, after making sure that most of its weapons had been destroyed, in an act of cowardice that must surely be unrivalled in history, the 'Coalition of the Willing' (better known as the Coalition of the Bullied and Bought) sent in an invading army!

Operation Iraqi Freedom? I don't think so. It was more like Operation Let's Run a Race, but First Let Me Break Your Knees.

As soon as the war began, the governments of France, Germany and Russia, which refused to allow a final resolution legitimising the war to be passed in the UN Security Council, fell over each other to say how much they wanted the United States to win. President Jacques Chirac offered French airspace to the Anglo-American air force. US military bases in Germany were open for business. German Foreign Minister Joschka Fischer publicly hoped for the 'rapid collapse' of the Saddam Hussein regime. Vladimir Putin publicly hoped for the same. These are governments that colluded in the enforced disarming of Iraq before their dastardly rush to take the side of those who attacked it. Apart from hoping to share the spoils, they hoped Empire would honor their pre-war oil contracts with Iraq. Only the very naïve could expect old Imperialists to behave otherwise.

Leaving aside the cheap thrills and the lofty moral speeches made in the UN during the run up to the war, eventually, at the moment of crisis, the unity of Western governments – despite the opposition from the majority of their people – was overwhelming.

When the Turkish government temporarily bowed to the views of 90% of its population, and turned down the US government's offer of billions of dollars of blood money for the use of Turkish soil, it was accused of lacking 'democratic principles'. According to a Gallup International poll, in no European country was support for a war carried out 'unilaterally by America and its allies' higher than 11%. But the governments of England, Italy, Spain, Hungary and other countries of Eastern Europe were praised for disregarding the views of the majority of their people and supporting the illegal invasion. That, presumably, was fully in keeping with democratic principles. What's it called? New Democracy? (Like Britain's New Labour?)

In stark contrast to the venality displayed by their governments, on February 15, weeks before the invasion, in the most spectacular display of public morality the world has ever seen, more than 10-million people marched against the war on five continents. Many of you, I'm sure, were among them. They – we – were disregarded with utter disdain. When asked to react to the anti-war demonstrations, President Bush said: 'It's like deciding, well, I'm going to decide policy based upon a focus group. The role of a leader is to decide policy based upon security, in this case the security of the people.'

Democracy in Crisis

Democracy, the modern world's holy cow, is in crisis. And the crisis is a profound one. Every kind of outrage is being committed in the name of democracy. It has become little more than a hollow word, a pretty shell, emptied of all content or meaning. It can be whatever you want it to be. Democracy is the Free World's whore, willing to dress up, dress down, willing to satisfy a whole range of tastes, available to be used and abused at will.

Until quite recently, right up to the 1980s, democracy did seem as though it might actually succeed in delivering a degree of real social justice.

But modern democracies have been around for long enough for neo-liberal capitalists to learn how to subvert them. They have mastered the technique of infiltrating the instruments of democracy – the 'independent' judiciary, the 'free' press, the parliament – and moulding them to their purpose. The project of corporate globalisation has cracked the code. Free elections, a free press and an independent judiciary mean little when the free market has reduced them to commodities on sale to the highest bidder.

To fully comprehend the extent to which democracy is under siege, it might be an idea to look at what goes on in some of our

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contemporary democracies. The world's largest: India, (which I have written about at some length and therefore will not speak about tonight). The World's Most Interesting: South Africa. The world's most powerful: the USA. And, most instructive of all, the plans that are being made to usher in the world's newest: Iraq.

In South Africa, after 300 years of brutal domination of the black majority by a white minority through colonialism and apartheid, a non-racial, multi-party democracy came to power in 1994. It was a phenomenal achievement. Within two years of coming to power, the African National Congress had genuflected with no caveats to the Market God. Its massive programme of structural adjustment, privatisation and liberalisation has only increased the hideous disparities between the rich and the poor.

Meanwhile, a small white minority that has been historically privileged by centuries of brutal exploitation is more secure than ever before. They continue to control the land, the farms, the factories, and the abundant natural resources of that country. For them the transition from apartheid to neo-liberalism barely disturbed the grass. It's apartheid with a clean conscience. And it goes by the name of democracy.

Democracy has become Empire's euphemism for neo-liberal capitalism.

In countries of the first world, too, the machinery of democracy has been effectively subverted. The roles of politicians, media barons, judges, powerful corporate lobbies, and government officials overlap in an elaborate underhand configuration that completely undermines the lateral arrangement of checks and balances between the constitution, courts of law, parliament, the administration and, perhaps most important of all, the independent media that form the structural basis of a parliamentary democracy. Increasingly, the overlapping is neither subtle nor elaborate.

Italian Prime Minister Silvio Berlusconi, for instance, has a controlling interest in major Italian newspapers, magazines, television channels and publishing houses. *The Financial Times* reported that he controls about 90% of Italy's TV viewership. Recently, during a trial on bribery charges, while insisting he was the only person who could save Italy from the left, he said: 'How much longer do I have to keep living this life of sacrifices?' That bodes ill for the remaining 10% of Italy's TV viewership. What price Free Speech? Free Speech for whom?

In the United States, the arrangement is more complex. Clear Channel Worldwide Incorporated is the largest radio station owner in the country. It runs more than 1 200 channels, which together account for 9% of the market. Its CEO contributed hundreds of thousands of dollars to Bush's election campaign. When hundreds of thousands of American citizens took to the streets to protest against the war on Iraq, Clear Channel organised pro-war patriotic 'Rallies for America' across the country. It used its radio stations to advertise the events and then sent correspondents to cover them as though they were breaking news. The era of manufacturing consent has given way to the era of manufacturing news. Soon media newsrooms will drop the pretence, and start hiring theatre directors instead of journalists.

As America's show business gets more and more violent and war-like, and America's wars get more and more like show business, some interesting cross-overs are taking place. The designer who built the $250 000 set in Qatar from which General Tommy Franks stage-managed news coverage of Operation Shock and Awe also built sets for Disney, MGM, and 'Good Morning America'.

It is a cruel irony that the US, which has the most ardent, vociferous defenders of the idea of Free Speech, and (until recently) the most elaborate legislation to protect it, has so circumscribed the space in which that freedom can be expressed. In a strange, convoluted way, the sound and fury that accompanies the legal and conceptual defense of Free Speech in America serves to mask the process of the rapid erosion of the possibilities of actually exercising that freedom.

The news and entertainment industry in the US is for the most part controlled by a few major corporations – AOL-Time Warner, Disney, Viacom, News Corporation. Each of these corporations owns and controls TV stations, film studios, record companies and publishing ventures. Effectively, the exits are sealed.

America's media empire is controlled by a tiny coterie of people. Chairman of the Federal Communications Commission Michael Powell, the son of Secretary of State Colin Powell, has proposed even further deregulation of the communication industry, which will lead to even greater consolidation.

So here it is – the World's Greatest Democracy, led by a man who was not legally elected. America's Supreme Court gifted him his job. What price have American people paid for this spurious presidency?

In the three years of George Bush the Lesser's term, the American economy has lost more than two-million jobs. Outlandish military

In a strange, convoluted way, the sound and fury that accompanies the legal and conceptual defence of Free Speech in America serves to mask the process of the rapid erosion of the possibilities of actually exercising that freedom.

expenses, corporate welfare and tax giveaways to the rich have created a financial crisis for the US educational system. According to a survey by the National Council of State Legislatures, US states cut $49-billion in public services, health, welfare benefits and education in 2002. They plan to cut another $25.7-billion this year. That makes a total of $75-billion. Bush's initial budget request to Congress to finance the war in Iraq was $80-billion.

So who's paying for the war? America's poor. Its students, its unemployed, its single mothers, its hospital and home-care patients, its teachers and health workers.

And who's actually fighting the war?
Once again, America's poor. The soldiers who are baking in Iraq's desert sun are not the children of the rich. Only one of all the representatives in the House of Representatives and the Senate has a child fighting in Iraq. America's 'volunteer' army in fact depends on a poverty draft of poor whites, blacks, Latinos, and Asians looking for a way to earn a living and get an education. Federal statistics show that African Americans make up 21% of the total armed forces and 29% of the US army. They count for only 12% of the general population. It's ironic, isn't it – the disproportionately high representation of African Americans in the army and prison? Perhaps we should take a positive view, and look at this as affirmative action at its most effective. Nearly four-million Americans (2% of the population) have lost the right to vote because of felony convictions. Of that number, 1.4-million are African Americans, which means that 13% of all voting-age black people have been disenfranchised.

Who Benefits?
For African Americans there's also affirmative action in death. A study by the economist Amartya Sen shows that African Americans as a group have a lower life expectancy than people born in China, in the Indian State of Kerala (where I come from), Sri Lanka or Costa Rica. Bangladeshi men have a better chance of making it to the age of 40 than African American men from here in Harlem.

This year, on what would have been Dr Martin Luther King Jr's 74th birthday, President Bush denounced the University of Michigan's affirmative action programme favouring blacks and Latinos. He called it 'divisive', 'unfair' and 'unconstitutional'. The successful effort to keep blacks off the voting rolls in the State of Florida in order that George Bush be elected was of course neither unfair nor unconstitutional. I don't suppose affirmative action for White Boys From Yale ever is.

So we know who's paying for the war. We know who's fighting it. But who will benefit from it? Who is homing in on the reconstruction contracts estimated to be worth up to $100-billon? Could it be America's poor and unemployed and sick? Could it be America's single mothers? Or America's black and Latino minorities?

Operation Iraqi Freedom, George Bush assures us, is about returning Iraqi oil to the Iraqi people. That is, returning Iraqi oil to the Iraqi people via corporate multinationals. Like Bechtel, like Chevron, like Halliburton. Once again, it is a small, tight circle that connects corporate, military and government leadership to one another. The promiscuousness, the cross-pollination is outrageous.

Consider this: the Defence Policy Board is a government-appointed group that advises the Pentagon. Its members are appointed by the under secretary of defence and approved by Donald Rumsfeld. Its meetings are classified. No information is available for public scrutiny.

The Washington-based Center for Public Integrity found that nine out of the 30 members of the Defence Policy Board are connected to companies that were awarded defence contracts worth $76-billion between the years 2001 and 2002. One of them, Jack Sheehan, a retired Marine Corps general, is a senior vice president at Bechtel, the giant international engineering outfit. Riley Bechtel, the company chairman, is on the President's Export Council. Former Secretary of State George Shultz, who is also on the board of directors of the Bechtel Group, is the chairman of the advisory board of the Committee for the Liberation of Iraq. When asked by the New York Times whether he was concerned about the appearance of a conflict of interest, he said: 'I don't know that Bechtel would particularly benefit from it. But if there's work to be done, Bechtel is the type of company that could do it.'

Bechtel has been awarded a $680-million reconstruction contract in Iraq. According to the Center for Responsive Politics, Bechtel contributed hundreds of thousands of dollars to Republican campaign efforts.

Arcing across this subterfuge, dwarfing it by the sheer magnitude of its malevolence, is America's anti-terrorism legislation. The USA Patriot Act, passed in October 2001, has become the blueprint for similar anti-terrorism bills in countries across the world. It was passed in the House of Representatives by a majority vote of 337 to 79. According to the New York Times: 'Many lawmakers said it had been impossible to truly debate or even read the legislation.'

The Patriot Act ushers in an era of systemic automated surveillance. It gives the government the authority to monitor phones and computers and spy on people in ways that would have seemed completely unacceptable a few years ago. It gives the FBI the power to seize all of the circulation, purchasing and other records of library users and bookstore customers on the suspicion that they are part of a terrorist network. It blurs the boundaries between speech and criminal activity, creating the space to construe acts of civil disobedience as violating the law.

Already hundreds of people are being held indefinitely as 'unlawful combatants'. (In India, the number is in the thousands. In Israel, 5 000 Palestinians are now being detained.) Non-citizens, of course, have no rights at all. They can simply be 'disappeared' like the people of Chile under Washington's old ally, General Pinochet. More than 1 000 people, many of them Muslim or of Middle Eastern origin, have been

detained, some without access to legal representatives.

Apart from paying the actual economic costs of war, American people are paying for these wars of 'liberation' with their own freedoms. For the ordinary American, the price of 'New Democracy' in other countries is the death of real democracy at home.

Meanwhile, Iraq is being groomed for 'liberation'. (Or did they mean 'liberalisation' all along?) The Wall Street Journal reports that 'the Bush administration has drafted sweeping plans to remake Iraq's economy in the US image'.

Iraq's constitution is being redrafted. Its trade laws, tax laws, and intellectual property laws rewritten in order to turn it into an American-style capitalist economy.

The United States Agency for International Development has invited US companies to bid for contracts that range between road building, water systems, text book distribution and cellphone networks.

Soon after Bush the Second announced that he wanted American farmers to feed the world, Dan Amstutz, a former senior executive of Cargill, the biggest grain exporter in the world, was put in charge of agricultural reconstruction in Iraq. Kevin Watkins, Oxfam's policy director, said: 'Putting Dan Amstutz in charge of agricultural reconstruction in Iraq is like putting Saddam Hussein in the chair of a human rights commission.'

The two men who have been short-listed to run operations for managing Iraqi oil have worked with Shell, BP and Fluor. Fluor is embroiled in a lawsuit by black South African workers who have accused the company of exploiting and brutalising them during the apartheid era. Shell, of course, is well known for its devastation of the Ogoni tribal lands in Nigeria.

Tom Brokaw (one of America's best-known TV anchors) was inadvertently succinct about the process. 'One of the things we don't want to do,' he said, 'is to destroy the infrastructure of Iraq because in a few days we're going to own that country.'

Now that the ownership deeds are being settled, Iraq is ready for New Democracy.

So, as Lenin used to ask: What Is To Be Done?

We might as well accept the fact that there is no conventional military force that can successfully challenge the American war machine. Terrorist strikes only give the US government an opportunity that it is eagerly awaiting to further tighten its stranglehold. Within days of an attack you can bet that Patriot II would be passed. To argue against US military aggression by saying that it will increase the possibilities of terrorist strikes is futile. It's like threatening Brer Rabbit that you'll throw him into the bramble bush. Anyone who has read the documents written by The Project for the New American Century can attest to that. The government's suppression of the congressional committee report on September 11, which found that there was intelligence warning of the strikes that was ignored, also attests to the fact that, for all their posturing, the terrorists and the Bush regime might as well be working as a team. They both hold people responsible for the actions of their governments. They both believe in the doctrine of collective guilt and collective punishment. Their actions benefit each other greatly.

The US government has already displayed in no uncertain terms the range and extent of its capability for paranoid aggression. In human psychology, paranoid aggression is usually an indicator of nervous insecurity. It could be argued that it's no different in the case of the psychology of nations. Empire is paranoid because it has a soft underbelly.

Its 'homeland' may be defended by border patrols and nuclear weapons, but its economy is strung out across the globe. Its economic outposts are exposed and vulnerable. Already the internet is buzzing with elaborate lists of American and British government products and companies that should be boycotted. Apart from the usual targets – Coke, Pepsi, McDonald's – government agencies like USAID, the British DFID, British and American banks, Arthur Andersen, Merrill Lynch and American Express could find themselves under siege. These lists are being honed and refined by activists across the world. They could become a practical guide that directs the amorphous but growing fury in the world. Suddenly, the 'inevitability' of the project of Corporate Globalisation is beginning to seem more than a little unlikely.

It would be naïve to imagine that we can directly confront Empire. Our strategy must be to isolate Empire's working parts and disable them one by one. No target is too small. No victory too insignificant. We could reverse the idea of the economic sanctions imposed on poor countries by Empire and its Allies. We could impose a regime of Peoples' Sanctions on every corporate house that has been awarded with a contract in postwar Iraq, just as activists in this country and around the world targeted institutions of apartheid. Each one of them should be named, exposed and boycotted. Forced out of business. That could be our response to the Shock and Awe campaign. It would be a great beginning.

Another urgent challenge is to expose the corporate media for the boardroom bulletin that it really is. We need to create a universe of alternative information. We need to support independent media like Democracy Now!, Alternative Radio and South End Press.

The battle to reclaim democracy is going to be a difficult one. Our freedoms were not granted to us by any governments. They were wrested from them by us. And once we surrender them, the battle to retrieve them is called a revolution. It is a battle that must range across continents and countries. It must not acknowledge national boundaries but, if it is to succeed, it has to begin here. In America. The only institution more powerful than the US government is American civil society. The rest of us are subjects of slave nations.

We are by no means powerless, but you have the power of proximity. You have access to the Imperial Palace and the Emperor's chambers. Empire's conquests are being carried out in your name, and you have the right to refuse. You could refuse to fight. Refuse to move those missiles from the warehouse to the dock. Refuse to wave that flag. Refuse the victory parade.

You have a rich tradition of resistance. You need only read Howard Zinn's *A People's History of the United States* to remind yourself of this.

Hundreds of thousands of you have survived the relentless propaganda you have been subjected to, and are actively fighting your own government. In the ultra-patriotic climate that prevails in the United States, that's as brave as any Iraqi or Afghan or Palestinian fighting for his or her homeland.

If you join the battle, not in your hundreds of thousands, but in your millions, you will be greeted joyously by the rest of the world. And you will see how beautiful it is to be gentle instead of brutal, safe instead of scared. Befriended instead of isolated. Loved instead of hated.

I hate to disagree with your president. Yours is by no means a great nation. But you could be a great people.

History is giving you the chance.

Seize the time.

KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM

STRIVING TO REMOVE BARRIERS TO PRIVATE SECTOR GROWTH

The economy of KwaZulu-Natal is looking better than it has in years, according to the KwaZulu-Natal Economic Review published by the provincial Department of Economic Development and Tourism. The province had an annual growth rate of 4,3% from 1995 to 2000 which is 1,5% higher than the national average of 2,8%. This growth rate is the highest of all nine of South Africa's provinces.

KwaZulu-Natal has the largest share of South Africa's manufacturing sector and is home to the most important logistics platform for South Africa's trade.

The structure of KwaZulu-Natal's economy differs from the structure of the national economy in that it has a much larger manufacturing sector and a mining sector that is one-sixth of the size of the national contribution. KwaZulu-Natal's transport and communications sector contributes more to the economy than the same sector contributes at the national level. This is also the case with the agriculture and forestry sector.

Growth rates in excess of the national average have been driven by high growth in the services sector, in particular, financial and business services and transport and communication.

In the manufacturing sector, growth has been driven by the paper and paper products industry, ferro-alloys (aluminium) and other chemicals (petroleum). As regards investment, the proportion of national investment flowing to KwaZulu-Natal is commensurate with its contribution to South Africa's gross domestic product and accounted for 15% of aggregate national investment in the 1995 to 2001 period.

According to KwaZulu-Natal's Minister for Economic Development and Tourism, Mr Roger Burrows, the role of government in general, and particularly the department for which he is minister, is to support the initiative of the private sector and remove unnecessary barriers to private sector growth, whether this be growth of big corporate entities or individual entrepreneurs.

This year the department has a budget of R191 million, a figure which Minister Burrows hopes will increase next year to reflect the importance of economic development and tourism for KwaZulu-Natal.

The bulk of the budget goes to public entities such as the province's development finance agency Ithala, Tourism KwaZulu-Natal, Trade and Investment KwaZulu-Natal, the Natal Sharks Board and the KZN Philharmonic Orchestra.

Said Minister Burrows: "Through the projects of the department and those of the public entities we aim to stimulate the economy and assist to create an environment that is conducive to economic growth. It is in this way that we can attempt to ensure that KwaZulu-Natal continues to experience economic growth rates higher than those of South Africa as a whole and to ensure that the importance of KwaZulu-Natal continues to be realised and acknowledged."

KwaZulu-Natal Department of Economic Development and Tourism

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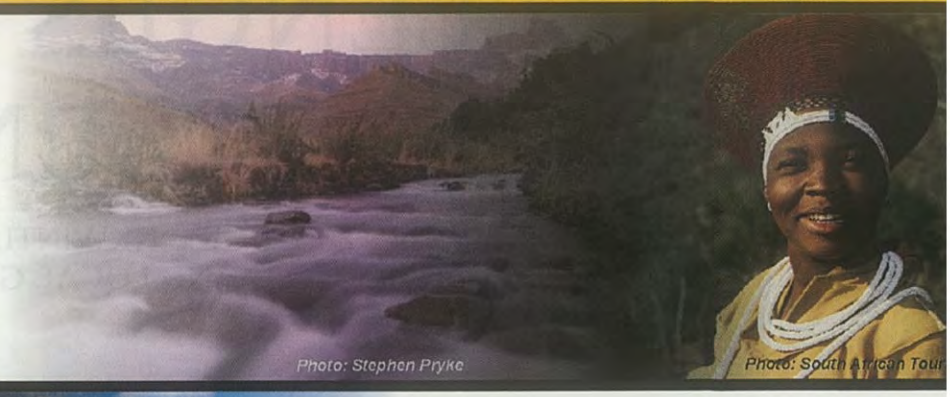

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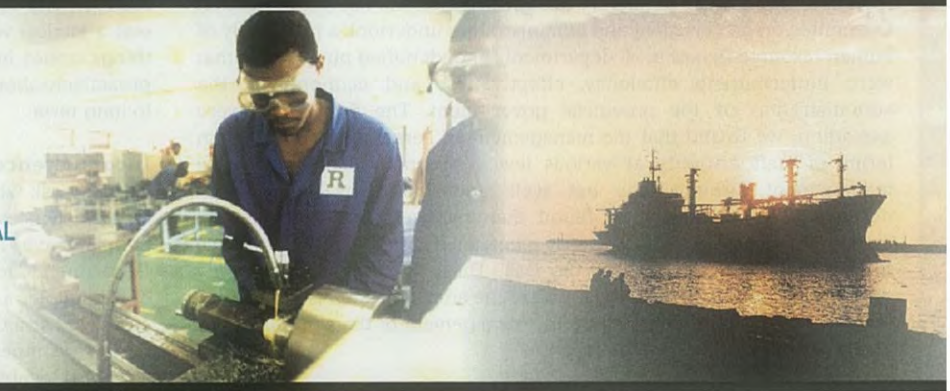

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Roger Burrows
KZN Minister for Economic Development and Tourism

CHALLENGES FACING THE EASTERN CAPE

BY GUGILE NKWINTI,
MEC FOR HOUSING AND LOCAL GOVERNMENT.

I welcome this opportunity to respond to reports of a crisis in the Eastern Cape. Firstly, many reports are untrue and this reflects a weakness in our provincial government and administration in disseminating information about what we are doing and the challenges we are facing.

Factors that Undermine Efficiency

But secondly, I should point out that the recent intervention by the central government's Interim Management Team (IMT) indicates that there are problems. Even before this intervention the Provincial Cabinet Committee on government and administration undertook a pilot study of human resource issues in all departments and identified nine factors that were undermining efficiency, effectiveness and economy in the administration of the provincial government. The first three were damaging: we found that the management of Persal was very weak in terms of staff capacity at various levels, secondly the performance management system was not well understood by government departments and thirdly we found that managers were reluctant to manage. This is critical and was confirmed by the Public Service Commission (PSC) as well as the IMT. These three issues are really serious as far as the professional side of the administration is concerned, for they lead to a situation where the management of the administration is not taking the province forward.

The background to this problem is that we inherited staff from the Cape Provincial Administration, Ciskei, Transkei and so on and they still constitute the larger part of the administration. The people we engaged with when we came into government were mainly the heads of department or chief directors – this level is not really where things are happening. The bureaucracy is very strong and the hierarchy mentality is very dominant. The government strategy of integrated planning is not actually taking off in the administration.

Managers that Don't Manage

I don't know if this is a problem in other provinces as we tend only to look at ourselves and those who deal with us do not ask whether we are unique in this respect. Part of the explanation is that managers do not want to make unpopular decisions. They are reluctant to manage. What then happens is that large back-logs build up. Managers do not think it is their responsibility to act against lack of discipline in their directorates, for example. This leads to what is sometimes referred to as 'general laxity'. This is something that we need to deal with. It has been identified by the Public Service Commission as well as the IMT.

The second problem is that there are a great many vacancies in strategic positions in the Provincial Administration. When you look at these vacancies and the people who are acting in these positions, you find that authority has collapsed at that point as well. This problem has been identified by the provincial government as well as the PSC and the IMT. The third problem is that of history. You must remember that before 1998 the Provincial Government overspent grossly. As a result we centralised financial management in the Treasury. But what we did not do and should have done, was prepare the individual departments in terms of building the necessary financial management capacity. This would have been in accordance with the requirements of the Performance Management Act to decentralise financial management. Not doing this was a tactical weakness on our part. This is where the political side of things comes in. We were obliged to decentralise but we did not think proactively about the implications of this for management in the medium to long term.

Incompetence

You may ask why the Eastern Cape is having bigger problems than the other provinces. The funny thing about the Eastern Cape is that many people have left, even people from the Provincial Government Departments, to take up senior management positions at national level. For example, a person who was a Deputy Director in the province is employed as a Chief Director at national level. The conclusion is that we do have competent people but that we have not built a relationship of trust and loyalty with staff. The political leadership cannot absolve itself from blame in this regard. We must find out why staff don't seem to perform well in our provincial administration and not just blame poor management, because people in the Eastern Cape are not incompetent.

There is no simple explanation. Firstly, we found that the Public Service Act, which gives MECs or politicians executive authority, requires them to be very hands-on – because now the buck stops with them. But this makes it difficult to create synergies that are well understood between the political head and the administrative staff. The tendency is for staff to think politicians are interfering in the administration. Secondly, I think the introduction of performance agreements is beginning to cause lots of tension between managers. The third issue is that senior managers, in the main, are politicians so both sides have difficulty adapting to the new relationship that defines one comrade as staff member and the other as politician.

The Role of Politicians

Unfortunately, there are not occasions where we sit down as ANC comrades and try to sort this out and address the tensions relating to the different roles we are now playing. So where this kind of tension exists it tends to create an air of uncertainty among staff and they also look for ways of taking advantage of it. Both senior managers and politicians

The origin of corruption is not just the Bantustan legacy but also the apartheid legacy. It is very clear that these kinds of fraud and corruption were institutionalised and we have taken this over. In the Eastern Cape the irony is that, if you look at some of the people who are being arrested now (with the intervention of the IMT), they are the same people who were charged and dismissed by the Provincial Government but the police did not act against them.

seem to find it very difficult to address this. These tensions keep recurring. It may also be that this is almost a syndrome, if you like, that we will not identify and admit to be problematic until it explodes and creates an air of chaos and anarchy in the management of the administration of government. I believe we do need to deal with this because in most cases the people heading departments are members of the ANC. I believe that we did not adequately attend to political management within the organisation to start with – most of the problems have to do with the complexity of managing the politics of the organisation. When it comes to government it is even more complex and it is taking a bit longer than it should to sort out.

A New System of Government

The system of government changed with the advent of democracy. There are things like Batho Pele – the focus on the people you are serving, accountability, collective responsibility – and building a developmental state. These are new concepts. But you have people from the old administration who say: 'I did not do (a) because my supervisor did not instruct me to do (a).' Why is this? One would expect that at the level of director, for example, someone would have sufficient authority to intervene and explain later.

Officials from the former homelands are very rule-bound. This is a weakness in my department. The hierarchical mind-set is one of the major challenges we face; the inflexible way in which people do things despite our efforts to introduce a cross-functional, integrated approach. Brick walls stand between the past, the present and the future. This is the same mind-set as we found among the 'old guard' in Pretoria – it is not a racial thing but a feature of the culture of bureaucracy. For example, they reason thus: 'Because the MEC found us here, he will leave us here.' In a sense, they can determine who comes and who goes. Your position does not depend on how you perform as an individual but on whether they like you or not. If not, they make sure they resist progress in every possible way. It is simple. Even if you introduce staff from outside, they simply say: 'Well, we have been here, we know how government works. They don't know and we will demonstrate to them that they don't know.' This is a major problem because the intention is not to progress but to demonstrate that you do not know and therefore to put the brakes on progress.

There are objective factors that contribute to this weakness. The laws we have put in place don't always help: the Public Service Act, performance management and the Public Finance Management Act in particular. They are too sophisticated. The bureaucracy we have is not sophisticated. The skills level is too low for the PFMA and the Public Service Act. Look at the Auditor General's reports on our administration. Most of them, until last year, have contained disclaimers. In other words, they could not express an opinion. Now, at least, we have qualified reports and in the last financial year there was an improvement.

We do need to do a lot of training but the situation is complex and delicate, and the money that comes from the skills levy is not utilised. Staff have to be trained to reach the level where they can make use of the facilities that are there.

Central government was invited by the Premier to come in and help to find solutions to these problems. Are they systemic, human resource, managerial or political? Is there corruption and so on? They have been assisting the Provincial Administration to sort out these matters. The intervention has been very important because it dealt immediately with fraud and corruption but also with systemic issues.

Corruption

On the issue of corruption, the Eastern Cape gets more publicity about this than other provinces. In the beginning, Mpumalanga was supposed to have been a very corrupt province but I think, because of certain interventions there, things have changed. Hopefully in our province things will change soon.

The origin of corruption is not just the Bantustan legacy but also the apartheid legacy. It is very clear that these kinds of fraud and corruption were institutionalised and we have taken this over. In the Eastern Cape the irony is that, if you look at some of the people who are being arrested now (with the intervention of the IMT), they are the same people who were charged and dismissed by the Provincial Government but the police did not act against them.

Conclusion

It seems fair to suggest that the situation is quite complex, at both political and administrative levels. There are serious questions of will, or courage to act decisively when the need arises, both politically and administratively. These are systemic and legal questions, which expose serious capacity deficiencies, especially at senior management levels. The scale, speed and quality requirements brought about by the urgent need to eradicate the socio-economic legacy of apartheid are almost overwhelming. The levels and spread of the requisite skills are not close to matching the demands of the task.

THE 'TRANSFORMATION' AND REFORM OF SOUTH AFRICAN MEDIA

BY SEAN JACOBS
RESEARCHER AND JOURNALIST, AND A PHD CANDIDATE IN POLITICS AT THE UNIVERSITY OF LONDON.

Introduction

There is ample reason to be upbeat about the transformation of South African media. In fact, most surveys are positive about the wholesale and quite remarkable changes in the media environment since the end of apartheid. These include: the media's protection by the country's Constitution, freedom to criticise government, unprecedented access to state-held information, the breaking of the state's monopoly over broadcasting, and diversification of commercial print media with the introduction of new titles and changes in the until-now exclusive racial ownership patterns. Even the internet, relatively underdeveloped in South Africa up to now, presents new possibilities (South Africa provides 80% of Africa's internet traffic and its home-PC owners).

The changes are of course part-and-parcel of larger political reforms. In April 1994 South Africa held its first all-race democratic elections. Institutions of government and civil society are still struggling to position themselves in this changing environment in spite of the fact that the country's political transition is now nine years old. One of these institutions is the mass media.

The massive changes undertaken are in stark contrast to the situation under apartheid when the state, through the South African Broadcasting Corporation (SABC), had monopolised broadcasting in both television and radio since the 1930s. Print media, in existence since the late nineteenth century, was controlled by five – white and racially exclusive – media corporations, who ran a cartel that monopolised printing and distribution and made compromises with the apartheid state over what to report and not to report. The press was editorially aligned to either white English capital (the 'liberal' media) or Afrikaner capital and political power. State propaganda and censorship ruled as the government passed more than 100 laws to regulate the workings of the media and bully journalists. The black or Left presence was virtually absent from the public sphere and political life. Notable, however, were the valiant efforts of a commercial black press stressed out by bannings, imprisonment and intimidation, as well as an 'alternative press', that put the mainstream press to shame with their courageous journalism.

Much is therefore made of the changes. Yet, despite the general optimism, a closer look at these developments suggests that they are really not that far-reaching and have not led to the expected greater representation and the expected positive effects on democratic participation. In fact, while the state-sponsored or market-led changes introduced much-needed and long overdue changes, they have on the whole not resulted in the expected opening up of the media.

Any visitor to South Africa wanting to buy an English-language newspaper would probably marvel at its apparent diversity, given the country's short history of democracy. They would have at least 21 daily newspapers and 12 weeklies to choose from. If they were in a major city like Cape Town, they could buy the *Cape Times* in the morning, the *Cape Argus* later in the day, as well as the two Johannesburg dailies, *The Sowetan* and *The Star*.

What they probably wouldn't realise, though, is that this apparent diversity in the South African media obscures the fact that most of these English-language newspapers are owned by the same company – Independent Newspapers. This company is one of six groups who have an oligopoly over the South African media industry, controlling 17 daily newspapers and 11 weeklies. The other five corporations are Times Media Limited (TML), NasPers, New African Publications, Caxton and Business Day-Financial Mail. The same goes for the Afrikaans language and the majority of newspapers aimed at the mass black market.

Transforming Media Apartheid

At the core of the improved legal context for media is the 1996 Constitution, which guarantees freedom of expression and information to all South Africans. The Promotion of Access to Information Act passed in 2000 entrenches the right of access to (state or government) information. But before that the Independent Broadcasting Authority Act of 1993 (known popularly as the 'IBA Act') mandated the setting up of a broadcast regulator, the IBA, resulting in breaking up the state monopoly over broadcast media. The IBA licensed more than 120 community radio stations. The number of privately-owned commercial radio stations grew from one to 12. And the first private, free-to-air terrestrial television station, e.tv, was introduced in 1999. (The IBA is now known as the Independent Communications Authority or ICASA.)

The Broadcasting Act passed in 1999 reinforced the independence of the SABC as a public broadcaster as opposed to a state broadcaster. The new law set objectives (monitored by national parliament) regarding programming that included responsibilities around news and public affairs programming. Another important aspect of government policy was the installation of the Government Communications Information Systems (GCIS) in 1998. The GCIS has a mandate based on section 16 of the Bill of Rights to communicate on behalf of the government to those not reached by the public or private broadcasters or the printed press.

Ownership changes did not only impact on broadcast media. The five-corporation, all-white control of the commercial print media has been re-organised to now include one foreign-owned group, one group majority-owned by a black investment corporation, and another partly owned by a black-controlled corporation. Ownership changes had a domino effect in how well the staff of media organisations reflect the demographics of the country. Before 1994 the majority of the South African population was hardly, or not at all, represented in the media. White males made up the bulk of news and editorial staff. After 1994, staffing profiles started to change and more black and female journalists, editors and managers were appointed. With the human

resource changes came new debates over media values. Two general positions emerged: one a 'constructive', developmental, and more sympathetic approach favoured by the new government and its allies in the media; and a watchdog, oppositional approach to the media, favoured by media professionals and the political opposition. One final consequence has been the broadening of media audiences to incorporate more black viewers, listeners and readers.

Analyses of the pattern of press ownership indicate that even though there has been a diversification or de-racialisation of ownership from five major groups in the past to six groups in the present, it has had limited effects on democratising the public sphere. The structure of the print media – circulation, distribution networks, the price structure and advertising – is, some minor changes aside, all aimed at retaining the racialised (white) readership. This has manifested itself in the failure of new black-owned and black-run print media initiatives to succeed in the industry. This suggests that the question of de-racialisation of the print media – while key to democratising the media in SA – does not solely lie with ownership, but equally with the nature of the structure: that is, publishing and printing and other factors raised above.

As more astute critics, like professors Ron Krabill (of the University of Washington) and Gibson Boloka (of Fort Hare University in South Africa) have noted, what essentially changed is the colour of the monopolies, with no major transformation in the manner in which the media houses operate. They are still driven largely by profit motives and a liberal ethic. The print media industry, unlike the broadcast media, has not been subjected to any debate about a significant change in the way it operates. Politically influential print media owners view any regulation as equal to state interference and the government has been aware of the impact of any state regulation talk on the health of the economy. In terms of employment practices, a recent UNESCO-funded study of affirmative action in the media shows that both black and female South Africans are still underrepresented, particularly in the top levels of the South African media. It may appear as if the picture in broadcast media is much better. The fact that broadcast reform was largely state-led had a lot to do with it. However, as is the case in broadcasting elsewhere, the new government has downscaled direct state support in the form of subsidies to the public broadcaster, instead encouraging it to become self-sufficient. In effect, the state now encourages the public broadcaster to fund its programming largely through advertising. In television, the results have been major cuts in programming, and its replacement with infomercials, rebroadcasts of cheap imported programmes, and the re-racialising of audiences into 'market' segments which coincide with the apartheid racial divide (only now those divisions are 'natural') and the emerging class divisions within the majority black population. The radio stations sold off by the SABC have to compete for advertising; the result is that programming suffers. Community radio stations – punted as the solution to the problem of reaching and representing communities who are not attractive to advertisers or to carry content not driven by the primary purpose of providing audiences for advertisers – struggle, as their main sources of financing (state subsidies and foreign donors) are not as forthcoming as before.

Media and Political Participation

Under apartheid, a highly structured, racialised 'public sphere' excluded black people. Political media and news was geared towards the white community and the legitimisation of the ruling political ideology, while political and economic alternatives were limited to the options advanced among the white polity. The workings of South African capital underpinned this media system. Democracy's primary aim was to extend political participation to all citizens. Legally since 1994, all citizens have had the right to vote and the rights of freedom of expression and information are enshrined in the Constitution.

Nevertheless, the relationship between media and democracy remains complex and unequal. The 1994 elections exposed the political biases of the mainstream media and how far removed they were from the viewpoints of the majority of South Africans in their news coverage and editorial stances. For example, in the 1994 elections the majority of mainstream newspapers endorsed the Democratic Party (DP), which attracted only about 2% of the vote. While this remained less so in subsequent elections (the 1995/96, and later November 2000, municipal elections as well as the June 1999 general election), the media is still at odds with the world experiences and political identities of the majority of South Africans.

As the new democracy began to take shape, various interest groups began to argue that this situation was untenable and had to change, forcing dramatic changes in ownership and control patterns after 1994.

At a political level, a number of forces close to or allied to the new governing ANC clamoured for change in the media. The ANC was driven by a mixture of genuine concern about the monopolistic nature of the media on the one hand, and suspicion over how the media was reporting the ongoing political and economic transition on the other. In addition, black media professionals, frustrated at the slow pace of change in the industry, saw reform as an opportunity to push for changes in the newsrooms, editorials and management structures of media businesses.

At an economic level, it made increasing political sense for existing media owners to diversify their interests to include black shareholders, partly to pre-empt anti-monopoly or competition policy by the new government. In addition, it also made increasing business sense to expand beyond the white market to the emerging black market.

But the changes in South African media did not happen in a vacuum. As elsewhere in the world, the government was under pressure to reduce state funding to public broadcasters and to leave regulation of the printing press (and increasingly the airwaves) to the market. These processes had begun to play out in Western Europe's public broadcasting systems from the late 1980s, continuing through the 1990s, resulting in huge conglomerates and satellite broadcasters dominating television in the northern hemisphere.

And South Africa's media system displays some of the characteristics of most media systems today in how it perpetuates political inequality in citizens' access to information. Citizens have to rely on the media for the information that they need to participate in political life. If the media reinforce the commercial interests of the media owners, it is not going to serve citizens, and it is more likely that democracy will be weakened as a result. Modern media, by restricting the information it gives to the majority of citizens, perpetuates and entrenches existing inequalities. It is the wealthy and powerful who are in a much better position to interrogate the media and gain access to other (better) information; readers end up as passive consumers of information, rather than active participants.

Managing Media Systems

In contemporary politics, links are increasingly made between democracy, globalisation, neo-liberalism and mass media. There is general acknowledgement that the mass media represents a crucial element of the democratic process. The assumption is that for democracies to function, citizens require access to information as a means to make informed political choices. Similarly, politicians require the media to take stock of the public mood, present their views and interact with society.

The last 20 years have witnessed industrial and economic interests dominating communications and media policy in Western Europe and the United States. To some extent these models are already being replicated in the developing world; in countries like South Africa. Central to this concern is the issue of media concentration. It is crucial for democracy that the media is not only free from state interference and control, but also from private or corporate control or monopoly.

Broadly, there has been a range of responses to media regulation. The first view that we can identify dominated policy discussions after

1990 – when the more important political and media role players began to bargain over the nature of a post-apartheid media order. Proponents of this view believe the state should not subsidise public media.

The South African broadcasting environment was deeply affected by the state's gradual withdrawal from subsidising public television. The result has been that the SABC, which is the source of news and information for the majority of South Africans given its dominance of the television and radio market, now has to function without the necessary financial backing (their state funding has been cut to less than 10% and their management advised by government to go after advertising).

This view also stresses no regulation at all costs. According to this argument, media concentration is no longer a problem to be tackled by public policy; if problems arise, the market should be left alone to regulate them.

An alternative response, which is favoured by most regulators and governments, including that of South Africa, suggests some regulation. However, at its core, such a view calls for governments to design broad regulatory and legal frameworks, rather than specific media regulations or law.

While there are some differences in their approach, the various communications industries want to retain two mechanisms of regulation – self-regulation and more general regulation.

The effectiveness of self-regulation has had a mixed record at best. In Western Europe, there has been some success with self-regulation in advertising, although self-regulation certainly won't be powerful enough to withstand the intense commercial pressures to breach the 'fire wall' between editorial and advertising. In the press, Western European experience shows industry self-regulation has failed to protect against interference with privacy, racism and denigrating attacks on refugees and asylum seekers, for example.

The racial and class legacies of apartheid in the media result in predictable responses from media in South Africa when pressed on forms of regulation. Here the media conflate any form of public regulation as an attack on democracy. The sad, negative legacy of African states with media regulation does not help the state's (and those of civil society groups) arguments about regulation. As a result the state is weakened in dealing with media inequalities. However, even where the state does introduce progressive measures, it is under increasing pressure to bow to market pressures. For example, take the case of ICASA set up by the South African government in 1993 to extend radio broadcast licences to communities that had previously been denied radio access. Community is very loosely defined in the IBA Act, but politically and in public discourse it was clear from the start what it referred to: mainly black, poor, rural and marginalised South Africa. In practice, however, ICASA has done more to benefit already powerful groups and individuals that have enjoyed unparalleled access to broadcasting services in the past, at the expense of information-poor communities.

Another view suggests using competition law to deal with media monopolies in South Africa. The idea would be to dismantle 'media-specific' regulations (eg monopoly or concentration of media ownership and cross-media ownership controls) and rely instead on general competition regulation.

Media corporations and their supporters (even in the state) argue that there has been an explosion of choice and diversity in the media. As a result there is no need to retain regulations designed to bring about pluralism either externally (through ownership regulation) or internally (public service broadcasting, effective codes for journalistic integrity, etc).

In South Africa, the recent emergence of a number of magazines, one tabloid newspaper (aimed exclusively at an urban black market), a number of radio stations and a new private television station is said to have increased plurality. However, as indicated above, numbers do not necessarily mean choice.

The second defence of the market system is that 'new media' (especially the internet) is leading to a transformation in media power and democracy. Inherent in the technology is a democratic potential which will replace the old media structures and institutions and enable forms of 'direct democracy' to triumph. However, in South Africa, racial and class inequalities, perpetuated in print and broadcast media, have been reproduced in internet access. Largely because of the interplay of class structures and race, mobility within the system and, as a result, access to media of communication (as active participants) have been limited to a small upper-class of the black majority.

Probably the strongest defence by media corporations of the current system is that media firms need to be larger to compete globally. Since the early 1990s, local policy debates have been dominated by an argument that regulatory restrictions should be relaxed to stimulate the creation of large firms. These firms should be free to generate profits from the commercial development of new media services since they will then have the incentive to make the necessary investment in network infrastructure and services to secure wider social goods (such as employment and education). In South Africa, media company NasPers (now renamed Media24) relied on the South African government to help it break into the Chinese telecommunications market.

Finally, the media has insisted that it can regulate itself (that was basically the gist of its defence against the SA Human Rights Commission when the latter held its 'Racism in the Media' inquiry). The professionalism of journalists is perceived as a way of compensating for market failure. Acting according to ethical and professional standards, journalists would counter distortions arising from the market. Dubbed the 'social responsibility' model, it has given rise to codes of conduct (for publishers as well as journalists), measures for editorial independence and varying degrees of trade union recognition for journalists and media workers.

Regulating the Media

Media activists and some government officials in South Africa are coming to the conclusion that the market or minimal measures that rely on self-regulation or social responsibility are not enough to deal with inequality of press access. There is increasing consensus that privately owned media poses a great threat to media democracy and freedom of expression.

It has been recognised that problems of media diversity and development need to be urgently addressed. The density of media infrastructure per capita remains low. Media ownership is still racially (and middle class) concentrated and does not meet the needs of all groups and interests.

In addition, broad racial and regional representivity is still inadequate at management, editorial and general staffing levels. South African experience has also shown that market forces, opportunities for licences (as in the radio industry, but less so in television) as well as changes in print media ownership on its own, cannot achieve this transformation.

Voluntary regulatory mechanisms set up in the past have failed. In 1993, an Independent Media Diversity Trust was set up by non-governmental organisations, but it failed because of lack of funds and, primarily, lack of support by the private media. Later the media companies formed the Print Development Agency and appealed to community media organisations to be part of it. Yet this initiative also failed when it became clear that the private media was reluctant to implement its plan of funding the expansion of the media market. As a result a debate developed in government to create a Media Development and Diversity Agency (MDDA).

The MDDA, situated in the GCIS, will be an independent, statutory

body. However, it will have an arms-length relationship with government, the private sector and other donors. Its mandate will be to promote diversity and development in print, broadcasting and 'new media'. The MDDA will have a board nominated by parliament through a public process and appointed by the President.

The main beneficiaries of the MDDA will be community and other non-profit media as well as small commercial media, including radio, television, print and 'new media'. The emphasis will be on projects that bring disadvantaged communities and sectors – particularly women, rural people, the disabled, illiterate people, working class and poor people – into the information and communications loop. Its work will be funded through direct and indirect subsidies, emergency funding and by encouraging social responsibility support in the broadcasting, print and 'new media' sectors. It will also engage in training and media research.

The MDDA will promote the emergence of common carriers at both national and provincial level in the print media to ensure equitable access for small publications and under-served communities.

The MDDA draws on international experience. Known as the 'social market' model, this approach developed in several European and, especially, Scandinavian countries from the 1950s and involves public financing of the media to ensure pluralism. Grants and subsidies are used to support media firms, especially in press and broadcasting. This approach is based on the argument that there is a built-in dynamic in the competitive process that leads to concentration, inhibits freedom and prevents a diversity of views. Anti-monopoly controls are insufficient. Market intervention is needed to equalise the competition between the strong and the weak to maintain editorial diversity.

Competition law can also help define some important dimensions of market power. However, it can only work within a system that is 'media-specific' (ie, which regulates on the basis of the social, cultural and democratic role of the media) and that makes competition and industrial issues subordinate to public interest concerns. To sum up, when industrial and democratic objectives are in conflict and no way can be found to reconcile them, the latter should have precedence.

Public service media – especially broadcasting – needs to be revitalised and reconstructed but should remain an essential component of a more diverse and democratic media system.

Any form of structural regulation remains a largely 'negative' tool based on legal restraint. That is not enough to promote quality media. We need the active ingredient in public service media to improve quality as well as provide a vital space for the 'common conversation' and public sphere which democracy requires. Public service media obligations need to apply across media – albeit with some variation of intensity in different services. This means a commitment to developing and extending public service values across the mass media. All this remains deeply under threat from the adjustments towards increasingly deregulated commercialised media and from concerted attack by the industry.

Conclusion

Democracy depends on media. The political process is highly mediated today for citizens and their public representatives as well as the various powerful interests that try to influence governments. Citizens get their information on how government works from the media. Politicians use the media to measure public opinion and to speak to their public. But media have also become powerful in their own right. There is a sense in South Africa that citizens and the government have actually lost – or think they have lost – power and control over the media.

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One response, fed by a neo-liberal consensus and by the accompanying paralysis about the inevitability of market forces, is that citizens cannot do anything. The media feeds this consensus. At another level, the media has not been a strong part of the democratic movement's agenda. While South African experiences are better than, say, that of the US, there remains limited scope for the development of public debate on media policy issues. Ways must be found of communicating the importance of media democracy and of building coalitions powerful enough to bring about change. In that way, wider public debate on the questions raised in this chapter can be restored. One of the first things to do is to reverse the thinking in government: that media is about technology only and merely provides information and serves as a conduit for information between citizens and governments. It means breaking with the idea that owners of media outlets do not have explicit political and economic aims in policy-making; that media can regulate itself; that journalists and media owners are not subject to the same commercial and political pressures as other professions; that numbers mean pluralism.

Governments have been active agents in deregulating (or 'liberalising

re-regulation') which have allowed and encouraged the current media concentration and conglomeration. But at the same time, some governments, acting at national and supranational level, have shown scope for some effective measures to tackle media concentration. We need to encourage and support such measures where they take place.

The key to fighting concentration of ownership, with its attendant consequences of synergy and limits on democratic debates, is understanding the transnational dynamics of change in the media and the need to pursue policies beyond the national level.

At the core of any strategy by governments and citizens, though, is the notion that these cannot work without political will on the part of politicians and citizens' insistence on monitoring the actions of politicians (and business).

In short, media needs to be made more responsive. Public service media plays a central role in encouraging democratic deliberation and fostering a common conversation, in contrast to privatised media. It is vital to ensure that the media as a whole addresses citizens as a public and not just as consumers in order to establish a public culture of information.

To make any policy on media concentration have the desired effect, it must have at least the following elements contained in it:

- anti-monopoly controls,
- staff participation and internal pluralism (in press and broadcasting), and
- financial assistance for new enterprises.

Another vital element is commitment to democratic accountability in media structures. This requires, for instance, hard lobbying to ensure that more representatives of poor people, workers, rural citizens, young people and women are elected or nominated to controlling bodies such as the board of the SABC which is governed by an act of parliament regulating its appointments (in open parliamentary hearings), its powers and duties and its explicit mandate (to ensure services to all South Africans).

We need to push for public inquiries into the media, supported by media trade unions and other organisations. The voices of ordinary people are not being heard and are not being involved in crucial policy debates on the future of communications regulations. The debate must be shifted away from the terms set by the big players in the media industry and towards terms set by people interested in creating a diverse, accountable and democratic media.

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CHRIS HANI
DISTRICT MUNICIPALITY

Vision

'A well capacitated Municipality characterized by a good quality of life and a vibrant, self-sufficient economy driven by skilled communities living in a safe and healthy environment.'

Mission

To provide affordable quality services, alleviate poverty and facilitate social and economic development of the area, through integrated development planning, cooperative governance, skills development and sustainable utilization of resources.

Values

- Respect and Diversity
- Achievement and Commitment
- Transparency, Integrity and Honesty
- Ubuntu
- Enjoyment
- Teamwork

INTERGRATED DEVELOPMENT PLANNING'S EXECUTIVE SUMMARY

The Chris Hani District Municipality has undertaken its IDP review in terms of the Municipal Systems Act 32 of 2000, Section 34. This process took place in cooperation and partnership with all role players, stakeholders, local municipalities and civil society. The document details the priorities of the district, including the summaries of local municipalities within the CHDM. The guiding principles behind the document are stakeholder mobilization, negotiated agreements, transparency, coordinated delivery, institutional organization, strategic planning, information-sharing and knowledge management.

The process has been undertaken in an effort to make sure that the entire project list for 2003/4 is outlined with all the key performance indicators. This is done by clustering the projects so that the district provides a comprehensive service to the community. Due to the large area covered by the district and the current services backlog, there are stand-alone projects. The value of the funded projects is R 390 785 981.

Added to the responsibilities of the municipality is the (DMA) District Management Area (Mountain Zebra National Park). The needs of the DMA are mainly environmental issues, road networks, water and sanitation.

Even though some departments were engaged with, and form part of, the cluster projects, the issue of alignment with other spheres of government and parastatals remains a challenge. The district is engaging in bi-laterals with departments and parastatals (through cluster meetings) so that their priorities are in line with those of the districts and vice-versa.

The priorities of the district remain the following:

- *AGRICULTURE AND FARMING*

  This remains the core focus area for CHDM delivery to the community. The purpose is to promote food security and ensure that the community looks at alternative methods of

purposes of wool storage shed and purchase of rams for livestock improvement.

The Farmers Association of Whittlesea asked us to provide fencing for the safe-keeping of livestock and the ploughing arable land. The Department of Agriculture asked us to supplement their initiatives by providing this service and we made available an amount of R2,5 million to complete the project of livestock improvement and fencing.

We are providing R3 million for Stormwater drainage in identified areas. We further make R2 million available from the ISRDP to strengthen initiatives at the Shiloh irrigation scheme through provision of infield irrigation, agricultural and mechanical inputs.

An amount of R2,4 million is being made available to complete phase 2 of a water scheme in Mageza/Goso (Engcobo). R3 million is being made available for contribution to a bridge at Beyele and access roads identified in the municipality. Engcobo would benefit from an amount of R1 million from ISRDP for wood production, with the objective of training of furniture makers. For sustainability of this project, Intsika Yethu, with its forests, would need to help.

An amount of R2,5 million is being made available for a flash sewer system in Hofmeyor, and R500 000,00 for the construction of a shearing shed for the Khwezi community. We further contribute R2 million for the Ntabethemba LED cluster that is geared towards infield irrigation, agriculture and mechanical inputs.

At Sakhisizwe we have set aside an amount of R3 million. A further R2 milllion from ISRDP is available for abattoir and infield irrigation for massive food production in Sakhisizwe.

The district municipality seeks to promote healthy and clean environments. It is disappointing to observe the escalation of unauthorized rubbish dumps in our townships. R3 million is set aside to promote and support local municipal initiatives in this regard. The implementation of this project should be coupled with health and environmental education in our townships.

Health/Social Development is one of the 4 pillars of the ISRDP, and the Chris Hani District Municipality has identified that the greatest priority/challenge lies in the areas identified as per our IDP, of which the health sector forms an integral part. A full health situational analysis was carried out and we have allocated an amount of R2,5 million for the following priority areas:

- To augment our drug allocation
- To purchase information education
- To strengthen our STI programme
- To promote anti-AIDS groups
- To ensure functional integration

The implementation of the District Health System is already on its way in the Chris Hani District, although there is willingness from all stakeholders to develop a strong and self-reliant Chris Hani Health System with empowered health workers and communities. The CHDM has launched its District Health Council and it is functioning very well.

NGO funding to assist in our fight against HIV/AIDS:

- Replacement of outdated equipment and vehicles
- Cholera prevention programme
- Circumcision programme

Through the implementation of projects related to the improvement of roads and transport, the impact will be positive in health service rendering. We therefore need to support our health sector to ensure an effective and efficient Health System backed by proper infrastructure.

Our cemeteries, particularly those in rural villages and townships, are a cause for concern. It is high time that we initiate an intensive programme of building infrastructure around our graveyards. We avail an amount of R2 million for this project.

The special programmes unit has to benefit from our budget allocation. This refers to sectors such as youth, women and the disabled. We hope that these sectors will come forward with sustainable programmes to benefit them in a meaningful way. Our priority would be to make the existing projects/programmes (that lack resources) viable and sustainable. An amount of R1 million is made available for this purpose.

We are committing R1 million for tourism infrastructure. Our LED unit should present us with programmes that seek to promote this industry in our district. We are assisting the district tourism organization, with rent being among the components of their budget. We ought to ask ourselves if we should continue leasing or have our own accommodation once and for all. The LED unit and the tourism organization should assist us in answering this question.

One of the central challenges of the district municipality is the fact that we have been appointed as a Water Services Authority and Provider as from the 1st of July. There are water schemes that are incomplete or dysfunctional. We need to complete these schemes, and those that are not functioning should be made functional as we grapple with the new mandate. For this objective to succeed we have set aside an amount of R5 720 370,00, and R500 000,00 is reserved for unforeseen circumstances.

We are faced with huge demands from our communities. Let us continue to work together and support each other in building the future of this district.

I take this opportunity to thank everyone for the co-operation we enjoy in working with government departments, national, provincial and stakeholders.

"Together lets build a people's contract for a better life for all; supporting each other in building the future of this district"

production, which will increase productivity. Commercial farmers are playing a key role through supporting and training emerging farmers. Focus areas are the revitalization of irrigation schemes, upgrading of livestock, fodder production, fruit and vegetable gardens and dairy farming. Land reform and tenure still pose a great challenge to development.

- *WATER AND SANITATION*
  CHDM has been mandated the function of being a Water Services Authority. This means that the DM is responsible for making sure that communities receive water without interruption. Options for service delivery must be assessed with disparities in mind.
- *INFRASTRUCTURE*
  Infrastructure includes roads, public transport systems, storm water drainage, housing and cemeteries. The main focus of delivery will be centered on rural areas. Road networks are critical as they provide access to markets, communities and other service centers in the area.
- *ECONOMIC DEVELOPMENT*
  The Local Economic Development strategy and the Agricultural Development strategy form the core for economic development. Further programmes are being evolved to capacitate SMMEs arising from the strategies.
- *HEALTH AND COMMUNITY DEVELOPMENT*
  The health function is a provincial function that is run by local government in terms of agency function. The District Health System ensures that the district plays a pivotal role in the coordination of the system. This role is fulfilled by providing expertise on how to run an effective, efficient and economic service. This area covers issues like clinic upgrading, studies on healthcare options, HIV/AIDS, TB and diarrhoea.

CONCLUSION:

The process followed to craft the CHDM's IDP has been transparent, all-inclusive and development priorities have been reached by negotiated agreements. The reviewed IDP considered all the comments received from all the stakeholders; in particular, the MEC for Housing, Local Government and Traditional Affairs.

Participation by sector departments and parastatals was encouraging but alignment remains a challenge. The IDP has, however, paved the way for integrated planning and this is reflected in the interdepartmental planning of the cluster projects.

The reviewed IDP document provides the District Municipality with the necessary tool to ensure effective, efficient, economic and coordinated delivery of its identified priorities. It also provides the district with a yardstick against which to measure its performance, thereby continually improving on its service delivery.

CHRIS HANI DISTRICT MUNICIPALITY BUDGET ALLOCATION 2002/2003 PRESENTED BY EXECUTIVE MAYOR MAFUZA SIGABI

Our IDP is a product of stakeholder participation that identifies agriculture, farming and the eradication of bucket systems in the district as key priorities.

At Intsika Yethu we wish to contribute to the eradication of the bucket and pit latrine systems in the towns of Cofimvaba and Tsomo. There is visible economic growth in Cofimvaba and we would like to contribute to the attraction of further investors by improving infrastructure. For this purpose we allocate R5 million: R3 million to Cofimvaba and R2 million to Tsomo. A further R2 801 847, 00 is allocated for the Qamata/Bilatye irrigation scheme for work in progress.

Stormwater problems at Inxuba Yethemba have been identified, particularly at Midros. We have made a contribution of R1 million, and another R1 million is allocated for sanitation and cleansing in the greater Cradock area. We are allocating R1 500 000,00 from ISRDP for the purchase of land for fodder production.

Inkwanca municipality is faced with huge backlogs in sanitation, particularly in the Sterkstroom component. We are allocating an amount of R800 000,00, and R2 million from ISRDP, to start the process of eradicating the bucket system. We are contributing R800 000,00 for regravelling of Molteno roads and R110 000,00 for drilling and equipping boreholes for better provision of water to communities.

The communities of Indwe, Dordrecht and Lady Frere live in disadvantaged conditions regarding proper sanitation. An amount of R3 million is made available for starting a process of eradicating the bucket system for better living conditions. A further R1 million is allocated for an access road to Percy village and other projects. Through ISRDP funding we contribute R800 000, 00 for the wool cluster anchor project for

OVERCOMING STRUCTURAL UNEMPLOYMENT

BY ROB DAVIES,
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SPEECH IN DEBATE ON 'THE NEED TO ACCELERATE GROWTH AND DEVELOPMENT THROUGH PARTNERSHIP AND ACTIVE PARTICIPATION IN ORDER TO PUSH BACK THE FRONTIERS OF POVERTY', PARLIAMENT, 4 JUNE 2003

In looking at the potential strategic significance of the Growth and Development Summit (GDS) in June, for our national effort to build a better life for all our people, it is perhaps necessary to begin by dealing with two misconceptions that have emerged in various quarters. The first places excessively high and unrealistic expectations on what will after all be a one day event – expecting it to provide an instant panacea for all our challenges and problems. The second, which appears to be characteristic of the approach of the Democratic Alliance (DA), is to dismiss the GDS as a mere talk shop, or non-event.

The GDS will in fact neither be a panacea nor a non-event. It needs to be recognised as an exercise in social dialogue that can help to build a national consensus on immediate priorities for a sustainable growth and development strategy. It can also, very importantly, mobilise concrete commitments from social partners to work together and contribute in defined ways to advancing this strategy. Those who are sceptical are perhaps ignorant of the important contributions made by social dialogue processes in other countries, eg in the case of Ireland. It is, in my view, important for this parliament to support follow-up activities to give concrete effect to agreements reached at the summit.

The GDS took place against the background of increasing agreement, not necessarily about every detail, but about the broad direction and priorities for economic and developmental policy in the period ahead.

The key thrusts have been enunciated by President Thabo Mbeki in successive State of the Nation addresses in recent years. In 2001, the President spoke of a shift in the focus of economic policy from the pursuit of macro-economic stability to engaging critical issues of micro-economic reform. This shift envisaged a greater focus in our efforts to promote growth and development on real economy issues, such as infrastructural development and the integrated manufacturing strategy. This year the President spoke of a concerted effort to roll back the frontiers of poverty. More specifically he spoke of creating a society in which our people rely for their incomes and well being on normalised participation in economic activity. Our current reality, as the President also acknowledged, is that many of our people, through no fault of their own, do not and cannot earn their living through normal participation in the economy. Official figures indicate that 29% of our working-age population is unemployed according to the ILO strict definition. If we drop the requirement of actively seeking work, the percentage on the so-called expanded definition rises to 40%. While we have more recently seen a small sign that the tide may be turning, with, for example, positive net job creation being recorded in the manufacturing sector in the third quarter of 2002, these figures highlight the enormity of the challenge that lies ahead.

How we understand the unemployment challenge facing us is critical in determining a workable response. A number of analysts have pointed out that our challenge is to deal with an unemployment problem that is not fundamentally cyclical in nature. It is not something therefore that will disappear with growth alone, if this is understood simply as the expanded reproduction of existing structures and relations of production. Nor is our

unemployment problem, as the careful study of the 1996 report by the Presidential Commission on Labour Market Policy underscored, the product in any significant way of rigidities in the labour market. Rather, as many analysts have argued, what we face is a problem of structural unemployment that has its origins in the crisis of the accumulation model that developed under colonialism and apartheid, and which has been exacerbated by perhaps inescapable adjustments to new realities created by globalisation.

It is worth reminding ourselves of the central features of the apartheid accumulation model. It was based on the brutal exploitation of large numbers of low-paid unskilled labourers drawn from the black population. This model, which was developed in the primary product sectors – mining and agriculture – and was later carried over into manufacturing, depended on racially discriminatory, oppressive and coercive measures to draw large numbers of black people into unskilled labouring jobs and ensure that wage rates were kept low. Pass laws, the closed compound system, racial discrimination laws and migrant labour were all integrated into this model of accumulation. The fact is that this model began to unravel and enter into crisis in the context of the world economic downturn of the mid-1970s.

Structural unemployment – falling particularly on unskilled black workers – has been a central feature of the South African reality since the mid 1970s. Pressures of globalisation in the 1990s added a new dimension. Our country, along with others, came under pressure to reduce tariffs and expose our previously highly protected manufactured sector to competition from abroad. These competitive pressures were seen by government as requiring inescapable major restructuring if we were to avoid the imminent possibility of de-industrialisation. This restructuring, which saw a shift from Fordist assembly line methods of production to more flexible and knowledge-based methods of organisation, succeeded both in raising competitiveness and increasing export performance by manufacturing both important objectives. But this came at the cost of adding to the tendency to reduce demand for unskilled workers, particularly those in activities seen as peripheral to the 'core business' of manufacturing enterprises. When we say that we confront an unemployment crisis that is mainly structural in character, what we mean in short is that there has been a sharp, irreversible contraction in demand for unskilled production workers linked to processes of structural change taking place over the past 30 years or so across many sectors of the formal economy.

Correctly understanding the nature of the unemployment challenge we face is central to defining a way forward. Recognising the problem as structural in nature, means recognising that there is no solution from growth alone, understood as the expanded reproduction of the existing duality of our economy. Of course, we need to raise growth rates, but we cannot do this without addressing structural constraints created by poverty and inequality. Unemployment is widely recognised as an impediment to investment and hence to increasing our growth rate. The pursuit of growth has to be accompanied by strategies to roll back the frontiers of poverty – and must be developmental in character. Nor does the view that the key problem is labour market rigidities capture the fundamental reality of a structural reduction in demand for less skilled wage labourers in the informal economy, even if they were to be paid low wages. The siren song of the alleged 'labour market flexibility' solution we often hear from the DA is an illusion. They call on government to make it easier for employers to fire workers in the expectation that this will encourage them to hire more. What they do not take into account is the context of structurally reduced demand. In fact, in such a context, if you make it easier for employers to fire workers, you may get exactly that – more firing without more hiring. Neither is there real merit or even evidence of serious thought in the DA's newfound panacea of 'Export Process Zones'. As Alec Erwin, the Minister of Trade and Industry, said during the debate on his budget vote, if foreign investors were scouring the world looking for new 'sweat shops', why are they not all rushing into the many other poor countries around the world that are seeking to market themselves on the basis of cheap, unskilled, rightless labour?

Recognising the reality of the structural nature of our unemployment problem, means acknowledging the need for a raft of responses targeting the overcoming structural constraints. These must include both short- and long-term measures. Linked to the infrastructure development challenge, which the micro-economic reform strategy has identified as a key to overcoming growth, we need to significantly expand public works programmes. At its 51st congress in Stellenbosch, the ANC resolved that an expanded public works programme should involve a deliberate choice in favour of labour absorbing techniques in particular in developmental public works programmes. Linked to this must be the expansion of training and skills development programmes. These will need to be complemented by the extension of social security programmes in particular to create conditions for the poorest of the poor to engage in productive activity.

In established formal sectors of our economy we need to encourage and incentivise labour absorption and job retention. The integrated manufacturing strategy has identified the need to promote dynamic linkages between big projects and small business and between downstream and upstream activity through the concept of 'integrated value matrices. These linkages are not automatic and won't be achieved, in my view, by focusing on the large anchor investment alone. More attention needs to be focused on directly empowering smaller enterprises and upstream and downstream activity and in intervening to actively promote beneficial linkages.

But even if our efforts in this regard succeed, we need to accept that our quest to end the scourge of unemployment and poverty must be broader than expanding wage labour employment in the formal sector. Many of our people are obliged to seek their livelihoods in informal sector activities, but these, as studies by Stats SA have confirmed, are at present overwhelmingly low income and low quality in nature. Our quest to end the scourge of unemployment and marginalisation must embrace the broader concept of promoting sustainable livelihoods and raising the quality of these so-called 'informal sector' activities. This must involve an accelerated push to support SMME development, with more attention on very small and micro-enterprises that are currently marginal to many existing programmes. Co-operatives are an accessible, collective form of economic activity, which have particular significance and merit priority attention and support.

All of these are key thrusts of ANC and government policy. The GDS can contribute and add value to all of them through agreement on a strategic choice in favour of labour-absorbing techniques and our modalities for implementation of such agreement. Social partners must also support an extension of training and skills upgrading programmes, SMME support and support for co-operatives.

A particular challenge will be to unlock and mobilise resources in the hands of private capital to support increased investment of a developmental nature, which has as its objective economic and social development, increased job creation and is not driven by narrow considerations of profit maximisation alone. In this respect, it is to be hoped that the GDS will build on and give impetus to the important agreement on 'Capital Markets and Investment' reached at the Financial Sector Summit in August last year. This laid out a process and defined clear tasks for the social partners to promote increased private sector involvement in development investments. Importantly too, the Financial Sector Summit agreed: 'The Financial Sector commits itself to the disclosure of its investments, and to engagement around and establishment of realistic targets for this type of investment.'

The GDS, finally, will have to take all of this down to local level and ensure that agreements have real meaning for the inhabitants of townships and rural areas where the majority of our poor, marginalised and unemployed reside.

The GDS, finally, will challenge us in Parliament to find creative ways to engage with the process. The GDS was not just an event that took place on one day. Rather we need to see it as the launch of a process that will require much follow-up activity to implement, which will inevitably be framework summit agreements.

'NOT RURAL DEVELOPMENT, BUT AGRARIAN REFORM': BEYOND THE NEO-LIBERAL AGENDA

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Introduction

At the end of the millennium it was widely recognised that the major problem confronting global society was the continued existence, despite a century of rapid and continuing technological change, of acute inequality and deep poverty. Stark contrasts between the affluence of a few and the poverty of many have increasingly brought into question the promise of 'development', whether of the (supposedly) endogenous, market-propelled kind of the capitalist North and East, or of the intentionally-planned, state-driven type that has dominated the agenda of the South since the middle of the 20th century. By the 1990s the state-driven approach had, of course, largely given way to notions of market friendly 'structural adjustment' programmes informed by neo-liberal economic theories – but these have few successes to proclaim. And the solace of an imagined socialist 'alternative path' to development has disappeared for many, it would seem.

The situation is grim, and particularly so in Africa. Even World Bank economists are now beginning to question the practices of the international financial institutions, and the conventional wisdom of neo-liberal economics. In the last few years the idea that the state has a central role to play in development has staged a belated comeback in development theory.

South Africa's Agrarian Question Revisited

Answers flow from questions; solutions from the manner in which a problem is formulated. How we think about an issue, with or without explicit reference to theory, is deeply important. The fact that acute poverty and inequality persist despite enormous amounts of money being spent on 'development' means that we should perhaps begin to re-think what we understand the problem to be. Different answers result in very different stances and policies.

Classical Formulations and their Application in SA

This paper suggests that the most appropriate analytical framework for understanding continuing inequality and deep poverty in South Africa's rural areas is one drawn from radical political economy, and from analyses of the unresolved 'agrarian question of the dispossessed'. Important and innovative theorising on this theme was undertaken in the late 1980s and 1990s), but made little impact on policymakers or civil society advocacy groups. It is time to return to these underlying issues and problems, given slow progress in rural and agricultural development and land reform, and widespread scepticism about the potential for these policies to contribute to poverty reduction in post-apartheid South Africa.

The classic agrarian question was concerned with the transition to capitalism, both within agriculture and in the mechanisms through which agricultural development contributes to industrialisation. The agrarian question of capital is resolved when transitions to capitalist agriculture and industry are complete (Bernstein 1996; Byres 1991). But there is not just one pathway through this transition – both its character and the outcomes are shaped by class relations and struggles, depending on the strength of contending interests of landed property and agrarian capital, agricultural labour in a variety of forms (including tenant peasants), and emerging industrial capital. State policies and interventions also influence agrarian transformation.

Byres (1991), following Lenin, describes two broad alternative pathways:

- 'accumulation from above', or the Prussian path, which sees pre-capitalist land owners transformed into agrarian capitalists. This occurred in parts of Latin America, northern India and South Africa, as well as in 19th century Germany.

- 'accumulation from below', or the American path, where conditions for petty commodity production are established and a fully capitalist agriculture emerges through class differentiation of peasants and other kinds of small producers.

Bernstein (1996) suggests that South Africa's agrarian question is both 'extreme and exceptional'. He argues that the central place within the social and political order of white commercial farmer interests meant that policies, in both the segregation and apartheid eras, promoted cheap agricultural labour, provided extensive subsidies and installed a bureaucratic regime to regulate production, distribution and trade in the interests of agricultural capital. For Bernstein the concentration, scale, and productive capacity of capitalist agriculture in the late 20th/early 21st century is clear evidence that the agrarian question of capital has by now been resolved, via 'accumulation from above', that is the Prussian path.

For Bernstein, however, the agrarian question of capital is only one side of the coin; on the other, the agrarian question of the dispossessed has not yet been resolved. Structural unemployment, poverty, food insecurity, land hunger and continued rule by chiefs mean that the struggle for democracy, and against oppression and exploitation, continues. The agenda of the incomplete agrarian question is to contest the monopolistic privileges of white/corporate farming, and of chiefly/bureaucratic elites in former 'homelands', and create the conditions for 'more diverse forms of commodity production', that is 'accumulation from below'. In this conception rural producers in the former 'homelands are neither undifferentiated 'peasants', nor simply 'displaced proletarians', but petty commodity producers, differentiated into emerging class strata.

Agriculture in the Contemporary Agrarian Question

In many discussions of the agrarian question there is a strong emphasis on agricultural production, which has obscured to a certain extent the reality of increasing reliance on non-agricultural livelihoods, including natural resource harvesting and processing. These need to be integrated more centrally into both analysis and proposals for agrarian reform. In South Africa the diversity of livelihood strategies has arisen in part as a response to dispossession, overcrowding and landlessness in the former 'homelands'. Although 70% of the population in these areas has access to land, for more than 50% of this group, land size is less than 1ha (Statistics South Africa 1998). In these circumstances, reliance on farming alone is not an option for most people.

Research reveals that the rural population is not homogeneous, but socially and economically differentiated, and different strata within rural communities assemble different bundles of livelihood strategies. Many depend on multiple livelihood sources, including agriculture at different scales, formal employment, remittances, welfare transfers such as pensions, and micro-enterprises. Dependence on pensions is often over-stated, and harvesting of natural resources such as medicinal plants, fuel wood or wild foods and their consumption, sale or further processing, have been underestimated or ignored in the past, but play a key role in the livelihoods of many rural households (Shackleton et al 2000).

These South African realities are not unique. Gill Hart notes that:

The perpetuation of multiple, spatially extended livelihood strategies and efforts to retain a secure base is not just an apartheid hangover, destined to disappear in the context of political and economic liberalisation. Nor are these patterns in any way peculiar to South Africa. Rather, they are a defining feature of late 20th century capitalism, exemplifying the fiscal crisis of the nation state and its retreat from welfare provision, as well as the imperatives of flexible accumulation and global competition (Hart 1996: 269).

For Hart (2002) the political implications are clear: 'The time has come to rethink land questions, de-linking them from agriculture and connecting them to broader demands for livelihood, secure housing and a social wage. Such livelihood strategies might well include some form of agriculture, but would extend well beyond it.'

However, agriculture remains an important aspect of the agrarian question in Africa. Food production remains an important livelihood strategy, given proliferating cash needs and food price inflation. In South Africa, research confirms the central importance of small plot agriculture, mostly for domestic consumption, often located in large 'gardens' adjacent to homesteads rather than in more distant fields. Around 70% of households in the former reserves are engaged in some form of crop production. Participation in this form of production is highly gendered, with women taking major responsibility for it as one aspect of domestic reproduction.

At the other end of the spectrum, there is also a small but important class of emergent capitalist and petty commodity producers in black rural areas. They formed the National African Farmer's Union in the early 1990s and have been pressing government for land reform policies that will enable them to acquire land, credit and support services. However, their primary economic activity is usually not farming, but a small business enterprise such as a transport company, a trading store or a butchery. Small-scale agriculture in South Africa is thus highly differentiated in terms of the class identity of producers.

The continuing importance of land-based livelihoods, but the real difficulties of relying solely on them, results in the rural poor being squeezed from both ends. Increased dependence on consumption items, including food, means that rising prices put pressure on disposal income; high levels of unemployment mean non-agricultural incomes are often reduced; and the economics of crop production in the rural periphery means that agriculture cannot be the sole means of livelihood. The articulation of rural and non-rural activities and income streams is weakened by the 'redundancy' of the rural poor within struggling capitalist economies, leading to a crisis of social reproduction.

Reformulating the Agrarian Question in SA

In my view there is a need to return to consideration of the agrarian question in post-apartheid South Africa, and to frame it in terms of contemporary realities of structural poverty. The 'agrarian question of the dispossessed' is still on the agenda. Despite the 'stabilisation' of the economy as a result of homegrown structural adjustment (reduced budget deficits, falling inflation, increased state revenue from efficient tax collection) the post-apartheid economy is growing very slowly (Makgetla 2001). Massive inequalities limit the domestic market and constrain the growth of exports. Only structural change which offers the possibility of much greater equity in the ownership and productive use of assets, improved incomes and the enlargement of the domestic market offers us a way out of the impasse.

Government policies since 1994 have yet to address a systemic crisis of poverty, unemployment and structural inequality in access to assets, services and institutions. There is a growing 'surplus population' who survive on the rural and urban margins by means of casual work, low-income 'informal sector' forms of self-employment, prostitution and crime.

The linkages between rural and land-based livelihoods and formal and informal jobs in small towns and urban areas are still important but massive job shedding from the core economy means that contradictory trends are evident. On the one hand, the functional articulation of wage income and rural production is reduced, and people look to farming or natural resource harvesting. On the other hand, cash is still needed for the purchase of agricultural inputs and assets such as livestock, and when asked why they don't plant more crops, people often reply – 'because we have no money from a job'. More so than ever before, many rural people are neither 'workers' nor 'peasants' nor a hybrid of the two.

The agrarian question of the dispossessed revolves around the constituting of a 'new' class of emergent petty commodity producers from within the ranks of the desperately poor. It cannot be constituted on the basis of production in agriculture alone, given the density of settlement and population-resource ratios in the countryside, as well as the difficulties faced by the agricultural sector as a whole. 'Multiple livelihood' forms of petty commodity production, articulated with wage labour in many (but not

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all) instances, will have to be created, both within and beyond the borders of the former homelands, and in urban and semi-urban zones as well as in deep rural areas. The close connections between the urban and rural sites in which households compose and recompose themselves mean that these livelihoods and forms of production will have a hybrid character, combining the 'urban in the rural' and the 'rural in the urban' (Mamdani 1996).

Rural Development in SA: The Integrated and Sustainable Rural Development Strategy (ISRDS)

The Integrated and Sustainable Rural Development Strategy (ISRDS) was launched by government at the end of 2000. The baseline document asserts that 'the absence of a single, recent and comprehensive statement has led some observers to argue erroneously that South Africa does not have a rural development strategy. On the contrary, the country has a strategy, and need not reinvent the important groundwork already in place...' (ISRDS 2000). The document then mentions the following programmes: promotion of small scale mining, electricity supply, Spatial Development Initiatives (SDIs), community based public works, water supply, the Working for Water project, telecommunications and land reform.

The document also outlines a number of 'special instruments' that have targeted poor communities since 1994. These include the Local Economic Development (LED) fund; community water supply and sanitation; food security; rural housing; technopreneur programmes; Khula-start; SDIs; local business service centres and Small, Medium and Micro-enterprise (SMMEs) incubators; agricultural marketing and farming development; employment and skills development services; development of self-sustaining villages; establishment of IT centres; software distance learning centres; web-internet laboratories; school awareness programmes; waste management programmes; Phambili Nombane and others.

The thrust of the ISRDS is to provide mechanisms for integrating and co-ordinating the programmes listed above. It does not provide additional funding for rural development, and does not prioritise specific sectors or programmes. These features call into question its claim to be a national 'strategy'.

The ISRDS aims to 'attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development'. Implementation of the ISRDS will use existing institutional, planning, management and funding mechanisms. It is not predicated on additional funding from government, but additional funding 'will be derived from the structure of delivery relationships ... sources will include the private sector, public-private partnerships, organs of state and the donor community' (IDT 2000: vi).

A key feature of the strategy is the central role accorded to local government bodies in planning and co-ordinating local economic development, to 'achieve synergistic rural development'. It is recognised that many of these bodies will require assistance and guidance to develop the capacity 'to clearly identify local development needs and opportunities and to plan to respond to these... as decentralised and accountable entities managing participatory planning and implementation processes'. The Integrated Development Plan (IDP) process is seen as establishing a means of integrating diverse programmes at municipal level.

In the ISRDS economic growth is premised on the notion of growth drivers and multipliers, and these are clearly based on enhancing the market potential of primary sectors (agriculture, tourism and forestry), that generates additional incomes through 'linkages in expenditure and employment'. While 'agriculture need not be the only source of growth, and in many areas will not be the most important', 'natural resources will always be an important determining factor in rural development', and 'much of rural South Africa falls into this category'.

The ISRDS is being implemented using a concept of 'nodal development', or spatial targeting. Pilot nodes are in the poorest districts in the country, and will expand progressively as the programme unfolds. A 'basket of services made up of existing government initiatives and programmes, plus initiatives by the business sector, NGOs, CBOs and trade unions, will be selected by local government bodies. These will engage in structured, participatory assessments, involving residents and stakeholder groups. Municipalities will 'choose investments and services that suit their priorities and abilities to maintain', from those on offer.

The capacity of weak rural municipalities will be strengthened to enable them to carry out these functions. An implementation plan building on existing programmes, while initiating selected new programmes, together with the a bottom-up approach and better co-ordination, will 'be able to deliver results on the ground very quickly'. Financing the basket of selected services will occur through the budgets of existing entities, primarily the line departments and municipalities. Once community priorities have been aggregated, the municipality will approach various providers and 'proactively attract' desired programmes.

Despite optimism that this approach can ensure effective co-ordination, a status report to a meeting of Director-Generals within the social and economic cluster, dated January 2001, identified several problematic issues in relation to funding and the institutional framework for planning within government. This report notes that 'existing budgetary processes and instruments are not sufficiently effective, flexible and responsive... Furthermore, the national and provincial budgetary planning process, and that of local government, are not synchronised'. It was proposed that 'government considers whether it is necessary and possible to achieve greater synergy in these planning processes, or how the potential obstacles ... can be overcome and managed' (DPLG 2001: 7).

Further, the ISRDS 'assumes that departments will realign and focus (rural development) allocations on the areas targeted for the ISRDS'. However, 'co-operative governance needs systematic streamlining', and 'operational mechanisms within the local government sphere are not well defined in most sectors'. Also, 'there is no mechanism to intervene in the resource allocation at provincial level', despite the fact that 'the strategy requires commitment by provinces to support the ISRDS'. Given the key role of the IDP mechanism, 'sectors need to be sufficiently flexible to support the IDP process and not insist on separate structures for its own programmes as determined by its own policies' (ibid: 8).

Land reform is mentioned several times in the ISRDS: (i) it is said to be 'an important component of rural development'; (ii) it is asserted that agricultural growth produces a multiplier effect through generating demand for goods and services, and since these 'tend to be higher for small farms than large farms', a land reform that moves land to small farmers will stimulate the local economy; (iii) the revised Land Redistribution and Agricultural Development (LRAD) programme is a 'complementary measure' to support the ISRDS mechanism, but 'if the pace of land reform lags, the agricultural sector, and therefore the entire rural sector, is at risk, and this it is a 'critical component of the ISRDS' (IDT 2000: 41).

A Critique of the ISRDS

How appropriate and how feasible is the ISRDS? One key issue, given their central role, is the capacity of local government bodies to undertake participatory and co-ordinated planning. This capacity is clearly inadequate at present. Everatt and Zulu (2001: 19), for example, predict that 'if the ISRDS is fast-tracked, it will fail: capacity needs at local level are enormous and cannot be provided overnight' and Pieterse (2001: 59) warns that 'the feasibility and democratic value of IDPs are not guaranteed or unambiguous'.

Capacity issues are clearly vital, but a more fundamental question must be asked: is the ISRDS a strategy, or is it merely a set of institutional mechanisms? A careful perusal of the base document reveals that the ISRDS does not clearly identify key potential growth sources in rural South Africa, or indicate any preferred sectoral emphasis. Its 'key strategic choice' is to build on existing programmes. But are all of these programmes appropriate? More importantly, is the mix of programmes that currently obtains, and the relative importance of each, (in terms of levels of funding support from the national budget or within provinces) appropriate? Can a 'strategy' be agnostic as to where the real opportunities lie, or on what the chief constraints are? As Maxwell notes,

'There is no model on offer which does not prescribe jobs, education, health, participation, environmental protection, and a host of other 'goods'. The discrimination has to be more subtle: not 'what', but 'why', 'what priority', 'what sequence', and 'what roles for different actors'.' (Maxwell 2001, cited in Pieterse 2001).

One answer may be that it would be inappropriate to try and answer these questions at national (or even provincial) level, given the regional diversity that exists, and hence the need for locally tailored solutions and decentralisation of any such strategising. The ISRDS asserts that the IDPs will provide the prioritisation of needs and opportunities, thus providing a way for interest groups ('stakeholders') and 'communities' to have a real say in their own development. But the assumption underlying this approach needs to be questioned.

Needs, desires, problems, opportunities, and thus priorities, do not exist 'out there' in reality, in communities and localities, ready and waiting to be discovered. This assumption is a kind of developmental positivism, based on some idea of 'inherent potential' waiting to be 'released... But do people perceive, understand and identify these in isolation from what is 'on offer' – from government, from local markets, employers and resource tenures, from blockages, openings and immediate possibilities emerging from reality as it is currently structured? It seems to me that what (local) people see as possible is deeply shaped and informed by what appears before them as a result of decisions made in Pretoria and Bisho, where officials decide on sectoral priorities, allocate funds to programmes, manage (or mismanage) the scarce resources available to them ... by decisions in Brussels and Washington, on the terms of trade within global agro-food commodity regimes ... and by decisions by the chief or headman on where within the village the new water supply project delivered by government will be located.

Thus it seems to me likely that land reform projects, largely absent to date from IDPs, would have a much higher profile for rural people, and thus stand a much higher chance of being prioritised in IDPs, if: the national budget for land reform was higher than 0.4% of the total (say, 2% or 3%); twice as many planners were employed in land reform; if provinces and districts greatly expanded opportunities to acquire land for production or settlement, and supported the resolution of land tenure disputes; if there was real support for planning and implementing natural resource-based enterprises and livelihood strategies.

Development plans based on local priorities, identified through a democratic and participatory process, are clearly vital. But decentralisation without strategic planning and sectoral prioritisation is unlikely to address the systemic and structural constraints which hamper rural development. Thus the alternative conceptualisation is development planning based on a 'dialectic' of the local and the national, mediated by interactions between these and intermediate levels (for example wards, municipalities and provinces). This would require not the agnostic offering of a diverse 'basket' of programmes, but a rigorous analysis of possibilities for rural regeneration, a strategic choice of key sectors and regions and resource allocations to match.

Other problems with the ISRDS are its technocratic and apolitical understanding of development planning, using the language of 'stakeholders' and homogeneous 'communities'. This leads to a prognosis that what is required is 'integrating' rural areas into the economy, 'comprehensive regional development' and 'strengthening rural-urban linkages, that is, inclusion into the larger economic structures – without adequate recognition of the need to address structural inequalities of wealth and power, the redistribution of assets and economic opportunities and the radical restructuring of various economic sectors, including agriculture.

Also problematic in the ISRDS is its uncritical acceptance of the Land Redistribution and Agricultural Development (LRAD) programme, which has been widely criticised for its inadequacies. As Lahiff points out:

'A key disadvantage ...is that the participation requirements will tend to favour those who already have a reasonably strong asset base and will tend to exclude those who have none. If the poor prove to be systematically unable to meet the requirements set by DLA, they will be left out of the land redistribution. While LRAD may be able to meet the needs of a small minority of emergent black farmers, it is unlikely to even come close to meeting the needs of the mass of poor and landless households, or transforming the racially-skewed pattern of land ownership' (Lahiff 2001: 5).

Finally, a key constraint within the ISRDS is its neo-liberal assumption that no additional funding from government is required and that additional resources will be derived from the private sector, public-private partnerships, donors etc. There is no recognition of the need for a dramatic increase in the scale of investment of government funds in structurally disadvantaged rural areas, given the scale of the problem of rural poverty and the radical nature of the transformations required to address it.

Towards Agrarian Reform

What South Africa needs is not 'rural development', but a wide-ranging agrarian reform in which the redistribution of large areas of productive land to the rural poor plays a central role.

Five core propositions are suggested.

1. A wide-ranging programme of land reform is a necessary but not sufficient condition for the resolution of the agrarian question

Rural development programmes focused on improving the output and productivity of agriculture and natural resource use will not reduce poverty on their own. Overcrowding and high population-resource ratios in the former reserves, together with poorly defined and insecure rights to those resources, remain major constraints. As long as enormous inequalities in land ownership exist, and rights to land and resources remain insecure, we cannot talk of sustainable rural development in South Africa.

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Land reform is urgently required to:

- create equitable access to land and natural resources, across the whole country, including communal areas;
- secure people's rights to land and resources, in both law and in practice, within a range of tenure systems (including both group and individualised systems as options) which are receiving strong institutional support from government;
- restore land to those with valid restitution claims; and
- increase the tenure security of farm-workers and labour tenants, and to provide them with access to land in their own right wherever possible.

2. Land reform will only be effective if embedded within a broader agrarian reform programme that creates the conditions for processes of 'accumulation from below'

Effective access must also be provided to inputs, tools and equipment, draught power, marketing outlets, infrastructure for transport and communications, and support services such as extension, training and marketing advice. The state will have to play the lead role. The goal must be to create an economic environment that fosters broadly-based 'accumulation from below'.

This will require decisive shifts in power relations, and a redistribution of political and economic power in favour of the poor. This will mean taking on the power of communal area elites, including traditional leaders, the renegotiation of terms and conditions of employment of both permanent and seasonal labour in the commercial agricultural sector, and addressing the concentration of economic power within agro-food commodity chains in the hands of big business.

This means that land reform will only be effective if embedded within a broader agrarian reform, which goes beyond 'rural development', and aims at a fundamental transformation in the social and political relations that underpin systems of production, and changes in the balance of power.

3. A paradigm shift is required to focus state policies on agrarian reform
Government must recognise its central role in land and agrarian reform, and devote sufficient resources to redistribution, restitution, tenure reform, small farm development and rural enterprise promotion. The state can use the market to acquire land to meet identified demand and undertake area-based planning for development, with the support of communities, NGOs and private sector expertise where appropriate, but must not remain hide-bound by the ideology of market-based development. Significant state support for the beneficiaries of land restitution is needed, and an adequate budget for implementing tenure reform must be secured from Treasury.

It must also actively promote the participation of the 'beneficiaries' of agrarian reform in processes of policy-making, planning and implementation.

The multiple and diverse character of the livelihoods of the rural poor, and emerging opportunities for petty commodity production, must be at the centre of policy. This means land and natural resources are vital, but cannot be the only focus of development; complementary forms of rural enterprise must also be promoted.

4. Land and agrarian reform requires a major investment in capacity building as well as innovative institutional arrangements

Inadequate capacity to implement land reform is common in government departments, local government bodies and NGOs and has hamstrung the implementation of land reform in South Africa since 1994. A concerted effort is needed to strengthen the capacity of organisations active in rural areas to ensure that appropriate policies are in place; provide sufficient funds to implement policies; employ professional personnel in sufficient numbers to undertake a wide range of tasks; equip staff with appropriate skills and expertise; structure the institutions to ensure efficiency and effectiveness; streamline systems and procedures; manage programmes and projects; and build systems (e.g. monitoring and evaluation) to maximise learning from experience and the inevitable mistakes that will be made.

Supporting institutional development at local community level is also crucial, and facilitates active participation by rural people in agrarian reform.

New forms of institutional arrangement are required which integrate land acquisition and tenure reform with diverse forms of land development, including but limited to agricultural production. Worth investigating is the idea of district-based Agrarian Reform Institutes, funded by central government but with strong links to both local government bodies and provincial government departments. Rural Enterprise Development Centres could also pro-actively transform the material conditions of petty rural enterprises, integrated wherever possible with land and natural resource based livelihoods.

5. Agrarian reform must include, as a central component, measures to address the impact of HIV/AIDS on rural households and individuals

Possible approaches could include:

- programmes of support for homestead gardening that aim to supply nutritious food to those with the virus;
- fencing for gardens, to protect crops from livestock;
- crops and products which have fewer seasonal peaks for labour inputs; and
- support services for communal land tenure systems which underpin and support strong social networks and inter-household co-operation.

Political Feasibility

Critiques of government land policy since 1999 have been received by state officials with a mix of defensiveness and anger. The key weakness to date has clearly been the lack of an organised political constituency in rural society, articulating a powerful rural voice able to counter the persistent urban bias in the country's politics and economics (Greenberg 2000). No major political party has articulated a vision of radical agrarian reform, and the politics of land and agrarian reform in the post-apartheid period has been poorly articulated by independent civil society organisations.

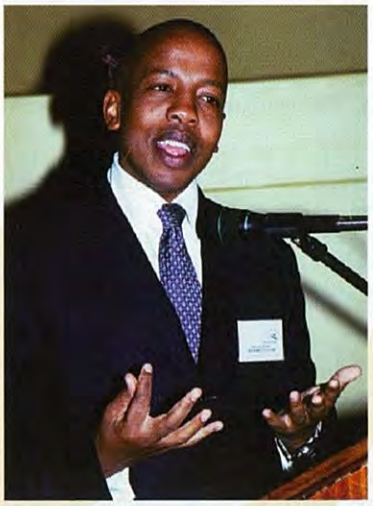
Since 2000, however, three interesting developments have occurred that indicate that the political feasibility of radical agrarian reform may be on the rise. Firstly, events in Zimbabwe have catapulted land reform into the headlines. Across the region, a variety of interest groups (including political parties, NGOs, farmer's unions, trade unions and donors) have responded to the implicit question: does the slow pace of land reform in their own country presage large-scale land invasions supported by powerful political interests? As to be expected, a wide range of responses are evident; more striking is the near-consensus across the political spectrum that: (a) an unresolved land question is a political time-bomb; and (b) progress in land reform in most countries in the region (but in particular those with large commercial agricultural sectors still dominated by white farmers) is too slow, and needs to be speeded up (Lahiff and Cousins 2001).

Secondly, the rise of the Landless People's Movement (LPM), supported by the National Land Committee, has seen government being challenged on the inadequacies of its land reform programme, not only by activists and academics, but by thousands of angry rural and urban residents. Although it is too early to pronounce on just how widespread support for the LPM is, or how effective it is in organisational terms, there is no doubt that the Plum's calls for an end to farm evictions and for real progress in land redistribution have resonated widely amongst ordinary people. In the same period a number of civil society organisations have engaged in campaigns on a diverse set of issues, indicating widespread dissatisfaction

Umsombomvu Youth Fund

MOVES INTO HIGHER GEAR TO ENSURE ECONOMIC ACCESS FOR SA YOUTH

UMSOMBOMVU
YOUTH FUND
ESTABLISHED 2001



The Umsobomvu Youth Fund (UYF), established in January 2001 and mandated to create a platform for job creation, skills development and transfer for the South African youth, has over the past two years made great strides in developing programme models aimed at increasing the outreach and impact of the various UYF initiatives.

UYF CEO, Malose Kekana, says the UYF has committed approximately R461-million to programmes over the past 24 months. "Our policy is that there is a close connection between our activities and access to economic opportunities in the form of jobs or self-employment," he says.

Kekana says the UYF has focused on ensuring that efficient programme models are in place to manage the funds and projects effectively. "The reality is that although R1-billion can make a noticeable impact, it is not enough to address the challenge and the UYF has had to forge partnerships with a range of institutions, organisations and government departments and stakeholders to ensure the ongoing success of UYF initiatives."

"During the past two years, we have developed the infrastructure and policies, piloted programmes and methodologies, and we are now moving into higher gear to ensure better economic access for the youth of South Africa," says Kekana.

The UYF has identified three major programme areas, namely Information and Counselling; Skills Development; and Entrepreneurship Support, with R200-million, R300-million and R500-million allocated to each programme area respectively. To date, more than R44-million has been committed to Information and Counselling initiatives, approximately R124-million to Skills Development, and R264-million to Entrepreneurship Support.

The Information and Counselling programme aims to give young people access to information and counselling support regarding career development, employment and entrepreneurship provided through a Youth Line, Youth Advisory Centres and an Internet Portal.

According to Kekana, an estimated 540,000 young people are expected to access and use the Youth Line and Internet Portal over the next three years. "Some 12 Youth Advisory Centres have been funded to date and we estimate that these 12 sites will offer services to an average of 180,000 young people over three years," says Kekana.

The Skills Development programme has been established to equip young people with skills that enable them to access sustainable livelihoods and offer skills development with clearly defined exit job opportunities for beneficiaries whilst engaging in activities that provide services to their communities. This programme comprises two major projects, namely the School to Work and National Youth Service.

The Youth Entrepreneurship Support programme aims to enhance the economic participation of young people by helping them access sustainable business opportunities, finance and business development services and enterprise funding.

Kekana says R255-million has already been allocated to the Enterprise Funding programme which aims to increase the number of youth-owned and managed SMMEs. "An estimated 700 SMMEs and 3,640 micro enterprises will benefit from the R340-million, and approximately 17,000 jobs will be created," he says.

UYF has also launched a more recent initiative, the 'Take it to the People' (TIP) programme, to create locally based economic opportunities for young people. The TIP fund focuses on income generation and self-employment for young people living in the 21 urban and rural nodal areas identified as significant 'poverty pockets'. TIP aims to develop, in conjunction with local municipalities and donors, local solutions to unemployment in these areas by investigating options for youth development in the form of micro and small businesses and co-operatives.

To learn more about Umsobomvu Youth Fund:
Call centre: 08600 96884

with a number of government policies, and the LPM has begun to forge links with groupings such as the Anti Privatisation Forum.

Thirdly, there is the beginning of a real interest in land and agrarian reform by the largest trade union federation, Cosatu. Concern with rising food prices and food insecurity has been linked to the need to assist people to grow their own food. Calls by officials and policy analysts from the union movement for a review of government economic policy have increasingly included land reform as an important measure, for example 'more equitable asset redistribution can be achieved through large-scale skills development, government services and infrastructure for the poor, support for small enterprises and land reform' (Makgetla 2001).

Taking these developments together, it is clear that renewed pressure for fundamental changes in government policies is now being exerted by a number of diverse interest groups, organisations and campaigns, and that the central importance of land and agrarian reform to poverty reduction is being recognised more widely than before. These help to create the conditions for rural social movements to begin to mobilise on a large scale, and to build alliances with other such movements. As Gillian Hart has recently suggested:

'A key question is whether and how these diverse forces could link more closely with one another to form a broadly-based movement for redistributive social change and a secure livelihood – not as passive recipients of state largesse, but as active participants in a struggle for social and economic justice...' (Hart 2002).

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MEDIA STEREOTYPES

A FAREWELL SPEECH TO PARLIAMENT

BY NKENKE N KEKANA MP
15 MAY 2003
(SHORTENED VERSION)

We all have the responsibility to build a photo album which future generations can page through, reflect upon, learn from and be inspired by. Future generations will fill in the gaps left by our photo images; and they might sometimes wonder why certain decisions had been taken. It is therefore our responsibility to explain and simplify our communications and messages for the benefit of generations to come.

It is important that the portfolio committee on communications, in particular, continues to raise issues pertaining to the imagery captured by photographers, by reporters in newspapers, as well as the coverage on radio and television. We should not shy away from constructive criticism, nor should we hesitate to criticise where criticism is necessary. Constructive criticism can help and guide in nation building. It can be an important yardstick of a healthy democracy. That is the lesson I have learned from being in the communications industry over the past 23 years.

Like the epigram goes – a picture paints a thousand words. Now the word Oceania might ring a bell. If you are a soccer fan, it might remind you of the evaporation of a dream; the hosting of the 2006 Soccer World Cup by South Africa. A certain Mr Dempsey, by abstaining, snatched away the hopes of the entire African continent to host this prestigious event for the first time in the history of the beautiful game. As we, once more, attempt to host the World Cup, we should again be mindful of the world around us.

We might not know what happened in the Dempsey saga, but please allow me to suggest an explanation. His attitude to the African continent was no different from that of his colonial ancestors to the indigenous peoples of Oceania.

The leader of the opposition, Honourable Tony Leon, displays, from time to time, a similar attitude to the continent of Africa as that of Dempsey.

For example, his selective quotations and distortions of the President's address to the All-Africa Editors Conference, convened by SANEF, is an attempt to sustain the negative coverage of the African continent. If you read the President's speech at this conference, there was nothing that suggests, as Mr Tony Leon wrote in the *Cape Times*, that the President was taking a 'swipe at his critics, and questions their intellect'.

The President's speech, to Mr Tony Leon's dismay, was welcomed by the participants. The speech was a responsive way to challenge African journalists and editors to improve the quality of journalism on our continent.

The President suggested that the South African media has a responsibility to report Africa to the South Africans, carrying out this responsibility as Africans. He further said that complaints from the other African journalists about the distorted reporting of the SABC about their own countries does not mean that those reports should not be critical, but rather that they must be truthful and not false and uninformed.

Embedded journalism as experienced in the invasion of Iraq is nothing new. You just have to read the writings of Chomsky and others to understand how journalism has been used as part of a military strategy to win the hearts and the minds of people. The overwhelming scale and ruthless execution of the US-led military strategy, accompanied by the embedded propaganda, no doubt helped to achieve their objectives. What the *Business Week* termed the 'computer combat' and the biased news bulletins will surely make Goebels celebrate, in his hell-hole, the implementation of his doctrine of naked propaganda.

What embedded journalism means to Sky, the BBC and CNN is nothing other than the furtherance of their countries' national interests as defined by the military commanders who led the invasion of Iraq. African journalists must not simply follow the editorial line of the CNNs and BBCs. They must be proud to be African, celebrate the self-worth of the African people and must have no hesitation about advancing the interests of the African continent and her peoples.

I recently visited Australia to represent our parliament in an important discussion hosted by the Commonwealth Parliamentary Association and the World Bank. Our host, Australia, did everything possible to make our visit productive and memorable.

The 10 parliamentarians forming the CPA study group on 'Parliament

and the Media' agreed to and recommended a reform programme to remove legal and institutional obstacles for the development of a fully informed society through an open and accountable parliament and a responsible media.

I firmly believe that, if implemented by all members of the CPA, the work done by the study group will go a long way in improving the relationship between the legislature and the media.

However, this is not why I am raising Oceania in this debate.

My experience in Australia, one of the countries of Oceania, left me somewhat bewildered and desperately searching for answers as I was left to ponder what the plight of our people in South Africa could have been, had the ANC not been formed to challenge apartheid colonialism in our country.

In Perth, I could see no more than five indigenous Australians in a group walking the city streets. Moreover, the only ones that I saw were visibly intoxicated and eventually stopped by the police and asked to produce their identification documents. Which reminded me of the days of the pass laws in South Africa.

What has happened to the indigenous people of Oceania is best reflected by the photography captured in the publication entitled *'Portraits of Oceania'*.

In the publication, Brenda L. Croft said something that is universally true especially in the context of a colonially influenced media.

'Photography is about memories, both personal and collective; about 'capturing', and 'dislocating'; a particular moment in time. Early photographs purported to be creating an historic record, though many were often falsely staged.'

Having been raised within a Methodist/Wesleyan religious tradition, it came as a shock to me to discover that many of the photographs in the publications are ascribed, by one of the colonial photographers, to the influence of the religious vision of the Wesleyan missionaries. Wesleyan missionaries like a certain George Brown, photographed dehumanising images of the indigenous people of Oceania, and contributed to the humiliation of a nation.

The degradation of women and the undignified manner in which the colonial photographers captured images of the indigenes, distorted the true-life experiences and stories of the people of Oceania. The blatant racism and sexist stereotypes and attitudes of the colonial photographers were also duplicated right here on our continent. What we ourselves have raised in many debates in this house about the state of the media in our country is no different from what the 'Portraits of Oceania' is illustrating.

The people of Oceania were treated no differently from animals on display in a zoo. Incidentally, the Nazi killings were also motivated by the notion that people are animals, and therefore, there must be continuous conflict to ensure the elimination of the weakest.

Like the Saartjie Baartman experience, we were treated in exactly the same way, with the same attitude, and the same racial and sexist stereotypes.

However, the difference between the people of Oceania and us is that we were able to challenge colonialism before it could destroy us, undress us and take away our dignity. A human being without a soul, without dignity, self-respect and a sense of self-worth is no different from an animal.

We have a responsibility to make a paradigm shift, to fundamentally change the apartheid colonial mindset. I continue to urge the media and the communication sector in our country to do some serious soul searching and to cleanse itself of the remnants and influence of our apartheid and colonial past. We cannot continue to read and see reports about ourselves as if they are compiled by tourists.

This 'tourism journalism', including the denigrating profiles and mercenary portraits of our country and the African continent, cannot be left unchallenged.

It is our responsibility to be critical of media coverage that degrades our people and paints distorted pictures of our country and the African continent.

The tendency to prevent us from articulating our criticism of the media is, according to one of the publications' contributors, Michael Hayes, reminiscent of the Senator McCarthy's trials in the US in the 1950s. He observes that there is a vocal group that claims that such arguments, under the pretext of political correctness, censor free speech and individual rights.

The leader of the opposition and his followers belong to this small group in our country. It is our responsibility to raise media related issues openly without fear of prejudice or contradiction, or indeed the often-pronounced accusation that we are attempting to suppress media freedoms in our country.

This parliament has shown the way. Our discussion and subsequent intervention has led to a healthy and robust debate within the advertising and marketing sector. The sector's recently issued value statement represents a breakthrough in addressing racism and the negative influences of our past. We are confident that the industry has shown a commitment to change. We are also aware that the transformation challenges are huge and require an industry-wide common purpose and united front for change.

Individual marketers, and this includes government, must follow the lead of the consumers and, together with advertising agencies and the media, reach out in search of a South African soul and identity. Our media and communications must capture our values, morals and experiences as Africans living on the great continent of Africa.

For those who might not know, comrade Walter Sisulu called for the freedom of the airwaves in the 1960s at the height of apartheid oppression and the suppression of all views different from the racist mindset. We should be grateful that we had leaders like tata Walter Sisulu, who sacrificed everything and helped build a long-lasting freedom monument, free of racism and segregation.

I am proud to belong to an organisation led by comrade leader, Isithalwande tata Sisulu. The blood of the African National Congress runs through my veins and I will always be dedicated to this organisation. One of the first things the ANC taught me was not to take our people for granted, to respect them and always to be sensitive to their views and needs. It is a lesson that I will cherish and nurture forever.

REPARATIONS TO AFRICA

BY MATIU ADEJO

'The beginning of wisdom is to know who you are. Draw near and listen. Long before slave-days we lived in one huge village called Africa. And then strangers came and took some of us away ... Today we are scattered so widely that the sun never sets on the descendants of Africa. The world is our village, and we plan to make it more human between now and the day after tomorrow'.

-Ali Mazrui (in his BBC & PBS lecture series in 1986)

'...The Truth is that the legality of the past weighs too heavily on the present and casts a shadow on our future capacity to develop our economies ...'.

General Ibrahim Badamasi Babangida, June 1991.

Africa's role in the global system is better appreciated from a view of the historical development of African states. The continent went through an agonising slave trade and colonisation. Intelligent men cannot fail to notice the link between the degree of destitution of the peoples of Africa and the length and nature of the exploitation they had to endure. The persistent problems confronting Africa and Africans, including those in the diaspora, could be substantially traced to the evils of slave trade, colonialism and neo-colonialism. Africa was the theatre of sustained savagery, perpetrated by European conquerors, slave dealers and colonial plunderers. Settled societies were disintegrated by force of imperialist arms so as to build what are now the most advanced economies in the world. The continent remains marked by the crimes visited on it by imperialism, and up to now its potentialities are restricted by under-development typified by both the debt-trap and the inequitable terms of trade which conspire to hold the continent down. For how long, as J.F.A. Ajayi once lamented, would Africa remain an object of charity and a pawn of international diplomacy?

In the beginning, African societies constituted the cradle and home of human civilisation and the continent developed at a pace comparable to the fastest growing regions in the world. In a number of spheres of human life, some African societies far out-paced the best in Europe of the time. But the slave trade and colonialism re-ordered and changed everything and distorted Africa's steady march to progress.

As this paper contends, understanding the true nature of the encounter with Europeans and its impact on the fortunes and potentialities of Africa is at the heart of the case for reparations. The crusade for restitution, as Ade Ajayi observed, seeks to understand the African condition in depth, to educate the Africans and the non-Africans about it and acknowledge the wrongs which have been done.

For a peaceful world order and a global economic system that will benefit both the North and the South, reparation to Africa must become an urgent imperative as there are 'logical, historical and moral grounds' to believe that Africa can be compensated for the ills visited on it. This is not a time for charity outlets because it has been understood that, however high-minded, charity in some ways diminishes both the giver and the receiver. As Robert Moore would say, charity reminds the recipient of helplessness and the donor of guilt. It is not a substitute for justice.

The issue of reparations to Africa from the West definitely raises pertinent questions. Some analysts have queried whether Africa, given its poor power base in the international system, would he able to make any meaningful impact in a project of this nature. The liberal position is also quick to urge Africans to let bygones be bygones; arguing that Africa's major problems are largely the handiwork of its ruling elite. Others argue that some social problems in Africa do not have technical solutions. Others equally wonder aloud what criteria of damage and suffering would be appropriate for such an assessment. Another view is that the slave trade was a trade relationship between two equal parties conducted on equal terms; that it is not the present generation of Africans who were wronged, and not by the present generation of Europeans. Finally, it has been said that the slave trade and colonisation did not have an entirely negative impact on Africa. It is also the contention that the West has done, and is doing, so much, for Africa.

I would argue otherwise because history is unambiguous about the violent nature of European intrusion into Africa and that nothing under slavery and colonialism was deliberately put in place to benefit Africans. The rich and powerful imperial nations of Europe created a mystique that justified and secured their overlordship; a mystique, Moore observed, that sustained domination without explaining it; it gave mastery to mystery and

imbued in all these with seemingly unapproachable and invulnerable positions. The reverse is becoming the case. The position is that if the needs of both sides of the hemisphere continue to be frustrated consistently in favour of the other, it will make the world a tinderbox. S. Ramphal graphically pointed out that: 'Not just the poor but all the world will be poorer if there is no peaceful change in the present international order'. In the crusade for reparations, Africa has to persuade itself that there is a fighting chance to achieve results. The experience of the last couple of years is instructive, especially in the historical experience of the collapse of the Cold War; the collapse of apartheid and the unification of Germany. The African's basic instincts and understanding of events in the unfolding dilemma of Africa's multiple ills, are not just embalmed in the past, but are here and urgent. Reparations to Africa are centuries overdue and the continent must look at reparations as the new approach for financing Africa's development, although indications are that there is opposition to this view. Why should what is compelling to Jews, Koreans, Japanese and Americans not be applicable to Africans?

The Theoretical Framework

Since the first contacts with Europeans as far back as 1444 AD, there has been a sustained campaign of misinformation about Africa. Africa was described as the Dark Continent; an idea which gained currency because Africa was the last of the continents, as Oliver and Fage noted, to be opened up to the gaze of the European world and because it was 'the last to experience that full impact of European people, ideas and techniques which was so marked a feature of world history from the 16th Century till the early 20th Century'. There began a sustained campaign of misinformation about Africa as European chroniclers wrote and bards sang of the great achievement of their superiority and valour over Africans to inspire their young men to equal their elders in their adventures. Ignorance and stereotyping became the principal features of the social relations with Africa, and these two destroyed clarity and objectively. In the late 19th Century, Richard Burton, an explorer, who had several contacts with the African, was sadly blinded by the pessimism of cultural and intellectual arrogance. He described the Africans as 'being in a perfectly hopeless state when left to themselves'. Rudyard Kipling in 1899 aggressively spelt out the mission statement of the Europeans in what was styled 'The White Man's Burden'. This much-celebrated poem urged the whites to:

'Take up the White man's Burden/Send forth the best ye bred/To bind your sons to exile/To send your captives' need/To wait in heavy harness/On fluttered folk and wild/Your new caught, sullen peoples/Half-devil and half-child.'

Even as late as 1963, a renowned British historian, Trevor Roper, was to boldly proclaim that Africans had no history to teach English students. This level of intellectual and cultural arrogance and ignorance simply portrayed the thoughtful prejudice that has been prevalent among Europeans over the centuries. Only recently one Paul Johnson, writing in Sunday New York Times magazine in April 1993, urged that the 'civilised powers', as he called wealthy Western nations, subject the emerging countries of the Southern hemisphere to formal 'recolonisation' for a period of roughly 50 to 100 years. Some people, he explained, 'are just not fit to govern themselves'.

It is important to point out that gone are the days when Europeans could create some mystique that justified and secured their overlordship. They saw history as they affected it, not as a process of which they were merely part. Most of Africa's past has now been excavated from ignorance and error as researchers have revealed civilisations that had been beyond Europe's reach and so beyond its recognition. Most of these discoveries of the past are much more than of African moment as they enrich human experience all over the world. The continent of Africa had its own history and the era of European dominance was short even within the thin margin of human history. As Oliver and Fape noted: 'While the centres of European culture flourished, decayed and sprouted in their turn, empires in Africa voted, ruled, resisted and succumbed. Scholars studied and disputed in Timbuktu as in Paris, and what the Italians accomplished with pigment, the artists of Benin achieved with bronze'. A number of distinguished archaeologists, anthropologists, paleontologists and 'pre-historians' now believe that human life first developed in Africa. Professor L. S. B. Leakey has authoritatively asserted that the critics of 'Africa forget that men of science today are, with few exceptions, satisfied that Africa was the birthplace of man himself, and that for many hundreds of centuries, therefore, Africa was in the forefront of all world progress'. Black people were in the vanguard of these momentous developments, from the very inception. In western Sudan, before the appearance of Europeans, well organised, predominantly Negro states had flourished, which, at the apogee of their expansion and development were reputable empires. They existed during the period known to Europeans as the Middle Ages. For instance, when, in about the second half of the 11th century, William of Normandy invaded England, Ghana was the most powerful kingdom in West Africa with a buoyant economy. By 1346, the year of the battle of Crecy, Ghana was no more but Mali succeeded it. The most remarkable account of that empire could be gleaned from Ibn Batuta of Tangier's records. He was one of the greatest writers of Islam and the most enterprising of the medieval Arab travellers. Ibn Batuta arrived in the Mali capital of Niani in June 1353 and was there for eight months. He gave a vivid description of the court ritual as reproduced in part by Roland Oliver:

'the Sultan's usual dress is a velvety red tunic ... he is preceded by his musicians, who carry gold and silver guitars ... As he takes his seat the drums, trumpets and bugles are sounded:

He stated further:

'... The Negroes possess some admirable qualities. They are seldom unjust, and have a greater abhorrence of injustice than any other people ... there is complete security in the country. Neither traveller nor inhabitant in it, has anything to fear from robbers or men of violence. They do not confiscate the property of any white man who dies in their country, even if it be unaccounted wealth'.

As Kwame Nkrumah observed:

'Europe was then passing into its renaissance; it was awakening from the social torpor of medievalism and divided into a petty and quarrelsome kingdom'.

In the words of Thomas Hodgkin, 'Such a judgment could hardly have been passed on contemporary France or England'.

The society of Guinea was equally urban in character. The economy was based on agriculture and trade, with patterns of settlement being compact ones around the houses of chiefs or kings and elders. There existed a network of trade routes linking towns and villages which made it possible for merchants from Mande, Ashanti, Benin, Yoruba and Hausa to operate on a truly international basis. Such organised trade could only have been based on effective policies and economic systems. Trade, and the concurrent wealth that went with it brought radical changes to the economy.

An English trader and writer, John Duncan, had been so impressed with Dahomean law and order that he wrote:

'During my stay at Abomey, I was never asked by any individual for an article of even the most trifling value, nor even lost anything, except what was stolen by my people from 'the coast'. The Dahomean laws are certainly severe, but they have the desired effect'.

A Dutch writer also observed of Benin in 1602 that:

'The town seemeth to be very great; when you enter it, you go into a great broad street, not paved, which seems to be seven or eight times broader than the Warmoes street in Amsterdam ... The houses in this town stand in good order, one close and even with the other ... The King's court is very great, within it having very great four square plains ...'

In the East and Central African region, putative civilisations also flourished, which have kept historians wondering at their pedigree. The great wall of Zimbabwe stands as a living testimony. Skill, creativity and artistry went into its construction and Walter Rodney reported that 'when

Economics then was, as ever, at the core of the subjugation of Africa by Europeans. Western capitalist penetration should be seen as the totality of processes and procedures, structures and linkages put in place by the colonisers in order to effectively accomplish the self-serving transformation of pre-colonial political economy into a form of capitalism.

Cecil Rhodes sent in his agents to rob and steal in Zimbabwe, they and other Europeans marvelled at the surviving ruins of the Zimbabwean culture and automatically assumed that it had been built by white people'.

Developments on the East African Coast could have seemed no less civilised than what existed in Portugal or Spain at the time. Basil Davidson, described, from authentic records of the time, the kind of cities and people the Europeans met on the East African Coast:

'They (Portuguese) anchored in havens that were thick with ocean shipping, they went ashore to cities as fine as all but a few they could have known in Europe. They watched a flourishing maritime trade in gold and iron and ivory and tortoise shell, beads and copper and cotton cloth, slaves and porcelain; and saw that they had stumbled on a world of commerce even larger, and perhaps wealthier than anything that Europe knows ... In the matter of wealth and knowledge of a wider world it must have seemed a great deal more civilised ... They found themselves repeatedly disregarded as strange and uncouth ...'

That was the Africa these predators found; an Africa of fair and thriving cities whose inhabitants accorded the Europeans unimpeded entry, but they denounced and labelled everything African as primitive, in the most pejorative sense of the word. This is because, as Davidson observed, the Europeans:

' ... Schooled in the bitter rivalries of Europe fell upon these tolerant and easy-going civilisations of the Indian Ocean with a ferocity and violence that were like nothing seen through the centuries ... They were better armed. They were trained to ruthlessness. They wanted more than a single monopoly of trade, ruinous though that would be for the coastal cities. They wanted loot as well. African warfare, like Indian warfare, was designed to minimise casualties, not to maximise them. These invaders had no such care'.

Parker Thomas Moon provided some visible accounts of this. According to him, the domination of the world by European powers is in reality one of the most astonishing paradoxes of history. During long millenniums while powerful empires and civilised cities were rising and falling in Africa and Asia, most of Europe was savage wilderness. Only towards the very close of ancient history did Greece and Rome, in contact with African and Asiatic civilisations, begin to play any conspicuous role in the world. With the decline of Rome, Europe once more fell into weakness and again became subject to colonisation and conquest by Asiatic powers. To Spain came the Moors from North Africa; into Southern Europe came the Asiatic Turks. At that point, Europe veritably seemed destined to be the footstool of other continents. Europe's rise to world power, Moon said, became evident about the time of the crusades when Christendom sent its armies to invade Asia and when Italian city states such as Venice, Florence, Genoa and Pisa established their warehouses in cities of Asia minor. This commercial expansion into the Near East was the prelude to, and the economic reason for, the epochal 15th Century European voyages of discovery.

Economics then was, as ever, at the core of the subjugation of Africa by Europeans. Western capitalist penetration should be seen as the totality of processes and procedures, structures and linkages put in place by the colonisers in order to effectively accomplish the self-serving transformation of pre-colonial political economy into a form of capitalism. The Western capitalist penetration is also seen as the process by which the pre-colonial political economy lost its internal dynamics and independence. Through this it could equally be explained how African societies were turned away from self-directed development and were made appendages of western capitalist societies. It is thus an account of how the pre-colonial African mode of production had the capitalist mode forcibly super-imposed upon it.

As Busari Adebisi explained, the western capitalist penetration thesis seeks to explain the root of the African situation today. After assessing the pre-colonial African situation, before the penetration of the western capitalist system, the following could be said of the Africa societies in line with Busari Adebisi's analysis:

- that African states and societies had developed, in most parts of the continent, political order and economic systems that provided adequately for their members without reliance on external assistance.
- that each African polity and political society represented an organic and homogenous unit economically and culturally.
- that African societies had, on the eve of European penetration, developed an important technological standard that served their needs in the productive process.
- that the pattern of exchange among pre-colonial societies was dictated by real the needs of the people.

The consequences of western capitalist penetration of African, and Third World, societies are horrendous. It must be stressed that a penetrated society cannot retain all its characteristic features once the business of penetration is in full swing because certain discontinuities are bound to occur since the penetrating agent is at the same time a transformer with a set of objectives in mind. Since the external force takes charge of the entire society by exercising multi-purpose dominance, the internal dynamics of the penetrated society is externalised and the penetrated society becomes a shadow of itself. Africa's underdevelopment has delivered incontrovertible evidence of the role which western capitalist penetration played in conditioning African underdevelopment.

Two principal developments made the destruction of African societies possible – the slave trade and colonialism. These two factors had the most profoundly negative impact on the African socio-political landscape and have resulted in demands for atonement. They truncated the developmental process of the African peoples and constructed 'a solid foundation for the present state of underdevelopment characterised by disease, ignorance, poverty, industrial stagnation and acute political instability'. Centuries of brutal exploitation and subjugation experienced under the slave trade

regime transformed the heroic African into a submissive one. The traumatising, dehumanising processes was unprecedented. It involved the severance of families, culture and institutions and the destruction of people's personal sense of identity.

When Europe turned its gaze upon Africa for the second time after the awful slave trade, Africa again sank under the burden of fundamental changes that distorted and disarticulated its structures and institutions beyond repair. African societies moved from being solely the traders' frontier to being fronts for diverse and aggressive exploitation. Colonialism involved two dominant characteristics – the subject territory became an estate of the colonising country and it made the subject nation completely subordinate to the occupying power. In that light, as Ade Ajayi observed, colonialism turned out, like the slave trade, to exploit the resources of Africa for the benefit for the outside world and left Africa bereft. Worse still, the colonial phenomenon was founded on the same basis of racism and inhuman exploitation as the capitalist slave trade. This is why Walters stresses that:

'While the economic cost of the subordination of the Africans by Europeans is acknowledged to be incalculable, the totality of the damage done to African civilisation by the contact of total domination is of historical monumental import'.

Walters also discusses the residual effects of domination, which some would claim resulted in the contact of Africans with European civilisation and its attendant benefits. His argument, in opposition, is that it is clear that:

'The essential direction of this contact was to exercise domination over Africans in order to achieve European material objectives. The level of dependency it galvanised is significant because as long as the direction of the activity performed under colonial domination was structured narrowly to the benefit of Europeans, it prevented the achievement of the broader social development of Africans by Africans in line with their own requirements for that period of history and for its future'.

This involved, as Walters said:
'not only the 'objectives' of European states in the most narrow sense, but also the attachment of the subordinated peoples to a dominant state made them party to the political and economic dynamics affecting that state. This is the very direction of dependency'.

In conclusion, the primary role of colonialism was to create conditions for capitalist accumulation and to ensure a steady and cheap source of raw materials and expanding markets for finished products. For Africa, as traditional industries gave way, forcefully, to European ones, the economies of Africa became disintegrated, restructured and integrated vertically into the European economic system. Consequently, Africa experienced a sharp, dramatic break with its past.

Consequences of Slave Trade and Colonialism

The emerging argument is that the state of underdevelopment of Africa and the Third World today is neither traditional nor natural. The validation of this thesis rests on the fact that the growth and development endemic to all human societies were not absent or unknown in African societies before the advent of the European. As stated earlier, in a number of spheres of human life, some African societies were well ahead of the best in Europe at the time. As Mimiko rightly pointed out, slave trade and colonialism, however, combined to re-order and change this prevailing situation and distorted Africa's steady march to progress.

The slave trade depopulated Africa and resulted in the total disruption of family and community life. As from the 18th Century, that export trade began to have revolutionary effects on the African population. Historians are not in agreement on the size of the human loss to Africa as a result of the slave trade, and anything approaching absolute certainty on this is impossible. However, estimates range from 14-to 15-million, although a writer like Philip Curtin seems to say that the total number of Africans that reached the New World over the whole period of export trade is unlikely to have been more than about 9.3-million. From the African point of view, the implications are much more important than going into mere estimates. The spate of 'population dehydration' devastated the African economy and social life. Agriculture and initiatives for local manufacturing were stunted and the rural areas were the most badly hit. Without slave labour, the West would not have been able to keep up its aristocratic way of life and build what are now the most advanced economies of the world. Eric Williams, an historian and former Prime Minister of Trinidad and Tobago, made this clear when he wrote:

'Liverpool in England, Nantes in France, Rhode Island in America prospered in the slave trade. London and Bristol, Bordeaux or Marseilles, Cadiz and Seville, Lisbon and New England waxed fat on the profits of the trade in the tropical produce raised by the Negro slave. Capitalism in England, France, Holland and Colonial America received a double stimulus from the manufacture of goods needed to exchange for slaves, woollen and cotton goods, copper and brass vessels and the firearm, handcuffs, chains and torture instruments indispensable on the slave ship and on the slave plantation. The tiniest British sugar island was considered more valuable that 13 mainland colonies combined. French Guadeloupe, with a population today of a mere 300 000 was once deemed more populous than Canada, and the Dutch cheerfully surrendered what is today New York state for a strip of the Guinea territory'.

Sir Winston Churchill could not hold his breathe when he testified that:

'Our possession of the West Indies gave us the strength, the support, but especially the capital, the wealth, at a time when no other European nation possessed such a reserve, which helped us to come through the great struggles of the Napoleonic Wars, the keen competition of commerce in the 18th and 19th centuries, and enabled us not only to acquire this appendage of possessions which we have, but also to lay the foundation of that commercial and financial leadership which when the world was young, when everything outside Europe was underdeveloped, enabled us to make our great position in the world'.

Slavery marked the first act of penetration of the African sub-system while colonialism marked the most important phase in the incorporation of all colonial peoples into the global economic system dominated and

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Perturbed by the complexity of the causes of the debt burden, experts fear that the repayment of Africa's debt is becoming a near impossibility. The debt servicing framework is even more asphyxiating. Continuing with such an arrangement amounts to telling a 'bloodless man to donate blood,' which, of course, is meant to kill him.

controlled by the industrial capitalist states of the West. The colonial phenomenon was founded on the same basis of racism and inhuman exploitation as the capitalist slave trade and it thrived on cultural superiority and exploitation. Early Eurocentric historical works were aimed at proving the inferiority of the African. Pictures of the 'five races' of man almost always showed the African at his most primitive. Professor Haroid Isaacs indicated that in contrast to 'the Emersonian white man in his study, the Japanese aristocrat, the Malay nobleman and the Indian chief, all obviously selected to depict the highest social ranks in each case', the African appeared as 'a prehistoric figure of a man, naked, stepping out of primordial ooze, carrying an ante-deluvian club and shield'.

The doctrine of civilisation arising out of the consequences of slave trade and colonialism reveals the assumption of the absence of any kind of civilisation worthy of recognition in Africa and the racial superiority of white people of the Caucasian culture. This, as Busari Adebisi contended, forms the root of white racism because if one allocates a subordinate claim to other people as the doctrine does, one will develop a contempt for them and consequently discriminate against them on the basis of their race. It is important to quickly point out, as Adebisi rightly noted, that it is impossible to have a human collectivity, on any large scale, without its own culture.

African economies have been stagnating or regressing since the colonial days – real incomes are very low, health prospects poor and malnourishment is widespread. Many have noted that political conditions in Africa are the greatest impediments to development in the continent, but to understand this one must begin with colonialism and its political legacy. In Africa, unlike the colonial experiences of the Americas, Europe and Asia, the power of the colonial state was not only absolute, but arbitrary.

The issue of economic inequality as a basis for an analytical framework in any analysis of African countries tends to reproduce itself endlessly in a series of other inequalities. It is therefore not surprising that available statistics on poverty demonstrate that the incidence and degree of poverty in sub-Saharan Africa are among the highest in the world. By the turn of the 20th century, the region's share of global poverty was expected to double from 16 to 22 %. Within this dismal economic framework, there is the pitiable 'debt necklace' around the emaciated necks of most African states. Africa's external debt by the end of 1999 was estimated at US$563.2-billion, a figure approximately equal to the entire region's GDP and equivalent to about 370% of total exports. The total annual debt of African countries for the last five years in millions of US dollars stood as follows:

1995 322 220.0
1996 338 510.3
1997 328 320.3
1998 332 423.2
1999 563 167.1
Source: African Development Report 2001 (ADB 2001)

Perturbed by the complexity of the causes of the debt burden, experts fear that the repayment of Africa's debt is becoming a near impossibility. The debt servicing framework is even more asphyxiating. Continuing with such an arrangement amounts to telling a 'bloodless man to donate blood,' which, of course, is meant to kill him. Africa is too significant to the world to be administered the euthanasia pill of debt and debt servicing.

Within this poverty scenario is the plague called HIV/AIDS. Statistics indicate that 80% of the world's 34-million HIV-positive people and 95% of AIDS orphans live in Africa. The contention that poverty is a major factor behind the prevalence of AIDS in Africa is essentially correct, although poverty is not a direct cause of the disease. Societies dogged by illness and characterised by an atmosphere of doom, as Tunde Obadina revealed, are unlikely to produce the innovators, creators and economic risk-takers that Africa desperately needs.

Reparations: The Nature and Process

Some commentators argue that reparations are only discussed in the context of war. But it could also be argued that the plunder of Africa by imperialists, colonialists and neo-colonialists was even more horrendous for the continent and its people (along with those in the diaspora) than the effects of some wars would have been. We cannot then solely rely on the classical definition, which holds that reparation is 'levy on a defeated nation forcing it to pay some of the war costs of the warring countries'. A more usable analytical tool emerges from the following definitions: reparations have been generally considered as recompense, restitution or atonement to an aggrieved people by the perpetrator(s) on the basis of their grief; a means of 'putting into good condition again or being so repaired'; a righting of wrong; something done or paid as compensation for a wrong. Implied in these definitions is a suggestion of an initial state of disrepair needing rehabilitation – 'thus to repair'; 'to make whole again'. As Ade Ajayi observed, reparation, in international law, is linked to the concept of crime, and equated with 'compensation exacted for past injuries' According to Mimiko, Ian Brownlie exposed the legal perspective more aptly when he defined reparations as all measures which may be expected to be taken to secure payment of compensation (or restitution): an apology, the punishment of individuals responsible, the taking of steps to prevent the reoccurrence of the breach of duty and any other form of satisfaction.

Reparations in international law, as Gye Wado indicated, may be discussed in two available forms: the institution of specific performance or damages. This argument is generally derived from the logic of unjust enrichment. He, however, points out that the logic of specific performance hardly has any relevance to the African condition because it is virtually impossible to return all the slaves.

The other form of reparations (damages) may be relevant to the African dispensation. This form of reparations entails the payment of an appropriately negotiated award for the injury caused.

These two forms of compensation do not foreclose the employment of any other form of compensation. Thus, for the purpose of our position, reparation is conceived in its expanded yet specific sense as being compensation demanded by the past and present generations of Africans

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from western European and North American nations for what the Africans regard as the misdeed, exploitation and atrocities perpetuated against Africa.

The Reparations Bill

At independence, the emergent states of Africa and the Third World expected a new world order and that the old nations would willingly help the new ones to their feet in the interests of a stable world. For development, the states of Africa requested aid and, to their dismay, this aid did not prove to be the elixir it was expected to be. Most states realised this too late, and it dawned on them that to secure even a little of what they needed, they had to offer a substantial quid pro quo. This is why it is being argued that financing development in Africa must be more creatively, purposefully and courageously demanded through reparations. The struggle for black reparations, in reality, is not based on western guilt but on western responsibilities to the world.

It must be emphasised that reparations are not only for the slave trade. It covers far more than that. Nor can we say that since the events in Africa, and on Africans, happened in the past that they should be forgotten. The damage of enslavement and colonisation does not lie in the past. As Mazrui asserted: 'The damage is here, the damage is now.' Reparations to Africa cannot also be expected only in monetary terms as calculating the exact amount due to Africa for five centuries of western subjugation remains problematic. But Europe did not hesitate to demand that Germany cough up $6 600-million in 1921 as reparations after the First World War; and for only six months occupation, Iraq was required to pay some $300-million to Kuwait. In the Far East, North Korea demanded $5-billion from Japan for the latter's 35 years of forceful occupation. By the late 1980s, Americans agreed to compensate the Japanese-Americans for five years of internment during the Second World War. A total of 60 000 Japanese-Americans survived the detention camps and the compensation amounted to approximately $20 000 per person and a total of $1.2-billion. During the Second World War, Nazi Germany took its ideology of white supremacy to the ultimate in the savage extermination of millions of Jews in the gas chambers of its concentration camps. Thereafter, massive reparations were paid to the state of Israel in the name of the Jewish people at large. It is interesting to note that the state of Israel was not even in existence when Nazi Germany perpetrated the holocaust.

On the basis of 500 years of abject treatment, damages and destruction as a result of the slave trade and colonialism, an analyst like Chinweizu calculated the amount of reparation due to Africa at $2 000-billion. He insisted that the interest payable on this payment, at the rate of 5 percent for the past 250 years since slave trade ended, should be $200-billion. Chinweizu's conservative estimate was similar to Bishop Henry McNeal Turner's reparations figure in the 1880s. The Bishop tried to get the Federal Government of the United States to pay reparations of some $4-billion to blacks, based on an estimate of $100 a year for two million blacks for 200 years. Along this line of calculation, Chinweizu's conservative calculation of $4-billion a year could be projected to $10-billon a year for the 500 years of destruction of Africa, to be paid, across the board and in installments for the next 50 years, by which time the African economy and political life would have greatly stabilised. By 2050, the West would have paid a total direct financial reparation commitment of $5 000 billion.

However, more creative strategies must be initiated at the level of the OAU/AU, where a reparation commission should be set up to launch a broad-based campaign. This must first get the West to acknowledge, and apologise for, the ills of the slave trade and colonialism. The commission should establish an effective Research and Documentation Unit to develop and nurture strong constituencies in Europe and America. Thereafter, reparations demands should include skills transfer and global structural reforms involving the UNO and its agencies. A New Cultural Order, instituted after the official public apology to Africa by the West, should be established, in which a 'New Peace Covenant Initiative' would flourish.

A major part of reparations should be the issue of capital transfers and debt relief. The debt overhang places severe constraints on economic recovery and the achievement of sustained growth. Continuing with it amounts to destroying Africans forever. The Western nations should be pressured to cancel Africa's debt. Getting the Western nations to accede to all these would be a daunting task and African leaders should develop a new spirit of partnership, as espoused in NEPAD, for a strong economic base that will give them a strong voice in the international system. As President Ibrahim Babangida of Nigeria noted in the early 1990s, 'demanding reparation is not meant to build a world of racial exclusivity but a partnership built on mutual respect'.

Conclusion

The continent had been brutalised to strengthen other economies. African states' efforts to realise the principles of self-reliance and their efforts to give real and concrete meaning to their political independence, are having to function against the backdrop of a horrifying order which has hitherto consistently made victims of them.

No amount of paternalism will free the continent from its squalid position, not even Western aid, which some Third World nationalists condemn as modern-day cultural imperialism. Not even debt relief which can, at best, only bring marginal benefits to the poor. Writing off bad debt which is being resisted by the global financial clubs, which are unlikely to be paid in any way, does not amount to significant poverty reduction. African countries need much more than debt relief and they require massive inflows of capital that will at least match the Marshall Plan in scale.

As Abraham Lincoln once remarked, the dogmas of the past are inadequate for the stormy present. What is important for the poor nations of Africa seeking to escape poverty is the net inflow of resources by way of reparations.

It is not a plea for charity, but justice, because no matter how high-minded, charity in some ways diminishes both the giver and the receiver because it reminds the recipient of helplessness and the donor of guilt.

SABTACO

SOUTH AFRICAN BLACK TECHNICAL AND ALLIED CAREERS ORGANISATION

Strategy Vision Statement
To be a leader in advocating and ensuring the advancement of Black Technical professionals in South Africa.

Strategy Mission Statement
To facilitate the creation of a sustainable environment conducive to the advancement of Black professionals.

To increase the level of participation of black professionals in the mainstream of the economy.

Since its inception in 1991 SABTACO has grown into a national organisation representing thousands of members in science and engineering disciplines including:

- Architecture, Quantity Surveying, Project Management, Structural and Civil Engineering, Mechanical and Electrical Engineering
- Urban Design, Town and Regional Planning, Land Surveying, Property and Development Economics
- Building Science, Hydrological and Construction Management

Mr Paul Kgole (President)

Strategic Interface
SABTACO has played a significant role in interfacing with government at various levels, the private sector, parastatals and other key stakeholders. It has also played a significant role in assisting government and other stakeholders in the transformation of policies and legislation.

The organisation has participated in numerous joint strategic committees with the ADP, PROCSA (SAPOA) and Black Business Council (BBC). At present, as a member of BBC it represents BBC on all construction consulting aspects.

It also serves in the new organisation Property Council of South Africa (PROCSA), which is represented by key organisations, including SAPOA.

Lastly, the organisation is in the process of forging links with various African and European states to form alliances.

Projects and Services
Some of the successful projects and service programmes that we are banking on include:

- Networking
- Technical Support Programme
- Student Programme
- Job Placement Programme
- Black Consultants Programme
- Policy Development Programme

Services Rendered
Some of the services rendered by SABTACO are:

- Technical Support Programme – attempts to help fellow members to succeed in their business and professional ventures.
- Student Programme – assists students in acquiring financial aid for bursaries.
- Job Placement Programme – helps both graduates and students to acquire work.
- Consultants/Professional Programme – assists consultant in formation and addresses problems associated with procuring and acquiring work.
- Networking – SABTACO creates opportunities for its members and stakeholders to network and exchange ideas and opportunities.

This is activated through regular Consultant, Practitioner and Student forums.

Membership
This is categorised into:

- Public and private companies
- Practitioners
- Employees in relevant technical disciplines
- Students

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FORGIVE US THIS DAY OUR ODIOUS DEBT

BY MPUMELELE GIYOSE,
CHAIRPERSON OF JUBILEE SOUTH AFRICA.

When the world marked the 50th anniversary of the London Agreement, which dealt with the debts of the then West Germany, Western leaders and the major international bankers hung their heads in unmitigated shame. For if the terms of that agreement had been applied to today's indebted countries, we could have avoided the death, suffering and humiliation of hundreds of millions of people.

The London Agreement dealt not only with the debts of the defeated enemy of World War II, but with an enemy that in the annals of world history stands out as having been particularly evil. Germany, of course, was not only the enemy in World War II, but the defeated enemy in World War I, too. It had not repaid the debts incurred to pay the reparations arising from the previous war. The London Agreement therefore dealt, additionally, with Germany's outstanding World War I debts.

In other words, the creditors and the creditor governments that met in London in 1953 did so to consider the debts of a country perceived to have been responsible for two world wars and the deaths of countless millions, along with the repeated destruction of huge parts of Europe and elsewhere. No less relevant, when viewed against Third World debt, the German people were seen as having been overwhelmingly enthusiastic supporters of their government's war efforts during most of both world wars.

The contrast between the guilt behind the German debts and the innocence of most of the Third World debt could therefore not be greater.

The origin of much of the Third World debt lies in the recklessness of Western bankers who, in the early 1970s, deliberately unloaded surplus capital on the Third World in the form of loans. What is more, much of these aggressively marketed loans were 'odious' in terms of international law and therefore not covered by the obligations of sovereign debt. The Doctrine of Odious Debt removes any duty to repay the debt if the loan was contracted by dictatorships primarily for the benefit of the dictatorships and the creditors were aware of the nature of the regime to which they were lending.

It is clear that most people suffering from Third World debts today have had nothing to do with either creditor recklessness or the odious debts contracted by their unpopular rulers.

Notwithstanding their innocence, the First World has insisted on its full pound of flesh. Full debt repayment has been required regardless of all other considerations, including even the right to life itself. An exceedingly limited rethink did take place in 1996, but then only because the unpayability of the debt could no longer be avoided. The awful suffering caused by the debt had little, if anything, to do with this rethink. Similarly absent from consideration were questions of morality or international law. The debt was regarded as unpayable only because it was palpably unpayble in strictly financial terms: debtor countries were becoming increasingly indebted because of having to take out new loans in order to repay previous loans granted to repay original debt.

The outcome of this slowly developing rethink was the Highly Indebted Poor Country (HIPC) initiative. HIPC, presented with much fanfare as an example of unparalleled Western generosity, laid down very strict economic criteria for inclusion under the scheme. To be poor was not sufficient; neither was being heavily indebted. To qualify for consideration as an HIPC country, and therefore potentially benefit from its partial debt 'forgiveness', a country had to be both extremely poor and very heavily indebted. In the event, only 41 countries qualified for consideration under the HIPC. This initial qualification, however, did not in itself result in real debt reduction.

The Germany of 1953 would have come nowhere close to being considered as an HIPC candidate. Not one of the main arguments nowadays put forward by the G7, the World Bank, the International Monetary Fund and other international bankers as to why they simply cannot do more to help ease the burden of the HIPC debt is to be found in the London Agreement. Politicians and bankers tell us how tied their hands are by economic imperatives way beyond their control. To a person, they assure us as to the nobility of their intentions, were it not for their powerlessness in the face of cold economic realities. They claim to have stretched the integrity of the world economic and financial system to its limits, in their desire to be as helpful as possible in ameliorating the problems of Third World debt. The contrast between the terms of the London Agreement and the HIPC initiative gives the lie to their arguments and exposes the hypocrisy of their proclaimed intentions. Consider the following:

Germany was required to pay a maximum of 3.06% of its annual export income on repaying its debt. For the poorest countries on Earth, the HIPC initiative required them to use between 20% and 25% of their export income on debt servicing.

To qualify for consideration under the HIPC initiative, a country's total external debt had to be 160% of its gross domestic product. Mainstream economists see 'debt ratio' as being problematic if it is anything between 80% and 100%, that is, if the debt is equivalent to between 80% and 100% of what a country generates a year in its own currency from all economic activities. Germany's debt ratio in 1953 was a mere 21.2%.

To qualify for consideration under the HIPC initiative a country's foreign debt had to be at least 250% larger than its national budget. Germany's 'fiscal debt ratio' in 1953 was 4.9%.

The contrast between the London Agreement and the HIPC initiative is even starker when measured against the additional HIPC conditions that have to be met before debt relief is awarded. Stringent public expenditure cuts in health, education, housing and social security schemes, along with policies and practices to promote and protect a 'market economy' free of import restrictions and attractive to foreign investors, are core HIPC conditionalities. A candidate country has three years in which to introduce these requirements. It has a further three years in which to demonstrate the consolidation of its good behaviour before receiving very limited debt relief. The London Agreement placed no similar conditionalities on Germany.

What the London Agreement did was to place conditionalities on the creditors. The HIPC initiative ignored such demands on the creditors. The London Agreement required three major benefits from creditors. Firstly, creditors had to promote German exports because the debt payments were made entirely from trade surpluses. No trade surplus meant no debt payments. Secondly, Germany had the option of imposing import restrictions if the balance of trade with any of the debtor countries failed to produce a surplus. Finally, creditors were given no resort to sanctions against Germany in the event of any German infringement of the agreement. The most that the creditors could expect was the convening of direct negotiations with the option of seeking advice from an appropriate international organisation.

The extraordinarily generous terms of the London Agreement are no more difficult to understand than the extraordinary punitiveness of the HIPC initiative. Their differences lie in their political purposes. The London Agreement seems to be generous only when compared to what our governments, financiers and economists now say about what can be done to ameliorate the enormous debt burden of the Third World. The London Agreement was not designed as an instrument of control, as is the HIPC initiative. Rather, the London Agreement was designed politically to promote Germany's reconstruction, but without having to cancel Germany's debts.

What is clear is that in spite of First World claims that everything possible is being done to ease the current burden, Third World debt is a very effective killer and continues to destroy innocent lives by keeping hundreds of millions of people trapped in poverty, ignorance and disease.

What the London Agreement exposes clearly is that the Third World debt trap is an instrument of deliberate policy. At the stroke of a First World pen, things could be very different.

A contemporary London Agreement would go a long way towards freeing the Third World from its debt bondage.

PARLIAMENT, DEMOCRACY AND GOOD GOVERNANCE

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Introduction

The past decade has seen a significant shift from authoritarian to democratic forms of governance in Africa. Democracy, respect for human rights and good governance have now become the ideals which most countries are striving to attain.

Parliament, being one of the three arms of government, has a major role to play in institutionalising democracy and ensuring good governance.

The Concept of Democracy

Although there is no single definition of democracy, the definition with the greatest universal acceptance was that given by Abraham Lincoln who defined it as 'a government of the people by the people for the people.'

The underlying idea is that government rests upon the consent of the governed, given by means of free and fair elections and that it exists for their benefit. Among the essential features of democracy are: political tolerance; respect for human rights; a free and independent judiciary; adherence to the rule of law; effective separation of powers; respect for minority rights; accountability of the rulers to the governed; transparency; periodic, genuine free and fair elections; social and economic pluralism, and multi-partyism.

Since the constitutions of most of the countries in the SADC region espouse these values of democracy, both in the preambles and substantive provisions, it may be said, therefore, that these countries are committed to democratic politics.

Good Governance

Governance, like democracy, does not have a single definition. The World Bank, for example, defines governance as 'the exercise of political power to manage a nation's affairs.'

According to the OECD, governance is 'the use of political authority and exercise of control in a society and economic management.'

The UNDP defines governance as 'the exercise of economic, political and administrative authority to manage a country's affairs at all levels. Good governance is, among other things participatory, transparent and accountable. It is also effective and equitable. And it promotes the rule of law. Good governance ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.'

Whatever definition is used, it is clear that good governance should be seen as a general standard set for democratic governance and exercise of power. It relates ultimately to the way in which power holders in states and in other entities behave.

Governance may be good or poor. Good governance may be considered as the highest state of development and management of a nation's affairs. It involves a number of essential elements, including democratic politics.

Good governance is an essential feature of any successful development process. It can also be seen as a means to an end in that, in general, it contributes to economic growth, human development and social justice.

The concept of good governance was born at the end of an era in which the misappropriating, inefficient and patrimonial state had prevailed. It was introduced as part of an agenda for creating enabling states, i.e. states that would facilitate private enterprise, and citizens would engender growth as well as efficient resource mobilisation. It is recognised that efficient resource utilisation depends on modes of governance and public involvement.

The experiences of many African states have shown that there can be no sustainable development in the absence of good governance and democracy.

Essential Features of Good Governance
Good governance is characterised by a number of features, among which are the following:

- **Public Service**

There must be an efficient, honest, open and accountable public service. The officials, who must be held responsible for their actions, should be qualified and imbued with a professional ethos. Furthermore, policy-making should be open and transparent so that all affected groups can provide inputs into the decisions made.

- **Appropriate Legal Framework**

There should be a structure of rules and laws that provide clarity, predictability and stability for the private sector, which are impartially and fairly applied to all, and which provide the basis for the resolution of conflicts through the courts.

- **Rule of Law**

The rule of law must be scrupulously observed. The rule of law eschews arbitrary or unbridled authority on the part of the executive or the bureaucracy. Its purpose is to curb arbitrary power in order to have a law-based state as opposed to one in which decisions are based on the whims and caprices of rulers. It has a number of inter-related elements: all conflicts and disagreements must be settled peacefully and through law; government must be conducted according to law; equality before the law; and law must have an ethical content.

- **Respect for Human Rights**

Human rights must be institutionally protected. The state must respect, protect and fulfil human rights. Trust in public institutions is central to the development of a culture of human rights in society.

- **Independent Judiciary**

It is essential that the judiciary is independent, has institutional autonomy and is fair. The judiciary should be staffed by well-qualified persons, must be adequately resourced and all government organs must assist in implementing judicial decisions.

- **Popular Participation**

This is defined as a process whereby stakeholders exercise influence over public policy decisions, and share control over resources and institutions that affect their lives, thereby providing a check on the power of government. Participation, in the context of governance, is concerned with the empowerment of citizens, and addressing the interplay between the broad range of civil societies, actors and actions. It requires the creation of an enabling regulatory framework and economic environment, which generates legitimate demands and monitors government policies and actions.

There must be democratic structures that facilitate a high level of citizen participation in government at various levels: at the grassroots, through local and civic institutions: at the regional and national levels, through flexible and decentralised form of government; and also in the private sector.

An essential condition for popular participation is the holding of free and fair elections. The freedom of expression, assembly, association and movement must be respected. The ultimate indication of whether elections are 'free' is the extent to which they facilitate the full expression of the political will of the people concerned. Intimidation, corruption and threats against citizens before and during elections undermine the freeness and fairness of elections.

- **Political Culture of the Polity and Social Reciprocity among Citizens**

There must be political equality and political tolerance among the various strata of society, i.e. there must be peaceful co-existence of political parties, citizens and other interest groups. Associations and groups must be inclusive in membership and be able to transcend divisions along social, ethnic or racial lines.

- **Civic Competence**

This refers to the capacity of the citizen to act in a way that makes him/her an informed citizen who has the capacity to make use of the rules and procedures of the political system and to influence public policy. Civic competence requires the possession of adequate knowledge about relevant issues in society, and the ability of the individual to exert influence over decisions that concern these relevant issues. Free access to information is essential. Freedom of information laws may go a long way in increasing the civic competence of the population.

- **Accountability and Transparency**

Accountability means holding responsible elected or appointed officials charged with a public mandate to account for specific actions, activities or decisions to the public from whom they derive their authority. This means that officials must make decisions and perform their duties according to the will and wishes of the people, not for themselves.

However, accountability is only possible where there is transparency, which is broadly defined as public knowledge of the policies of government and confidence in its intentions. Citizens should be able to get information about what decisions are being made, by whom and why. Accountability is a function of checks and balances on public power or social distortions that threaten the security and welfare of the citizens.

The importance of a free press in ensuring transparency and accountability cannot be over-emphasised.

- **Controlling Corruption**

Corruption is the abuse of public roles and resources for private benefit or

the misuse of office for private ends. There are various types of corruption: bribery; theft and embezzlement of public funds; intentional loss of, or damage to, public property or interests; illegal use of public assets, equipment or manpower; extortion; abuse of insider information; conflict of interest between official duty and private self-interest; financial support of political activities by companies, MNCs and interest groups; and allocating favours based on kinship, region, political party affiliation, around which patron-client networks, nepotism and cronyism are built and maintained.

Corruption impacts negatively on economic development, trade and investment. It also shakes public confidence in state organs and politicians. It exacerbates the plight of vulnerable groups because resources that could have been used to assist them have ended up in private pockets or been misdirected. Moreover, the vulnerable groups are unable to get equal justice under the law because they have no resources with which to bribe officials. Moreover, the lack of economic development greatly contributes to violations of economic and social rights.

Poor Governance

Poor governance is characterised by the following features, among others:

- failure to make a clear distinction between what is public and private, hence a tendency to divert public resources for private gain
- failure to establish a predicable framework of law, government behaviour and the rule of law
- excessive rules and regulations which impede the functioning of markets
- priorities inconsistent with development, resulting in a misallocation of resources
- excessively narrow-based or non-transparent decision-making processes
- lack of conduct in managing the affairs of the state
- lack of clearly defined policy assumptions
- violations of human rights

There is little doubt that poor governance in many states has proved to be particularly damaging to the corrective intervention role of government. For example, programmes of environmental protection and poverty alleviation, can be totally undermined by a lack of public accountability, corruption and the capture of public services by elites. Moreover, funds meant for the poor may be diverted to the benefit of special interest groups, and the poor may have inadequate access to justice.

Link between Good Governance and Democracy

It is axiomatic that accountability, transparency and reduction in the incidence of corruption are prerequisites for securing effectiveness in the use of public resources, promoting public welfare, enhancing governmental responsiveness and therefore enhancing the overall legitimacy of the political system.

An enabling legal and judicial framework fosters the rule of law as well as respect for human rights. Thus, it is a crucial condition for the creation of a stable economic environment and the stimulation of private sector development.

Popular participation is essential in engaging the energies and commitment of people for sustained development and fostering equitable distribution of the benefits of development.

Moreover, in the context of divided societies and gender inequalities, inclusive civic participation and respect for human rights are essential for the generation of social capital and social cohesion. It helps to foster trust and reciprocity between citizens and their governments, the state and private sector, and among different social and political groupings (ethnic, religious and regional). Respect for human rights promotes the enjoyment of basic freedoms of expression, assembly and association, which empower citizens to act to improve their livelihood. In addition, it amakes it possible for the media and civil society to criticise and demand redress from inefficient state policies.

Good governance embraces many of the essential elements of democracy such as participation, a vibrant civil society, respect for human rights, adherence to the rule of law, and independence of the judiciary. Moreover, both democracy and good governance promote the decentralisation of decision-making, implementation and monitoring; and foster the empowerment of civil society, the private sector and other key stakeholders.

Role of Parliament

What should parliament do to create and sustain institutions that seek to nurture a democratic society and promote good governance? Among the institutions that have a crucial role in this regard are: electoral commissions; the judiciary; civil society; the media; anti-corruption institutions; gender development; law reform institutions and others.

Parliament can play a number of significant roles, some of which include:

- **Making of Legislation**

Elections

In all SADC countries, the main function assigned to parliament under the constitution is making law. Parliament should only make such laws as will promote the people's social, economic and political welfare. It should, for example, enact sound electoral laws that will promote free and fair elections. In some countries, such as Zambia, many of the electoral disputes arise from the unsound electoral regime in place. The electoral law has a number of deficiencies which lead to perennial electoral disputes. Moreover, the Electoral Commission of Zambia does not have sufficient control over the electoral process because of the inadequate legal framework under which it operates. Consequently, the commission does not enjoy the confidence of the people as it is merely seen as an appendage of the ruling party.

Corruption

Given the high incidence of corruption in Southern Africa, parliaments can play an important role in enacting tough anti-corruption laws and creating effective anti-corruption institutions. A number of countries, such as Zambia and South Africa, have created institutions exclusively focused on combating corruption. Other countries have yet to create similar institutions. The fight against corruption received a major boost with the adoption of the SADC Protocol Against Corruption in August 2001 by the SADC Heads of State. Unfortunately, only three states have, to date, ratified the protocol. Parliaments in countries that have not yet ratified this protocol should take up this issue with the executive arm of government. After ratification, the next major challenge is to harmonise the domestic law with the protocol.

The legislation must guarantee that the anti-corruption institutions are well resourced.

Gender Equality

Discrimination against women in various spheres of life continues to be a problem in all countries. The participation of women in decision-making positions continues to be low. Despite the fact that the SADC Declaration on Gender requires all States to ensure that at least 30% of members of parliament are female, only South Africa (30%) has met this threshold. Only 10% of MPs in Zambia are female (17 out of 158), while in Zimbabwe only 9 percent of the MPs are female (13 out of 150).

Women suffer discrimination in the sphere of private law in most countries. In Zambia Article 23(4)(c) of the Constitution, for example, sanctions discrimination against women with regard to adoption, marriage, divorce, burial, devolution of property on death or other matters of personal law. Furthermore, Article 23(4)(d) exempts customary law from the prohibition against discriminatory laws.

It is thus imperative for parliamentarians to enact appropriate laws to

ensure the equality of men and women, as well as laws promoting affirmative action in order to accelerate the progress of women. The Constitution of Malawi contains useful provisions that can serve as an example to other countries. Article 24(1) lists a catalogue of women's rights. Under Article 24(2) it is provided that: 'Any law that discriminates against women on the basis of gender or marital status shall be invalid and legislation shall be passed to eliminate customs and practices such as: (a) sexual abuse, harassment and violence; (b) discrimination in work, business and public affairs; and (c) deprivation of property, including property obtained by inheritance.'

Human Rights

An important role of parliament should be the strengthening of the protection of human rights. Most of the SADC countries protect human rights in the constitution but it is mostly civil and political rights which are justiciable. Only South Africa, and to some extent, Malawi and Namibia, have incorporated economic, social and cultural rights in their Bill of Rights. Some countries, like Zambia, have consigned economic and social rights to non-justifiable directive principles of state on the policies, while other countries make no reference to economic and social rights in their constitutions (e.g. Zimbabwe). This is a serious omission that needs to be addressed, given the widespread poverty in Africa. The state must be placed under a legal obligation to address the economic and social needs of the people as all categories of human rights are indivisible, inter-dependent and interrelated.

It is also important that human rights are institutionally protected through the creation of human rights commissions to supplement the work of the judiciary. This is because many people whose rights have been violated lack effective access to the judiciary for many reasons, particularly relating to poverty. It is crucial that a national human rights institution:

- is granted a broad jurisdiction
- is independent
- has an appropriate clearly defined mandate
- has a pluralistic and representative composition
- must be readily accessible
- must cooperate with NGOs
- must be adequately funded.

Some of the tasks a human rights institution can engage in are:

- investigating alleged violations of human rights
- conducting public inquiries
- providing advice and assistance to governments
- providing human rights education.

In the SADC region South Africa, Malawi and Zambia have human rights commissions while other countries have ombudsman institutions, usually with a very narrow mandate as far as human rights issues are concerned. Thus, parliamentarians have the challenge either to initiate the creation of a human rights commission, where none exist, or to strengthen existing commissions.

Another area that requires the attention of parliamentarians is the domestication of international and regional human rights instruments, which the SADC member states have ratified. Because of the dualist system which most states follow, ratification of a treaty does not automatically make it part of domestic law. There must be a process of transformation, requiring the legislature to specifically incorporate the provisions of the treaty into domestic law by enacting legislation to that effect. The majority of countries in the region have failed to do so. By way of exception to the rule, the Namibian constitution has a provision which makes self-executing international treaties automatically part of Namibian law. Although the South African constitution does not go as far as Namibia's, it does have international law-friendly provisions. Section 39(1) of the South African Constitution, for example, requires the courts to consider international law when interpreting the Bill of Rights.

- **Accountability**

Parliamentarians must ensure that ministers and government officials are accountable to the people. Mechanisms available to parliamentarians include questions, debates on the floor of the assembly, critical scrutiny of proposed bills, and conducting investigations. Furthermore, parliament should:

- enhance transparency and accountability by making deliberations and discussions of parliamentary committees open to the public
- share information, including report back information on parliamentary business to their constituencies
- seek views of their constituencies and present them in parliamentary debates
- ensure that state institutions and quasi-state institutions are accountable, open and participatory in their decision-making, activities and expenditure
- enhance its role in budget formulation and well as monitoring budget expenditure.

To enhance accountability parliament needs to have power to deal with executive officials who fail to perform. For example, under the Namibian constitution, parliament can pass a vote of no confidence in a Minister, whereupon the President is required to dismiss such a Minister. In contrast, in Zambia Ministers can ignore parliament with impunity. The public accounts committee has no power to punish executive officials who misappropriate, misuse or misdirect public funds. Every year the report of the Auditor General is replete with accounts of public officials involved in these vices. All that the public accounts committee can do is make recommendations for corrective action, which are rarely acted upon. Few government assurances are ever fulfilled. This makes parliament impotent.

Civil Society and the Media

The media and civil society play an indispensable role in sustaining democracy and good governance. Parliament must create an enabling environment for their operations. This can be done, for example, by enacting freedom of information laws, repealing all laws which impede media freedom such as those pertaining to sedition, criminal defamation, protection of the reputation of the head of state, etc. There is also a need to ensure that the state-owned media becomes a truly public media and not just a mouthpiece for the ruling party/government as is the case in the majority of countries in the region.

Parliament can facilitate the operation of civil society by passing laws that broaden the freedoms of assembly, association and expression. Furthermore, parliamentarians can achieve a lot by working with civil society. NGOs, for instance, have specialised skills which MPs can make use of in their work.

Conclusion

The worldwide movement towards democracy and good governance seems to be unstoppable. The experiences of many African states have shown that there can be no sustainable development in the absence of good governance and democracy. Parliaments have a crucial role to play in creating an enabling environment in which democracy and good governance can thrive. People in the region are looking to their parliaments to rein in the executive branch which always has a tendency to monopolise power to the detriment of the people. Parliament must therefore rise to the challenge.

Iphondo Lwempuma-koloni/ Province of the Eastern Cape/ Provinsie Oose-Kaap

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What is "Sisonke Siyanqoba"?

"Sisonke Siyanqoba" is a government-driven campaign aimed at turning the service delivery situation around in the Eastern Cape Department of Social Development. Its central aim is to improve the lives of the poorest of the poor. It constitutes a giant step forward in improving service delivery for the poor, rooting out corruption and enhancing good governance based on the principles of Batho Pele.

The Eastern Cape Provincial Department of Social Development, as well as other government Departments, in partnership with civil society, business, faith-based organizations and Non-Governmental Organisations, has undertaken this historic initiative and campaign under the banner "Sisonke Siyanqoba". Its main objective is to restore the dignity and respect of vulnerable groups in the Eastern Cape, particularly older persons, people with disabilities and children.

Turn Around Task Team

A task team, which aims at turning around that situation with special focus on those in the deep rural areas - has been formed led by the Interim Management Team. Through "Sisonke Siyanqoba" the Eastern Cape DSD aims to achieve the following objectives:

- To accelerate and improve the quality of service delivery that will restore the dignity of the poor, people with disabilities and abused women and children.
- Enhance easy and quick access to social services including social grants, poverty relief, food relief and welfare services.
- To eliminate fraud and corruption in all service delivery systems of the provincial Department of Social Development.
- Reduce the number of litigation cases against the state.
- Urgently address the backlogs and regularize quality services.
- Increase the use of programme management informed by policy research.
- Link planning and implementation of services with physical infra-structure and human capacity.
- Establish and maintain efficient and effective management systems and structures of the turn-around process.
- Enhance good cooperative governance.
- Develop partnerships with the various sectors of society including business, civil society, donors and the community at large.

Ms Elsie Schoeman: A lesson that through partnership we can build a better life for the vulnerable and poor.

The recent painful story of Ms Elsie Schoeman, the 83-year-old pensioner from the Eastern Cape who was declared dead by the Department of Home Affairs whilst she was very much alive, is touching. This epitomizes the continued complex and contradictory interplay of our painful past and the new, emerging present and future of hope in our ten year democracy as a country. This story has far-reaching socio-historical implications and lessons for the delivery of government services in the country in general and the Eastern Cape Province in particular.

Ms Schoeman has a family of three children and eight grandchildren, including a ten-month-old great-grandchild, all of whom depend on her. For years they had to survive by gathering dumped food from a nearby dumping site. In 2000, she applied for the Identity Document with a view to access her constitutional right to receive a social grant and other service offered by the state. According to the Department of Home Affairs she was mistaken for the deceased.

This tragedy was soon to become history when it was uncovered in February 2003. The Department of Social Development together with the local authority and the Rehab NGO visited the Schoemans, provided food parcels for relief and assisted Mama Schoeman in applying for her identity document.

Partnership bears fruit

The provincial DSD and the local authority worked closely with the Rehab NGO to address this matter. The result: she finally got her ID in August 12th 2003. She received a whopping R25 600. The local authority will also provide her with a house in December and for the first time the Schoemans will have piece of mind. She, like all South Africans who have toiled for years to make South Africa a free and democratic society, can vote for a government of her choice.

Government takes action

Many families depend on social grants due to high levels of poverty, unemployment and HIV/AIDS. Consequently, the government has allocated almost R34 billion for social grants per annum. Due to the intensified government-driven campaign to register all those eligible for social grants, over 6,5 million people are receiving social grants from the state.

Almost 2 million people receive the R700 older persons grant and over 3,4 million children receive the R160 Child Support Grant. The rest would be recipients of disability grants, care dependency grants, veteran's grants and the grant-in-aid. In order to receive these grants it is necessary to have the necessary documents like the ID and birth certificates.

Integrated Delivery of Services

The government has noted that millions of people, especially children, who are eligible for social grants do not have access. As a result government has embarked on a national drive with the Departments of Home Affairs, Health, Education, the Independent Electoral Commission (IEC) and the South African Police Service (SAPS) to address access to services, especially social assistance. The focus is on the registration of over 1 million children under the age of 9 years who are eligible for grants this financial year. These are mostly school-going children and the education fraternity will therefore play a critical role in the realization of this constitutional imperative.

Restoring the dignity

Many people were disadvantaged like Mama Schoeman. Even more importantly, people were paid only after the day of approval of their application for a social grant. This led to people having to wait for months or years to get their grants. That is now history. The DSD changed the Social Assistance Act and the beneficiaries now receive their money backdated from the day of application.

Last year the government allocated over R2 billion to redress past anomalies. To date over R1,1 billion has been paid out to more than 1, 7 million people.

The story of Mama Schoeman teaches us one simple yet profound lesson: If we work together - national, provincial and local government, business, labour, faith-based organizations, community-based organizations, and most importantly, the communities - we can realize the goal of a better life for all, sooner rather than later.

MEN AND AIDS

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Introduction

The Joint United Nations Programme on HIV/AIDS (UNAIDS) and the World Health Organisation (WHO) estimated that globally during 2002, there were 3.1-million AIDS deaths and 5-million adults and children became infected with HIV. At the end of December 2002, there were 42-million people living with HIV/AIDS (UNAIDS 2002). Sub-Saharan Africa is by far the most severely affected region in the world. It is estimated that more than two thirds of people living with HIV/AIDS are in sub-Saharan Africa (UNAIDS 2002). The primary route of HIV transmission in sub-Saharan African is through heterosexual intercourse (UNAIDS 2002). This is in direct contrast with other parts of the world where a considerable proportion of HIV infection is transmitted through other routes, including intravenous drug use and homosexual intercourse (UNAIDS 2002). South Africa is currently experiencing one of the most rapidly progressing epidemics in the world. Since the advent of the AIDS epidemic the level of HIV infection has increased steadily. The results from antenatal sentinel surveillance surveys, conducted on blood samples from women attending antenatal clinics, show that HIV prevalence has risen from less than 1% in 1990 to almost 24% in 2001 (Department of Health 2002).

In the absence of a vaccine or cure for AIDS, prevention programmes have an important role to play in reducing the current spread and future impact of the epidemic. Traditionally, the central focus of prevention programmes has been on women, often to the exclusion of men. With a few notable exceptions, men have been viewed as irrelevant and uninvolved in reproductive health. When their involvement in reproduction has been considered, this involvement has been viewed negatively. This approach is increasingly seen as problematic because it is based on a set of assumptions about women's ability to control their sexuality. Women do not always act as autonomous individuals, operating independently of their partners and social context (Campbell 1995). Men are involved in reproductive decision-making and, in societies characterised by an unequal balance of power, may exert considerable influence over their partner's sexuality. In most societies, gender relations are characterised by an unequal balance of power, with men having greater access than women to education, training and resources. As a result, men are more likely than women to exert greater control over sexual interactions and decision-making, which is likely to have implications for women's sexual and reproductive health (du Guerny and Sjoberg 1993).

With the increase in the level of HIV infection, there has been growing interest in the role of men in reproductive health. This interest was reflected at the 1994 International Conference on Population and Development (ICPD) in Cairo, and the 1995 Fourth World Conference on Women in Beijing, both of which emphasised the importance of involving men in reproductive health and the overriding need for greater gender equality in development. Such conferences have fuelled a gradual recognition of the role of men in promoting gender equality and better reproductive health for men and women. Prevention programmes that target women and place the responsibility for behaviour change solely on them ignore the fact that several of the components of reproductive health (especially STDs and HIV prevention and family planning) depend heavily on the co-operation of men and women.

This article seeks to demonstrate the instrumental role of men in prevention programmes. It argues that both men and women are involved in reproductive decision-making, and as a result women cannot be held solely responsible for their reproductive health. Male attitudes and behaviour may impact significantly on reproductive health outcomes and it is necessary for prevention programmes to empower men and women to play an active role in the promotion and protection of sexual and reproductive health and rights.

Why focus on men?

In many parts of the world, the risky sexual practices of men are a driving force behind the spread of HIV and other sexually transmitted diseases (STDs). Men are more likely than women to have multiple sexual partners. For example, in Tanzania, almost one half of unmarried men had multiple partners compared to about 20% of unmarried women (Rutenberg et al 1994). Men with multiple sexual partners place themselves and their partners at direct risk of HIV infection and other sexually transmitted diseases. Women are physiologically more susceptible to infection with both STDs and HIV. A woman can become infected after a single sexual encounter with an HIV-positive partner and is at least twice as likely as a man to contract an STD (Best 1998). Studies among rural women and women in informal settlements, aimed at assessing the power of women to reduce the risk of HIV infection, showed that about half felt that they had no right to insist that their partner use condoms and they had no right to refuse sex if their partner objected to using them (Abdool Karim et al 1991). Women feel unable to question their partners about their affairs with other women, to ask them to go for HIV testing, or to insist on monogamy or the use of condoms. Many women face financial hardship that severely constrains their ability to adopt risk-reducing strategies, and contributes to their vulnerability in sexual relations. Sometimes they may engage in sexual relationships simply as a strategy of economic survival. Sex is used as a means of obtaining food, money, clothing and other material goods. In these relationships women lack the power and autonomy to negotiate safer sexual practices. As Doyal (1994: 14) observed: 'Sexual intercourse done in the way that he desires may well be the price they pay for that [economic] support.' Poverty and powerlessness lead many women to disregard their

Men deserve attention, not only because of their relationship with women, but also for their own sake...However, they may experience some reluctance to seek healthcare because it is seen as a sign of weakness.

own risk and engage in unsafe sexual practices in the face of more immediate threats to their livelihood. Women can try and persuade their partners to use a condom but if they are ignored most women will have few alternatives but to submit to male demands.

Men play an important role in decisions about family size, in giving their wives permission to use contraceptives, in obtaining contraceptive supplies (especially condoms), and in initiating the use of traditional methods such as withdrawal and rhythm (Fayorsey 1989). In Ghanaian society, for example, it was found that many men are the primary decision-makers when it comes to decisions about whether or not to use contraceptives, the type of contraceptive to use, the number of children to have and when to have them (Nerquaye-Tetteh 1998). These arguments are supported by Biddlecom and Fapohunda (1998a: 6) who observe that 'sex and sexuality are often the exclusive preserve of the African husband, and if a wife initiates a discussion on family planning she may threaten her husband's sense of control and generate mayhem within the family'. Many women are afraid of communicating their personal preferences because of fear of physical abuse and abandonment. Men also have a responsibility to protect their children. Men who are HIV-positive can transmit the virus to their female partner, if she is still HIV-negative, and to a future child. If the mother becomes HIV-positive the child has a 25 to 40% chance of acquiring the virus (Foreman 1998). Men need to inform their partners about their infection so they can take appropriate measures to protect themselves and their children.

Men have an important role to play in preventing the spread of HIV and other STDs by using a condom, limiting their sexual partners and seeking advice and treatment for STDs. Male methods, especially the latex condom, are a very reliable strategy for preventing pregnancy and diseases. Epidemiological and clinical studies show that consistent and correct condom use during sexual intercourse is an effective strategy for reducing the transmission of viral and bacterial STDs, including HIV. Studies of STDs among male condom users found that the relative risk of STD infection compared with non-users ranged from 0.25 to 0.51. Among women whose partners use condoms, the relative risk of STD infection was more variable, ranging from 0.18 to 0.97. Cohort studies of condom use with HIV-discordant couples have also demonstrated the protective effect of condoms (Lux and Nguyen 1997). Globally, the condom is one of the least frequently used methods of contraception by married couples. While condoms are very effective strategies for preventing sexually transmitted diseases and HIV transmission, their use depends heavily on male co-operation.

Male involvement may be one strategy in addressing the reproductive health needs of women. They have a role to play in putting an end to abuse against women by protecting women from all forms of violence. A majority of women in some communities face physical, mental, sexual and psychological abuse from intimate partners. Based on data from 35 countries, the World Bank has reported that between one quarter and one half of women have been physically abused by a current or former partner (Heise et al 1994). Physical abuse may seriously jeopardise the health of women, and sometimes even lead to death. Women who are abused may not assert their personal preferences because of fear of physical violence. Marriage in many African societies often involves the payment of bride wealth, which requires the transfer of wealth from the prospective husband's family to the family of his future wife, to compensate the family for the loss of her reproductive and productive capacity (Doodoo 1998). Implicit in this exchange is the transfer of decision-making authority to the husband and his family. This leaves women particularly vulnerable to physical violence if they refuse to submit to the sexual demands of their husbands. In this context, many women often submit to their husband's wishes for sex to avoid a fight, because refusal to engage in sexual activity is likely to trigger physical violence. Tragically, sexual and gender-based violence place girls and women at high risk of unwanted pregnancy, STDs (including HIV) and serious gynaecological problems. The threat of violence prevents women from taking appropriate measures to protect their health. Trying to convince a reluctant partner to use a condom is likely to lead to physical violence, abandonment and economic loss. In many communities, condoms are associated with illicit sex and promiscuity, the suspicion of which is likely to trigger physical violence.

Men deserve attention, not only because of their relationship with women, but also for their own sake. Men may have their own reproductive problems including family planning, STD prevention and treatment, infertility, sexual dysfunction, prostate cancer and urological conditions. However, they may experience some reluctance to seek healthcare because it is seen as a sign of weakness. STDs can be controlled more effectively if both partners seek advice and treatment. The treatment of male partners is particularly important because a woman can easily become re-infected if her partner is not treated concurrently (Khollam and Wells 1997). A woman has a 50% chance of acquiring gonorrhoea from an infected male partner, while a man has a 25% chance if he has sex with an infected woman (Doyal 1994). Prompt treatment of STDs is important because some STDs, if left untreated, can lead to infertility in both men and women. In order to avoid unwanted pregnancies and STDs people may be forced to rely on methods that can be harmful and lead to infection and even permanent damage, including infertility.

Lesson Learned – Case Studies

Case studies from other parts of Africa suggest that men become more responsible sexual partners when programmes target them with information and services. Prevention programmes that directly involve men have been successful in increasing male support for family planning, and the prevention of STDs.

Information, education and communication (IEC) campaigns have proved to be effective strategies for reaching men. IEC campaigns are an important means of raising awareness, improving knowledge and encouraging male support for family planning. In Ghana the Planned Parenthood Association organised educational activities to encourage male involvement in family planning (Nerquaye-Tetteh 1998). They used plays, case studies, group

discussions and other exercises to sensitise men on gender issues. They also held discussions about the benefits, side effects and fears associated with certain methods of contraception. These activities were successful in increasing male knowledge of sexual and reproductive health issues, which in turn brought about attitudinal and behavioural changes among men. They also led to more positive attitudes to modern contraceptive methods, a greater willingness to use condoms for protection and increased communication between spouses.

In 1988 a three-year male motivation project was initiated in Zimbabwe to increase knowledge of family planning methods among men, promote more favourable attitudes about family planning, increase the use of modern family planning methods between men and their sexual partners and promote joint decision-making about contraception and family size (Piotrow et al. 1992). The campaign sought to achieve these objectives through three main activities: a radio drama series with family planning messages, educational talks with men and pamphlets on family planning. This campaign was successful in increasing current use of a modern method of contraception and the proportion of men who felt that both partners should take joint responsibility for family planning increased. However, it also led to an increase in the number of men who thought that they alone should make the decision to practice family planning.

These case studies show that men who are better informed are more likely to take responsibility for their sexual and reproductive health. Men are more willing to assume responsibility for contraception if programmes reach out to them with information and services. However, there is also the danger that promoting male involvement in programmes will give men more control over decisions that impact directly on women's reproductive health, as was found in the Zimbabwean project. Some women's health advocates question the wisdom of increasing the potential role of men in reproductive health when so often men are the barriers to the use of health services and family planning methods (Verme et al 1996, Berer 1996). They fear that this may result in the loss of female autonomy and independence in an area that is seen as one of the few in which women can effectively exercise decision making authority (Berer 1996). They are particularly concerned that the provision of services for men is likely to result in decreased funding for women. This will result in women competing with men for limited resources.

Despite these concerns and challenges, there are ways in which well-planned programmes could benefit both men's and women's reproductive health. In the first place, the more services that are based on an understanding of gender dynamics, the more likely it is that they will benefit both men and women (Ladjali 1998). The major challenge is to ensure that the activities undertaken do not jeopardise women's reproductive health or contribute to greater inequalities between men and women.

Recommendations

Programmes need to find new and innovative strategies of involving both men and women in reproductive health. To serve men better, it is important for programmes to involve them directly in the design and implementation.

'Men themselves are the best sources of information about effective outreach and service delivery strategies. As such, it is essential to involve men throughout programme design and implementation to ensure that services and informational materials address their concerns and needs.' (Khollam and Wells 1997:5).

It is important to learn more about male needs through talking to men. It is easy to assume that men only want more children, that they disapprove of family planning, refuse to share responsibility for the caring of children and perpetuate violence against women (Ndong and Finger 1998). Male involvement is necessary to overcome false beliefs and generalisations about them. However, it is also important to recognise that men's needs may vary according to age, class and race.

For men to become active partners in reproductive health, they need information and services. Extensive information, educational and communication campaigns must be undertaken to provide women and men with relevant information about family planning, transmission and prevention of sexually transmitted diseases and other reproductive concerns. There is a need for accurate information to counter widespread rumours and false beliefs about modern methods of contraception, especially the condom. One proven strategy for reaching a large audience is through the mass media. The media can expose people to new images that highlight the positive contribution of men. For example, in Egypt, a series of television advertisements are used to encourage men to become more responsible fathers and husbands by showing them images of modern men helping their daughters with their school work, helping with domestic household chores and talking to their wives about family planning (Drennan. 1998). By providing these role models for men and women, the media can challenge traditional gender stereotypes and promote new ways of looking at gender roles.

The fact that most men obtain their information from their peers can also be used as a basis for educational programmes. Peer groups can be used to disseminate health information and redefine sexual norms. They do this by providing a context in which men can discuss how particular attitudes and sexual behaviours might be placing themselves and their partners at risk, and together identify ways to change these practices. Peer education is particularly desirable because peers are a credible source of information, they communicate in a language that is easily understood, and can be a powerful tool to bring about normative changes (Nduatii and Kiai 1997). Programmes should start at an early age because adolescents represent a 'window of opportunity' to generate awareness (Kinghorn and Steinberg 1998). In many parts of the world, adolescent boys and young men are socialised to believe that their masculinity is defined by their sexual prowess. Sometimes, this socialisation may be dangerous because it may lead boys to demonstrate their masculinity by engaging in sexual relations with multiple partners, which may increase their risk of HIV infection. Educational campaigns can also challenge traditional gender roles. In California, for example, the Oakland Men's Project challenges traditional gender stereotypes of men and women. It teaches boys that violence is not acceptable and works on altering the stereotype that men are naturally aggressive and that women are the natural recipients of male aggression (Green et al 1996). Reproductive health programmes must involve both men and women if they are going to successfully address male violence against women. By focusing solely on women, programmes may be promoting the notion that violence is a woman's issue. It is important to provide a climate that allows for discussion on gender based violence and also encourages men and women to resolve disputes in a non-violent way.

It is also important for programmes to encourage men to talk with their partners and make decisions jointly. Communication is a key factor in promoting safer and healthier sexual practices and shared decision-making. In many communities, communication between men and women is minimal. Couples rarely discuss matters related to sex. If men better understood women's reproductive needs and concerns they may be more willing to support women's choices.

Men can accompany their partners to family planning clinics in order to obtain information about available contraceptive methods and choose the most effective method. Programmes need to provide men with information about both male and female methods of contraception. Well-informed men are more likely to support their partner's use of family planning methods, or use modern methods themselves.

In general, men have poor access to appropriate health services. In order to make healthy decisions men need access to reproductive health services. However, most reproductive health services target women and are offered in clinics that are mostly frequented by women. Men need access to family planning and STD services where they can feel comfortable and accepted, and at times and places which are convenient for them. In a study among adolescent men and women, it was found that the rude and judgmental

Men need access to family planning and STD services where they can feel comfortable and accepted, and at times and places which are convenient for them.

attitude of service providers discouraged young men from playing a positive role in reproductive health. For example, young field workers posing as clients reported that some clinic staff resisted their requests for condoms and often failed to provide instructions about how to use condoms (Abdool Karrim et al 1992). Service providers need to receive training to ensure appropriate and effective treatment for men. At present there are only a limited choice of contraceptive methods for men. More emphasis should be placed on research into new forms of male methods: one estimate suggests that less than 10% of the world's contraceptive budget is invested in developing male methods of contraception (Kabeer 1994). In the meantime, reproductive health care services should make sure that current methods are more easily accessible. Providing access to affordable, user-friendly and efficient services will help improve the health and status of men and women.

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HIV/AIDS IN AFRICA

BY STEPHEN LEWIS,
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NOTES FOR A PRESS BRIEFING AT THE UNITED NATIONS, FRIDAY, 2 MAY 2003.

I recently returned from a trip to Kenya during which I met, at length, with the new President, and ministers of health, education and information. I also met with the leadership of the National AIDS Control Council, the UN country team, various representatives of civil society and People Living with HIV/AIDS, and made a trip to Kabera – the huge, sprawling, abject slum in Nairobi – to meet with over 100 commercial sex workers, all of whom are involved in a programme of HIV prevention.

While everyone I met and everything I encountered was fascinating, it's the political leadership I'd like to focus on.

All too often, when I report back after a visit to Africa, I'm consumed by gloom and apocalyptic utterance. But not this time. This time I came away with a greater degree of hope and optimism than I've felt for months. It's hard to describe the sense of change from the previous administration: suffice to say, where HIV/AIDS is concerned, the change is night and day. Where before, senior officials' attention to AIDS was perfunctory, on this occasion every conversation, without exception, demonstrated a new leadership that is intense, committed to confronting the pandemic, determined to put policies and programmes in place, and consumed by the recognition that every single family in Kenya is affected in some way by the ravages of HIV/AIDS.

I guess it's a trifle presumptuous to make personal comments on a conversation with President Mwai Kibaki, but I'm going to do so nonetheless. The President has appointed an HIV/AIDS cabinet committee of nine members, which he personally chairs. He's providing very open and public leadership on the issues of AIDS, and demands the same of his cabinet colleagues. What was particularly impressive – and unusual – in the meeting with the President (there were 10 senior members of the bureaucracy present) was his refusal to accept, at face value, any reassurances that his administration has the pandemic well in hand. President Kibaki frequently challenged what others said, asserting – almost by instinct – that the crisis is far from under control, and insisting that the fight against the pandemic must be intensified.

It was one of the most refreshing meetings I've attended with a head of state. We covered prevention, particularly in the schools; antiretroviral drugs, financial resources, orphaned children, stigma, the role of religious communities, the role of parliamentarians in their constituencies, the effects on women and girls, the lifting of school fees and the question of prevalence rates. The discussion lasted well over an hour.

It was followed by a meeting with the minister of education. This is the arena where the full force of the new government has been felt. As most people doubtless know, the key promise of the election campaign was the abolition of fees for primary school. No sooner was the present Government elected, than the promise was fulfilled. And an extraordinary thing happened: when school reconvened in January, 1.2-million new children poured into the educational system within one week – an increase of over 20%! – and the numbers, still rising, are expected to reach 1.5-million by June.

The implications are stunning. One million two hundred thousand children who had not been in school turned up for school. Kenya has an estimated 1.2-million children orphaned by AIDS. Are they identical cohorts? Of course not. Is there a significant overlap? Everyone agrees that the overlap is large. What, then, is the situation in the rest of the continent for millions of other children orphaned by AIDS, particularly in the high-prevalence countries? How is it possible that a campaign to eliminate school fees has not been launched across Africa? Where is the leadership to come from? Why should such vast numbers of children, who have lost one or both parents to AIDS, who have little if anything to eat, who have no guarantee of shelter, no guarantee of health or nutritional care, no guarantee of a home or of love or of nurture … why, on top of it all, should they be denied the right to go to school and the prospect of a future simply because they're impoverished? There's something truly dreadful about all of this.

If the experience of Kenya proves anything, it proves that those who have argued for the abolition of fees, as a way of liberating the lives of millions of children, were right. What is so distinctive about Kenya is the new Government's determination to see the lifting of fees as applicable to everything, including books, uniforms, or any extraneous levy. In the view of the minister of education, the policy is driven by the guarantees contained in the Convention on the Rights of the Child and the internationally agreed principles of 'Education for All'.

I don't want to pretend for a moment that there isn't a very tough, hard slog ahead...If ever there was a time to turn the pandemic around in Kenya, that time is now. There is no reason in the world why, given the commitment of the new government to tackling HIV/AIDS, Kenya cannot become the next Uganda. But they'll need lots of help: they must get it.

In one instance, in an urban slum community many miles from Nairobi, the population of the primary school, after the fee announcement, jumped from 1 000 to 5 000 students. But when the headmistress insisted that every child must come to school in a uniform, the numbers dropped to 2 600 – a major revelation in itself. The ministry of education asserted that absolutely nothing, including uniforms, was to stand in the way of school attendance, and the numbers are moving back up.

I don't want to pretend for a moment that there isn't a very tough, hard slog ahead. The new government and the voters understood that abolishing school fees would be costly in financial terms, but the free education campaign slogan said it all: 'If you think education is expensive, try ignorance.' The ministry is scrambling to put together the dollars to finance the policy (a government task force announced in March that it would cost $97.1-million through June, and another $137.1-million through the 2003/04 school year) – a major portion of it from the Kenyan national treasury, part of it from the World Bank and part of it from bilateral donors. And there are still areas of the country, particularly the nomadic North-East, where school attendance remains unacceptably low. Moreover, the urgent need to physically expand the school system, and to replenish the teaching profession, shredded by AIDS, is obviously overwhelming. But the government is single-minded in its determination to guarantee the rights of every Kenyan child to education, and to prove, in the process, that the goal can be accomplished without sacrificing quality.

For the orphaned children of Kenya, the policy is a salvation. Why, then, is it not in place across the continent? The time has more than come to champion this cause with every government, and to champion it with unrelenting tenacity. No one should forget that all of the governments in question have ratified the Convention on the Rights of the Child, article 28 of which reads, in part: 'Make primary education compulsory and available free to all.'

Let me now move to the minister of health. Again the conversation was illustrative of a Government determined to break the grip of the pandemic on Kenyan society. This minister speaks with passionate clarity, knowledge and resolve about the need to proceed simultaneously on care, prevention and treatment. Moreover, in a fashion with few parallels, this is a minister who understands the appalling toll being taken on the women of her country, and the need to address their extreme vulnerability.

The Government of Kenya has just received money from the Global Fund. The $56-million allocated to the next two years will help to provide antiretroviral treatment for another 3 000 Kenyans. There are roughly 7 000 in treatment now, mostly in the private sector, so that will bring the total to 10 000. Already the new government has set a target of 40 000 in treatment by the year 2005.

How will they achieve it? In four ways. First, the government is examining legislation to introduce a national health insurance plan. It is the intention of the ministry of health that treatment for opportunistic infections, and for full-blown AIDS, be covered, at least in part, by the plan. In my respectful view, that's an astonishingly enlightened and courageous position, worthy of international support. Second, the government hopes to persuade the private sector to further expand its coverage. Third, the government has set aside, in this fiscal year, with increased recurrent funding in mind, the sum of $4-million for laboratory infrastructure to address HIV/AIDS, and it is hoped that, inevitably, some of the money will be directed to treatment. Fourth, the government is even now preparing its next proposal for the Global Fund, which will include financing for the treatment of another 10 000 people. In this regard, it should be added that the Government will wish to purchase generic drugs, from the WHO list of approved antiretrovirals, probably from India, in order to keep the prices down. This, then, emphasises yet again the desperate urgency for adequate resources for the Global Fund.

While all of these intentions are truly exciting, and a dramatic departure from the previous administration, it must be pointed out that over 2-million people are living with the virus in Kenya, and it is estimated that 200 000 would qualify for immediate treatment. As always, the gap between need and reality is measured in the appalling foreshortening of hundreds of thousands of lives. With additional resources, Kenya could treat thousands more. With additional resources and a transfer of technology, Kenya could establish an indigenous capacity to manufacture antiretroviral drugs. When will the resources come? When will the needless carnage end?

Finally, a word about the minister of information. He's about to take a very unusual step. Using the authority granted to him under the Broadcasting legislation, he will direct that a certain limited percentage of air time, on all radio and television stations, be devoted to programming on AIDS prevention. It's a move that will undoubtedly attract criticism, but just as in the case of his colleagues, the minister is unshakeable.

It's hard to convey the startlingly changed atmosphere in the political precincts of Nairobi and, by extension, in the population overall. If ever there was a time to turn the pandemic around in Kenya, that time is now. There is no reason in the world why, given the commitment of the new government to tackling HIV/AIDS, Kenya cannot become the next Uganda. But they'll need lots of help: they must get it.

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MORE ETHICS, MORE DEVELOPMENT

BY BERNARDO KLIKSBERG,
GENERAL CO-ORDINATOR OF THE INTER-AMERICAN INITIATIVE ON SOCIAL CAPITAL, ETHICS AND DEVELOPMENT OF THE IDB.

WASHINGTON

Norway is one of the world's leaders in transparency: there, corruption is almost non-existent. However, anti-corruption legislation is scarce. The cause can be found in the nation's predominant social values. Family, neighbours and social circles would seriously exclude a corrupt person. Finland has the lowest prison inmate rate in Europe and, at the same time, the lowest number of per capita policemen on the continent. The prevention of criminality is found in the culture of values, in the access to opportunities and in the system of 'open prisons', which effectively rehabilitate. Sweden has almost eradicated gender discrimination. Any public opinion that considers equality of gender a starting point, continuously pressures for more developments. Canada's healthcare sector is of better quality than anywhere else in the world, and is also totally inclusive. Its population would not accept anything else: it considers the access to good-quality healthcare an untouchable right which should always be prioritised. The Netherlands, like the Nordic countries, Canada and other countries leading in socio-economic issues, has high levels of equality in the distribution of income, and access to universal education and healthcare. In the culture of all these countries, rejection of great inequalities and support of equity and equality of opportunity predominates.

The Most Unequal Continent

The roots of its success are in social capital, a new finding of development sciences. Detected by the pioneer studies of Putnam (Harvard), social capital includes at least four dimensions: the dominant ethical values in a society, associative capacity, the degree of trust between its members and civic conscience. The results of econometric indicators are conclusive. The more social capital there is, the more long-term economic growth, less criminality, more public health and more democratic governance there can be. This concept does not intend to substitute macroeconomic factors in development, but to call attention to the fact that they have to take these dimensions into account. Mere economicist reductionism is a limited vision and leads to inefficient policies.

Amartya Sen, Economics Nobel Prize Winner, said: 'The ethical values of a country's entrepreneurs and professionals (and other key actors) are part of its productive resources'. If they favour investments, honesty, technological progress and social inclusion, they will be highly active; if, however, easy and quick earnings, corruption and lack of principles predominate, development will be blocked. Currently, the main international organisations have grasped this idea. The World Bank (WB), the Inter-American Development Bank (IDB) and the United Nations (UN), among others, have created areas dedicated to stimulate social capital.

Given that Latin America and Argentina have great potential but are overwhelmed by grave social problems, much attention should be paid to these factors. UNICEF has reported that 500 000 children die annually in the region, as a consequence of preventable causes; and more than 95% of these children are poor. In Argentina, almost 75% of children live beneath the poverty line, and 46% of youngsters of Capital Federal and the greater urban Buenos Aires ('conurbano') are unemployed. Among the reasons why potentially rich countries have so much poverty is the fact that there exists an ethical deficit, and that Latin America is currently the most unequal continent on the planet, all of which is regressive for economic and social progress.

Social capital can help. It is expressed in very tangible forms, which need to be strengthened and can play a very important role in development. One of these forms is volunteer action. In Argentina, without the action of exemplary organisations like CARITAS, AMIA, Red Solidaria and many others, poverty would be much greater than it is. The recent example of a group of Cartoneros gathering and delivering 900 kilos of food to starving children from Tucumán, even poorer than themselves, indicates the immense potential for solidarity that volunteers incarnate.

Another tangible form of social capital is corporate social responsibility. In the United States, public pressure is growing in this sense. Interest has been aroused in creating an ISO measurement of social quality that, together with the classic indicators, allows investors to choose the companies that comply with it. In France, ethical guidelines are increasingly spread and the Christian Ethics and Investments Association requests investments to be made in companies that stand out in values such as human rights, respect and development of the people, and also in productive areas in developing countries. In Argentina there is a latent claim in this direction. A recent survey (mentioned by Tercer Sector) detected that 86% of consumers state that social responsibility matters when evaluating their buys; 52.6% are willing to pay a higher price for the products of socially responsible companies, and 77% are willing to stop buying products from socially irresponsible companies.

Virtuous Circles

Other expressions of social capital are increased in civil participation and the strengthening of organisations for the poor, as suggested in a recent study by the World Bank (Voces de los Pobres), which increases productive opportunities for them and helps them acquire skills.

A combination of transparent public policies, with first-class management, that guarantees all of the population its right to food, healthcare, education and work – as it corresponds to democratic society – and mobilised social capital that complements them, can unchain virtuous cycles in this country and region.

Can it be done? Sceptical people often state that the social contract is broken in our societies. However, when observing the impressive explosion of solidarity and the generalised reclamation of ethical referents and values in Argentina today, it can be affirmed that the most important thing – the respect in the base of society for the biblical mandate, that we are responsible for one another and that indifference towards others suffering is undignified – is safe. By developing it, it is possible to move forward in the construction of a different quality of society.

'GLOBALISATION'S SURPRISES'

BY HAZEL HENDERSON,
AUTHOR OF *BEYOND GLOBALIZATION, BUILDING A WIN-WIN WORLD*
AND OTHER BOOKS.

Economic and technological globalisation was always a project of global corporations, financiers and their political allies in mature industrial societies. The blueprint was the 'free' market enthusiasms of Ronald Reagan and Margaret Thatcher. This Anglo-Saxon model of capitalism was followed by the 'Washington Consensus' policies we still see today.

The World Trade Organisation (WTO), NAFTA and the incipient Free Trade Area of the Americas, all follow the same recipe for export-led GNP growth, open capital markets, convertible currencies, privatisation, deregulation and increasing world trade.

Even though a welter of evidence is now in – from the 1997 Asian meltdown, Russia's default and now that of Argentina, the ideologues who believe in this form of globalisation still promote these policies with the familiar cry: TINA (There Is No Alternative). As psychiatrists know, people who cannot conceive of any alternatives to their current behaviour are deemed to be suffering from clinical depression. And scientists note that it is illogical to imagine that repeating a similar experiment could lead to dissimilar results.

But we now see an even deeper set of contradictions, all signalling a lack of systems thinking among the ideologues of laissez faire globalisation. In the West, these interdependencies are recognised as 'what goes around comes around.' In the East, the same phenomena are known as 'Karma.'

Let's examine some of these karmic effects of today's globalisation:

- The USA, globalisation' s most fervent promoter, has up to now, reaped the greatest benefits – when the dollar became the world's defacto reserve currency – over-valued today by between 15-25%. This has led to unsustainable US trade deficits, the sucking in of the lion's share of world exports and increasing inability of US-based companies to export.

- The USA's long ride on the over-valued dollar is now coming to an end as its trade deficits continue growing to unsustainable levels (some 4.5% of US GDP). Until recently, countries which export to the USA (China, Taiwan, Japan, Mexico and many others) kept accepting US dollars in payment and buying US Treasury bills for their currency reserves. This system, with the USA absorbing so much of the world's exports and capital – trying to serve as the world's 'locomotive' – is now bogging down in the weakening dollar (currently below the euro).

- The US Federal Reserve has lowered interest rates to 1.25%, the lowest in 40 years, in order to try to boost the domestic economy – so far with little success. The Japanese 'deflation malaise' may be in store for the post-bubble USA as well. Countries holding their towering piles of US dollars in their currency reserves are diversifying into euros (now becoming the world's alternative reserve currency).

- Private holders of US T-bonds and stocks look on with alarm as the dollar continues to weaken and the interest they now earn is close to zero when corrected for inflation. These private investors are worried about the US economy's fundamentals: historically high levels of corporate and consumer debt; over $1-trillion of unfunded corporate pension liabilities in the auto and other 'Old Economy' sectors; the corporate crime wave continuing to undermine confidence in auditor's reports and stock markets; the Bushies' foreign strategy of playing global policeman; pre-emptive strike plans on Iraq; warring worldwide terrorism and evil leading to ever-larger deficits – and the unsupportable US trade deficit. It is only a matter of time before more private investors switch to euros, Swiss francs and other investments – where interest rates are higher and fundamentals are more favourable.

- US officials and economists say that productivity is higher in the USA than Europe – advising investors to keep betting on the US economy. However, closer examination reveals the different ways that Europe and the USA measure 'productivity' (the USA method flatters the US – Europe uses a broader measure). When these methods are compared, the difference in productivity is trivial. Add to this, that US capital productivity in the late 1990s was negative, ie trillions of dollars were wasted in 'investments' in half-baked dot com businesses during the bubble. Indeed, a recent survey of 300 global fund managers by Merrill Lynch & Co found some two thirds considered Wall Street the most over-valued of the world's top five stock markets.

The global economy was always a power game – and currencies are becoming the weapons of choice. Revulsion against all weapons of mass destruction, as well as landmines and small arms is producing a global backlash. Bullying by military superpower – the USA – is producing a rise in anti-US opinion in many countries, including allies. Even pro-business advocate Jeffrey Garten, Dean of Yale University business school in The Politics of Fortune, urges US CEOs to criticise Bush's unilateralist policies for imperilling global stability.

Yet 9/11 showed that the 21st century is the age of 'asymmetric' weapons – where computer hackers, money-launderers, assorted terrorist gangs and even currency traders and OPEC now hold a new balance of power. For example, the USA, which blocked and then supported China's entry into the WTO, may regret enforcing 'Washington Consensus' policies onto the WTO. China must shortly make its currency, the yuan, convertible, and further open its markets.

Today, China is fast becoming the world's newest superpower and supplier of many of the world's goods, producing 50% of cameras, 30% of air conditioners and TVs, 25% of washing machines, 40% of all microwave ovens sold in Europe, and fast moving into computers, mobile phones and DVD players.

China views its low-priced exports as a boon for the world's poorer consumers while the US now fears global deflation. Yet lower wages and cheap export platforms used in China and elsewhere by US multinationals were supposed to be the advantage of globalisation. These global supply chains were touted as taming inflation and hyping economic growth. Most central bankers still fixate on inflation, not deflation.

Now the US Federal Reserve is bracing itself for deflation while its main tool of choice – interest rate adjustments – has stripped the gears of monetary policy. Will the Fed fight deflation by 'talking down' the dollar? Or – another surprise – when China shifts to a convertible currency (now pegged at 8 yuan to the dollar) will the Chinese yuan (now under-valued) lead to the dollar's further devaluation?

As sages have said: 'Beware of what you ask for – because you may get it.' What will happen to Bush's 'global policeman' ambitions then?

LETTER TO THE EDITOR
REQUIREMENTS FOR GROWTH AND DEVELOPMENT IN SOUTH AFRICA

BY TUMAHOLE LESESA

Two important sets of information have surfaced in the current position on this topic.

First, there are certain lessons to be learnt from both the successful developing countries and the unsuccessful ones like South Africa. Second, there are some deep-seated, unfavourable, structural economic trends present in the SA economy which must have played an important role in the deteriorating welfare position. This has been represented in terms of a rapidly declining average rate of growth in real per capita income ever since the 1960s. Some of the unfavourable underlying trends in the economy were a declining phase in world trade and a decline in direct foreign investment. Let us now spell out the implications for South African economic policy in more detail.

There can be no doubt that a smaller government, exercising fiscal restraint and having a general cultural-orientated approach implies that the private sector should be the main engine of growth. Thus, the economy should be liberalised, deregulation should take place and competition should prevail throughout the economy. Although this may sound obvious to many people, it is not so obvious that everybody in South Africa agrees with this view.

There are still many politicians and economists who may not regard themselves as socialists, but still see government and specifically higher taxes, more domestic regulation of aspects of economic activity, more trade and exchange regulation and government expenditure as the main channels through which income growth and redistribution of wealth should be expected. Apart from this, local authorities across the country still excel in developing all sorts of impending regulatory activities in the name of an orderly society. It should be said, in all fairness, that the need for deregulation and a more vibrant private sector is nevertheless gaining increasing recognition.

However, even if it is generally agreed that the private sector should be the engine of growth, it still needs to be defined that the role of government should be within the limits of fiscal restraints. The experience of the successful developing countries shows that governments can play a very effective role within the restraints put on the overall size of their operations.

The characteristics of successful outward-orientation, namely weak or no trade control measures, few direct domestic control measures, a stable and realistic real exchange rate, strong export incentives and an overall policy to promote development of the manufacturing sector, provide clear guidelines. The overall policy approach should be market-orientated. That means indirect rather than direct instruments should be used. If this is not the case, there will be conflict with the characteristics of outward-orientation. A hard policy stance, that is consistent and perseveres in the chosen way, will be necessary to avoid confusion and lobbying.

Balance of payments policies should encourage exports and allow for cheap imports. In fact, comparative cost advantages should determine which products should be exported and which imported. Tariffs should be lowered drastically, if not abolished. Export incentives should reward success, not subsidise costs, in order to encourage competence and efficiency; incentives to promote domestic manufacturing should be based on the same principle.

Many would also argue that the rand is still overvalued, impeding exports and encouraging unnecessary imports.

Essentials of a Growth Strategy

- Create an enabling environment for a people-based economic life
- Economic growth depends on the enterprise of people. Governments can facilitate progress but people make things happen. The creativity of people is the key resource available to any society
- It must be understood that the most important spheres of action on the part of the economic role players (consumers, producers, savers, investors) are largely beyond the range of government action. These spheres of action are determined by the needs, aspirations, expectations, values, as well as the way of thinking and doing things, on the part of people
- A strategy to pursue economic growth and other development objectives implies a diminished role for the public sector and a greater reliance on the private sector
- Despite their limitations, government policies do have an important impact on growth; sometimes negative and sometimes positive
- On the negative side, governments often make things worse by spending resources on wasteful projects – resources that must be raised from taxes on private initiative
- On the positive side, governments can provide incentives for domestic or foreign investors to increase productive capacity or to invest in basic infrastructure
- In as much as government has a role to play, that role should be a promotional role and be executed in full awareness of the dangers of creeping bureaucracy and the unproductive allocation and utilisation of resources

Policies and Programmes

1. Invest in human development by way of needs-driven education and market-driven technical training
2. Reduce poverty and hardship for the unemployed and persons otherwise adversely affected through the provision of emergency-driven social and health services
3. Reduce the size and cost of the public bureaucracy and ensure that it does not absorb a disproportionate share of government spending
4. Privatise and liquidate public sector activities that compete with, or stand in the way of, the growth of the private sector

Black Economic Empowerment in South Africa

Black economic empowerment, for many, is a recent phenomenon. For them, empowerment is epitomised by high-profile former politicians masquerading as 'executives' owning shares in previously white-owned, but still white-controlled companies. However, economic empowerment for black people in SA is a subject of struggle more bitter than the political struggle itself. The conditions faced by the previous group of empowerment beneficiaries, their lack of expertise to succeed in the business they entered and their seemingly non-caring attitude towards the majority of poor people in SA led to deep frustration on the part of the younger, better-educated, post-apartheid entrepreneurs who saw the former as nothing more than puppets of the business establishment or cronies of the newly installed political establishment. Crony Capitalism has been a new phenomenon in the black empowerment landscape.

However, the current state of black empowerment and the corruption to which the system of empowerment is susceptible can only mean the chickens have come home to roost.

Unrealistic strategies of black economic empowerment have borne a small minority of greedy, well-connected Fat Cats with no feeling for their fellow comrades in the struggle against apartheid.

1. Economic stability may be created by the following measures:

- Firstly, establishing a stable balance of payments by way of direct or indirect import and export related measures
- Secondly, monetary control consisting of regulating and controlling interest rates and exchange rates, as well as by regulating and controlling foreign loans and the inflow and outflow of money to and from countries abroad
- Thirdly, fiscal policy measures such as raising taxes in order, inter alia, to secure a large measure of wealth – creating not distributing – because it will not be redistributed to those who are well connected to the ruling political party.

TO THE EDITOR NEW AGENDA

Although an erstwhile – but largely nominal – member of the Editorial Board of *New Agenda*, I have not at any time participated in any of the editing of any of the articles included in the journal. This relates also to my own articles reprinted by *New Agenda*, including in Issue #9 the 'extracts' from my long paper on NEPAD entitled 'Unity and Integration within Africa? Or Integration of Africa into the Global Economy' (AIDC October 2002).

I have only just had an opportunity to read *New Agenda's* edited version of my paper and find that this does not conform to mere reproduction of extracts but to active editing that has weakened the substance of my analysis and altered my most fundamental message and intent.

1. The analysis in my paper has been weakened by the editing out of some critical observations on the positions expressed within NEPAD on the Cotonou Agreement between the EU and the ACP, the US African Growth and Opportunities Act (AGOA) and various agreements within and the nature and role of the WTO. The trade aims and the broad range of other terms and conditions within these agreements are central to understanding why the global framework which NEPAD endorses is contrary to and contradicts its other declared aims.

2. My fundamental message about NEPAD to African civil society is not merely that there are 'commonalities in motivations and inspiration' in the ideals and aspirations of African unity between otherwise divergent CSO responses to NEPAD. In cutting off my paper after this point, New Agenda has completely removed my fundamental message by editing out the following:

1. 2 Counter pressures and persuasions

It is precisely these ideals that inform the 'African Renaissance' initiative that preceded NEPAD and that inspires many Africans. But it is also these ideals that governmental and some non-governmental supporters of NEPAD are raising to fend off criticisms of the aims and substance of this particular programme. And it is these ideals and aspirations that are being used to persuade or pressurise African CSOs to support NEPAD. The argument, in brief, goes along the lines that

- whatever our criticisms of the processes, aims and content of NEPAD, this is now the officially endorsed programme of the African Union (AU).
- the African Union is a gigantic and highly significant political and practical step forward in uniting the whole of Africa.
- African unity is an historical aspiration across the continent which must inspire and guide our approach to the African Union and to NEPAD.

Thus, African CSOs are being urged, and some are themselves urging, that 'if you are committed to African unity, you must support the African Union that has been formally agreed by African governments and is in the process of being implemented. And, as you support African unity, you must recognise and realistically accept that, even if you have reservations about NEPAD, it is now de facto and de jure the economic programme of the African Union.'

But an additional argument that some put forward is that this 'new and unprecedented African initiative' has been placed with much effort on the public stage globally, challenging all the negative images about Africa, and it would shame the continent to have this programme undermined by African people themselves. Therefore, 'even if we are not satisfied with it, we as Africans should close ranks behind it and ensure that it is supported and implemented; otherwise we will be confirming all the stereotypes that outsiders hold about Africans and Africa. Now that NEPAD is 'on the table' we cannot afford to let it fail.'

Such arguments linking African unity, the African Union and NEPAD have powerful resonance with the deep feelings, convictions and concerns of many African analysts and activists, and it is important, therefore, that these arguments be fully laid out and the different dimensions or levels carefully analysed so as to unpack what they actually mean and entail. This is essential in order that popular support for one dimension of this argument does not pull or push people and their organisations into support for another about which there are doubts or deep criticisms. Such persuasions and pressures towards accepting, or at least 'working within' NEPAD could divert the independent and combined efforts of African civil society organisations away from their search for fundamental and definitive solutions to Africa's problems; and, instead, co-opt their energies and efforts into trying to 'improve' a questionable document. If the framework is wrong, as this paper will argue and demonstrate, the systemic logic of that framework, the dynamics of that model will neutralise, undermine or counteract whatever 'positive' elements that reside within it, or that might be inserted within it.

At worst, those African analysts, activists and their organisations that call for 'support' for NEPAD as 'an African initiative' could unintentionally find themselves drawn into defensive, diplomatic or 'public relations' postures, or 'damage limitation' exercises around an ill-conceived initiative and poorly formulated document which, in fact, does not do justice to the needs and aspirations of the people of Africa. Nor does it recognise or draw on the accumulated body of knowledge and experience of African analysts and activists, and the longstanding and intensive research and comprehensive proposals on effective alternatives that are available to African government leaders from outstanding African intellectuals, credible African institutions and well-informed and experienced African civil society organisations.

1.3 Unpacking and understanding NEPAD

It is in ignoring the well-established wealth of experience, research and debates within Africa, it is in undervaluing all this cumulative analysis and proposals – and producing, instead, an embarrassingly superficial and misconceived programme – that Africa is really being ill-served and possibly even 'shamed' by the creators and supporters of this programme. These are strong words at the outset of this paper, but they will be born out and substantiated in the analysis that follows. At this juncture, however, a further important point to be made is that, in analysing and responding to NEPAD, African civil society analysts and activists must, as in all other spheres, be alert and draw clear distinctions between:

- misleading rhetorical flourishes or politically appealing, but token-ist, references to widely held beliefs and aspirations, as indicated above ... but that are not borne out or carried through in the totality of the programme;
- useful general proposals that, in other contexts, would merit support ... but that raise many questions in terms of their detail within the NEPAD context, and that are contradicted by the NEPAD framework within which they are located;
- the avowed high ideals and well-meaning aims of the initiators and leading forces behind NEPAD ... but that are contradicted by the substance of their proposals and in the detail of their overall orientation, aims and methods.

NEPAD has to be judged not by its language and generalities, nor by the 'good intentions' of its formulators and supporters. NEPAD has to be evaluated on the basis of close analysis of its substantive proposals and their implications. There are many dimensions of the NEPAD programme that require such analysis, but this paper will evaluate this programme on the basis of the broad questions as to whether

- its approach and proposals are appropriate for unity, security and development for Africa's peoples,
- in the framework of the unity and security, integration and development of the African continent,
- in the context of an unfavourable and even hostile international economic and political order.

Possibly some points in the above could have been edited out for reasons of 'space' or repetition, but it is certainly not acceptable to edit out the entirety of the arguments being made. I thank you for printing this letter in *New Agenda* as soon as possible. And I would urge the readers of *New Agenda* to obtain my original paper from AIDC in order to get the fuller scope and depth of my analysis.

Regards
Dot Keet
25 May 2003

BOOK REVIEW

'IT DOES NOT HAVE TO BE LIKE THIS'
BY MARGARET LEGUM
AMPERSAND PRESS 2002. 122 PAGES

It is not often a person trained in classical economics breaks out of the iron grip of orthodoxy. Margaret Legum is one who not only takes seriously the notion that 'economics is about people' but adds a range of other dimensions such as the environment and novel proposals on money.

This book is a kaleidoscope of such ideas, being based on a series of lectures rather than a textbook of economic propositions. This is both its strength and its weakness since it is a journey of exploration rather than a well-honed theory of new economics.

One of Legum's targets is to expose the Washington Consensus and its hosts – the IMF and World Bank – and the damage they have done to the developing countries. There is a wealth of information on how their policies have worked in practice and the protest movements which have emerged against them.

Legum opens with a vigorous denunciation of the 'appalling poverty in the midst of unbelievable wealth and potential plenty for everyone' which marks our world economic system. She ascribes these distortions to the work of the market economics which has become the dominant paradigm.

She shows how African economies have been, and continue to be, wracked by debt and collapse of prices of commodity exports. At the same time, the capital needed to restore economies has become volatile, as unaccountable financial institutes play casino without touching the real economy where people work and consume. This financial system is bound to lead to the destruction of the global environment.

Turning to South Africa, Legum argues strongly for a Basic Income Grant (BIG) for all, which would also see increased taxes for the rich who are grossly under-taxed. She argues that the costs of not providing a Basic Income Grant (Big) are greater than that of not doing so. She argues that South Africa is consistently losing the very capital needed to boost savings and growth – a pattern evident in most parts of the Third World, though not necessarily for the same reason.

As one might expect, new methods of job creation are part of the scenario and a range of innovative ideas on taxation follow.

But the constraints of an unjust world trading and financial system loom over many of these ideas and it is not always clear how these contradictions can be overcome.

All in all, this is a fascinating book with many challenging ideas which will surely continue to be explored by this original, creative and prolific writer.

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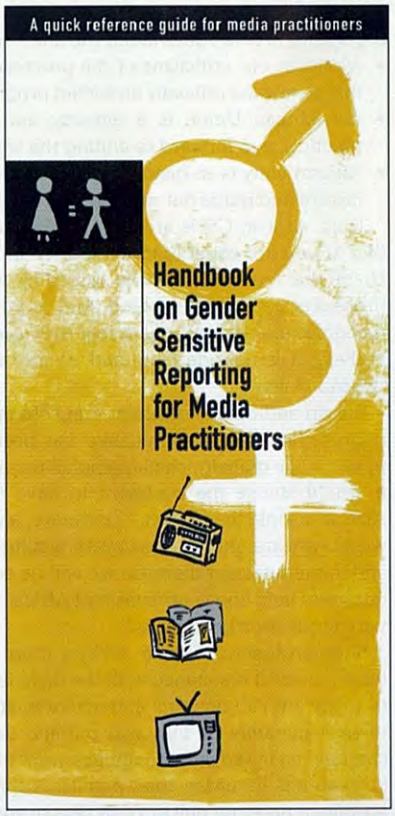

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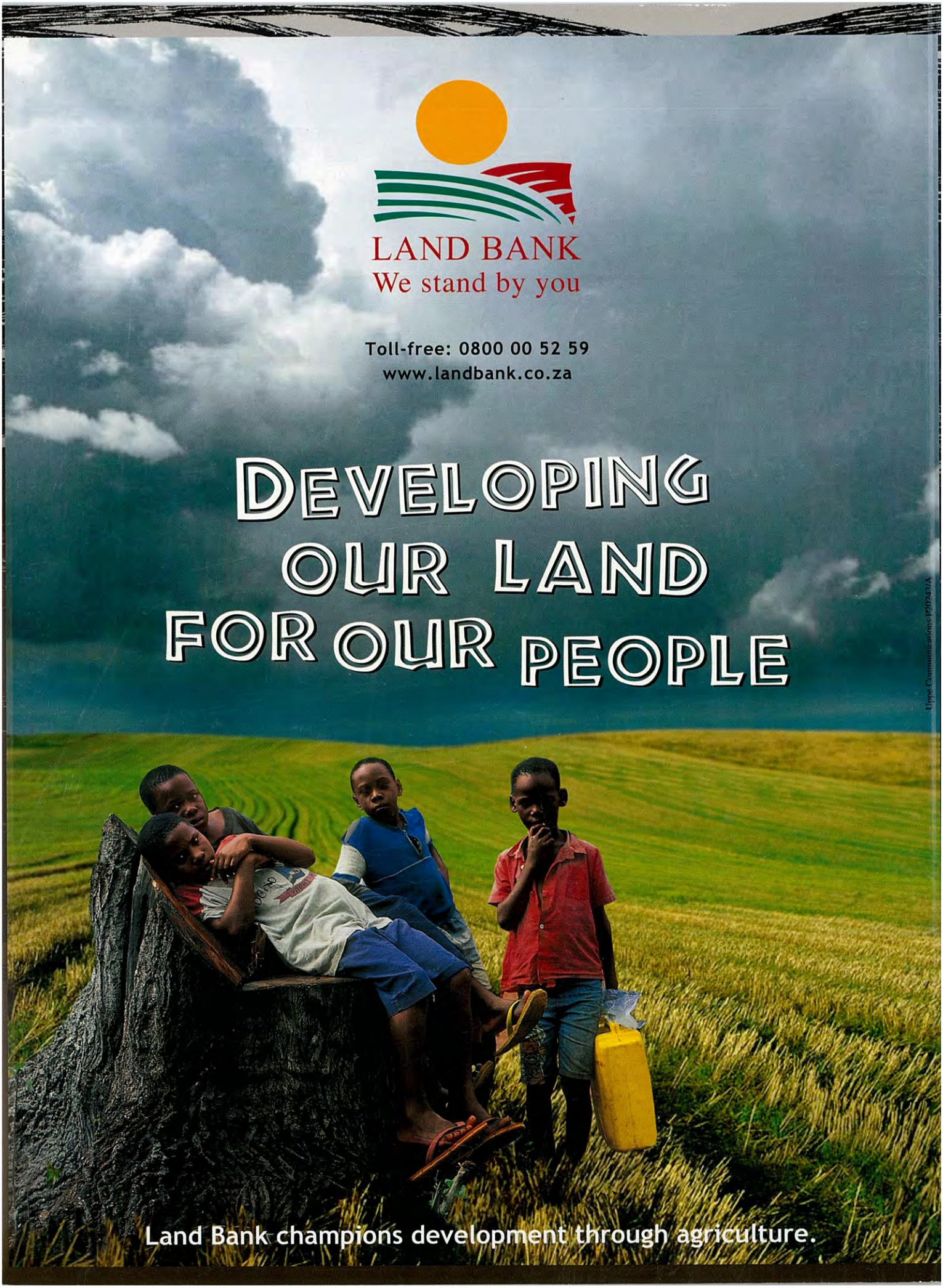
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