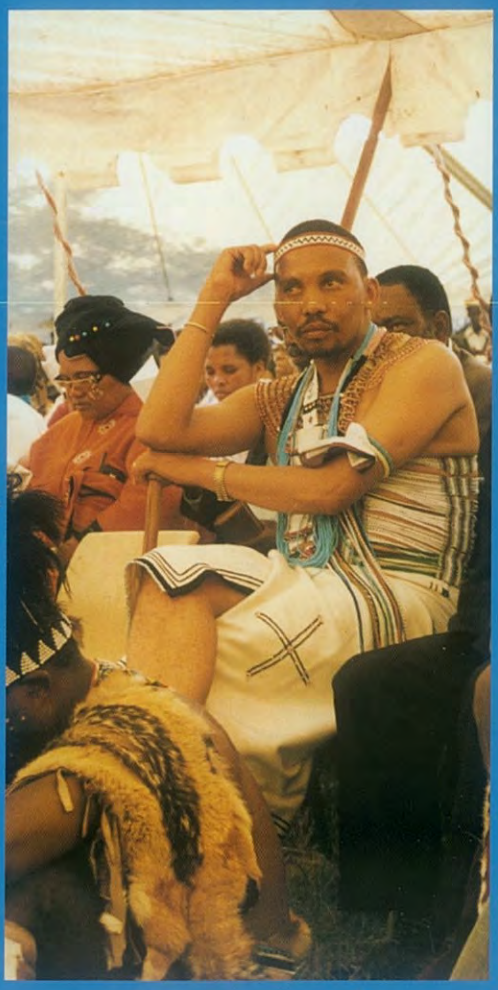
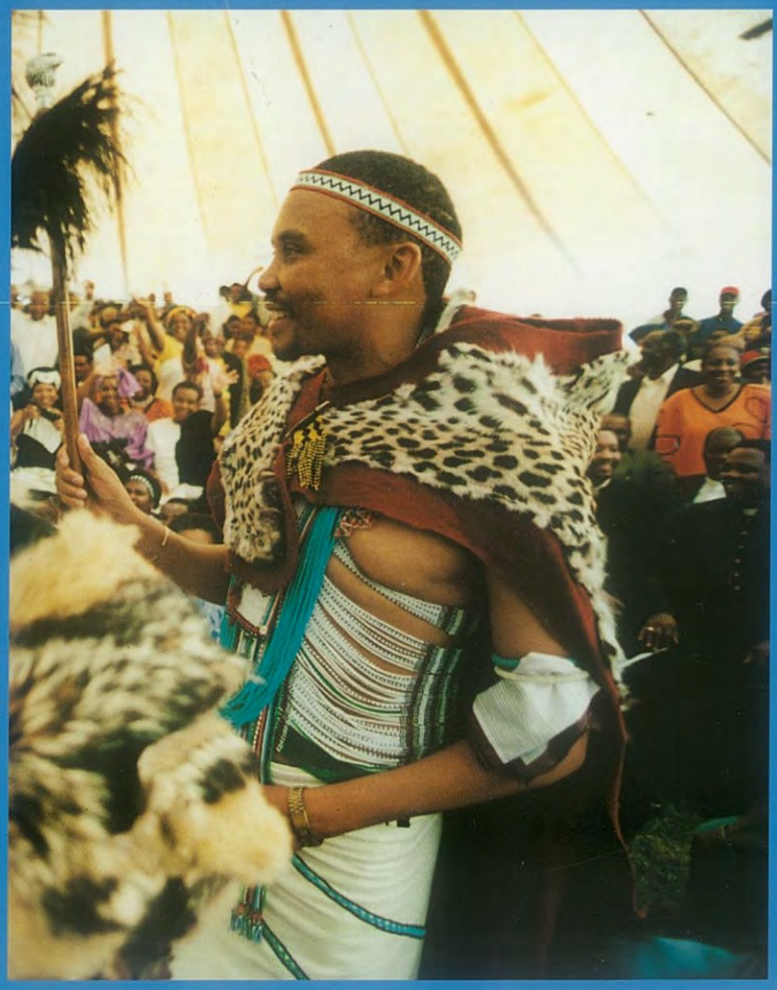
NEW AGENDA

South African Journal of Social and Economic Policy





OLD TRADITIONS: NEW SOUTH AFRICA

BY NKOSI S.P. HOLOMISA (A! DILIZINTABA)

ISSN 1607-2820



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Three years of building a strong ***foundation*** *for social investment.*

Established in December 2001 and launched by former South African president, Dr Nelson Mandela, the MTN Foundation recently celebrated its third anniversary.

As it enters its fourth year, the MTN Foundation has renewed its commitment to projects that address national needs and support government efforts to promote socio-economic development and bridge the digital divide, especially in the area of education.

MTN *Schools Connectivity* is one of the projects aimed at contributing to these efforts. MTN Foundation is investing R21 million over three years (starting 2002) to create 90 multimedia centres in rural and disadvantaged schools identified jointly with the provincial departments of education.

The multimedia centres are equipped with computers, servers, multi-function printers, television sets, satellite dishes, decoders and GPRS modems that use the MTN network to access the Internet. The project has rolled out to more than 105 schools across the country, benefiting at least 250 000 learners in those areas where it is already operational.



Communications Minister, Dr Ivy Matsepe-Casaburri chats to one of many learners benefiting from MTN Schools Connectivity at the launch of the project in KwaZulu-Natal last year. Also in the picture is Mr Mtholephi Mthimkhulu.

In addition to the multimedia centres, MTN installs a PhoneShop with up to eight public payphones for each school to generate income to maintain and upgrade the multimedia centre equipment and boost local entrepreneurship.

Launching the project in the Free State in March 2004, Minister of Communications, Dr Ivy Matsepe-Casaburri said: 'This facility was made possible by a business that understands that it has to cooperate with the government to help bridge the digital divide in the disadvantaged communities of our country. Not only has MTN equipped the school with computers, but they have made sure that the project will be sustainable by also providing a public phone service which will serve the community and help generate income for the school at the same time.'

North West MEC for Education, Mr Zacharia Tolo said: 'We welcome MTN's commitment to improving the quality of education in our disadvantaged communities. Access to ICT is opening up new horizons for educators and learners. This project will benefit disadvantaged learners by giving them an opportunity to develop skills and access information in a way that is relevant to the economic development of our province and the country at large.'

'When I tabled my budget speech in the Provincial Legislature on 26 June 2004, I indicated that the education enterprise is too big to be left in the hands of the few, and I therefore called upon everybody to get involved in education matters ensuring that education becomes the concern of every South African citizen. MTN has responded to this call and we are delighted about their involvement and appreciate what they have done in making sure that we bridge the digital divide between rural and urban schools,' said Mpumalanga MEC for Education, Mr Siphosezwe Masango at the launch of Schools Connectivity in the province.

The MTN Foundation supports other government efforts such as the South African Democracy Education Trust. This year the MTN Foundation's financial contribution towards Sadet's Presidential Oral History Project will total R7.5m since the establishment of the Trust in the year 2000. As a member of the Trust, MTN provides additional financial and project management support to the Trust. The first volume of the *Road to Democracy* publication was



The MTN Foundation has invested R21m over three years in the MTN Schools Connectivity project which has created 105 multimedia centres in rural and disadvantaged schools throughout the country.

published in June 2004. In addition to the Education portfolio under which the *Schools Connectivity* and *the Presidential Oral History* projects are housed, the Foundation brings under one umbrella four other key portfolios: arts and culture, HIV/AIDS, science and technology and ICT for rural women entrepreneurship.

The MTN Group is in the process of establishing foundations in its other cellular operations in Cameroon, Nigeria, Rwanda, Swaziland and Uganda. Each operation will contribute up to one percent of profit after tax towards corporate social investment projects managed by the Foundation.



King Goodwill Zwelithini, curator Philippa Hobbs and general manager of the MTN Foundation, Dr Meshack Khosa, view some of the textile printing pieces made at the historic art school at Rorke's Drift in the 1960s.

SUPPORTING ARTS AND CULTURE

MTN has one of the most comprehensive corporate collections of African art on the continent. The artworks were acquired not only for their authenticity but also for their potential to be used in wide-ranging educational programmes. The MTN art collection therefore forms the core of a far reaching social empowerment programme and is used to facilitate a range of projects aimed at giving visible support to arts, culture and heritage in Africa.

The Foundation is currently cosponsoring *Dumile Feni,* a world class touring retrospective exhibition that will run at the Johannesburg Art Gallery until April 10. This followed the *Resistance Reconciliation Reconstruction* exhibition held at the Pretoria Art Museum until February this year. Other ground-breaking exhibitions have included the Basa award-winning *Rorke's Drift: Empowering Prints* travelling exhibition and its accompanying book showcasing pioneering black artists who were trained at the Rorke's Drift Centre, and *Break the Silence,* presented in 2002.

The Foundation has pioneered other art initiatives, including the innovative New Contemporaries Awards for up-and-coming artists; the Young Curators programme for secondary and tertiary learners in Africa; and the first Artist-in-Residence programme in the telecommunications sector.

TACKLING HIV/AIDS

The MTN Foundation has been supporting the *Sports Heroes' Walk Against Aids* since the inception of the project in 2002. The project raises funds for hospices and other home-based care centres around the country.

The Foundation continues to support *Zitshunele (do it for yourself),* an empowerment and job creation project aimed at assisting people infected or affected by HIV/AIDS. It will also continue its contribution to *Siyayinqoba Beat It,* an HIV/AIDS educational programme on SABC television as well as *Voices*, a project that uses art therapy to support home-based care workers.

PROMOTING SCIENCE AND TECHNOLOGY

The MTN ScienCentre is the flagship of the science and technology portfolio. The MTN ScienCentre in Cape Town as well as the Old Mutual/MTN ScienCentre in Durban promote awareness and interest in science and technology through exhibitions and other relevant activities throughout the year. The MTN ScienCentre in Cape Town has over 300 interactive displays, a camera obscura, exhibition hall, computer zone, teaching laboratories, an auditorium and a science shop.



The MTN ScienCentre in Cape Town promotes awareness and interest in science and technology through exhibitions and over 300 interactive displays, attracting thousands of visitors, mainly young learners.

In the financial year ended 31 March 2004, the Foundation provided R5.8 million for science and technology projects. Together with 35 sponsoring partners, the total asset value for the science exhibits grew through sponsorship to R15.5 million.

In 2004, the MTN ScienCentre in Cape Town developed and hosted two exhibitions – *Inventions That Changed Your World*, which was sponsored by the Shuttleworth Foundation and *Great South African Inventions*, which ran until December 31 and was sponsored by Rand Merchant Bank. Both exhibitions included, among others, workshops for teachers and learners, science talks and the play, *Eureka, I found it* for learners, teachers and the public.

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SOUTH AFRICAN HIGHER EDUCATION: CRISIS OF PERCEPTION?

BY MARCUS BALINTULO

As we enter the second decade of our country's democracy and freedom, one of the recurrent themes likely to feature prominently in future public debates is what role higher education is, and should be, playing in the national reconstruction and development process. While it is essential for all stakeholders to engage thoroughly in this important debate, in our view it should be structured and conducted in a responsible fashion, otherwise it risks being bedevilled and stifled by diametrically contrasting perceptions and expectations.

To oversimplify, one view which is shared to varying degrees by government, industry and commerce and the wider public is that, notwithstanding the sizeable investment in the sector from the public purse, the return in value terms fails to meet the expected level given the rather daunting developmental challenges which our young democracy has to tackle. Put bluntly, the contention is that higher education remains largely unresponsive to national imperatives, resistant to transformation and is unacceptably wasteful.

Among some "defenders" of the sector, the perception is that of a rabidly interventionist state, embodied in the person and actions of the former minister of education, bent on disregarding all canons of institutional autonomy and academic freedom, and reducing higher education to an instrument of government. Some proponents of this viewpoint have even embarked on somewhat spurious comparisons between the present government and the apartheid regime.

Interestingly enough, these debates contain echoes of some of the sentiments expressed in the mid-1990s, within the then Committee of University Principals (CUP) in the context of some robust debates on institutional autonomy that informed the national constitutional discourse. One of the views expressed then by some of the vice-chancellors was that conventional assertions of institutional autonomy should not be allowed to shield the perpetuation of apartheid-derived racial privilege by the historically white institutions. Thus institutional autonomy, while essential, should be coupled with social accountability and responsibility.

As is usual in such situations, the image is of a change resistant and wasteful higher education system on the one hand and that of a steadily transforming, if not sufficiently cost efficient one, on the other. The truth may once again lie somewhere in the proverbial middle. What may be required to inform the debates is proper research, concentrating on exactly how our students experience higher education and what skills and competencies it equips them with in terms of developing both their creative potential and their sense of social responsibility. This will no doubt vary between and within institutions according to various group identities. The logical question then would be what the institutional leadership is doing to remedy some of the identified weaknesses.

There is little doubt that our higher education sector has become not only a national but a continental asset. Further, it attracts students not only from the rest of the continent but from all over the world. While there remains a lot of unevenness within it, this international appeal is a manifestation of its perceived worth far beyond our borders.

To enhance its value and clear up some of the issues around weaknesses and perceptions, one platform already exists, namely the Presidential Working Group on Higher Education. There is also a need for focused dialogue with commerce and industry while advocacy for higher education as a public good remains important.

WESTERN CAPE DEPARTMENT OF CULTURAL AND SPORTS AFFAIRS

THE MEC FOR CULTURAL AFFAIRS, SPORT AND RECREATION IN THE WESTERN CAPE HAS LEAPT ENTHUSIASTICALLY OFF THE STARTING BLOCK AND HAS HIS EYES SET FIRMLY ON THE PRIZE – PARTICIPATION IN SPORT BY ALL.

Chris Stali, MEC for Cultural Affairs, Sport and Recreation in the Western Cape believes sport and culture make a huge contribution in uniting the country. Stali says: 'Sport serves as a vehicle to unite people; to improve and uplift people's lives; to encourage youth to be more focused and to deter them from crime. It's not merely about leisure – sport contributes to the economy by creating jobs and promoting tourism.'

Stali sees his role primarily as providing resources to those who want to further their involvement in sport. 'My task is also to show people the power of sport and to convince them of the need to participate. I aim to establish more linkage between government and the community, between other provinces and this province, between this province and other countries outside of South Africa.'

The department's modus operandi is to work within the communities. 'This is not office work – you need to be outside there, forming partnerships with those who help on a voluntary basis and assisting them with their programmes,' he says.

The department has identified a number of challenges facing the Western Cape. One issue is the gap in the level of involvement between young and old, particularly in impoverished communities. Here the old do not take sport very seriously. Another issue is the utilisation of resources. Stali says: 'In the past people in these communities complained about lack of resources – but now it's a case of not having access to the resources provided. People have to pay to use facilities and considering the level of unemployment, this is difficult for them.' Stali believes that sport is collapsing in the schools – some of the programmes that used to be there are no longer in existence, such as basic physical education. Added to this is the fact that many of the teachers do not have the capacity to take charge. 'They do not have the skills, confidence or motivation to encourage children to participate in sport,' he says. 'They wait for things to happen – for the government to step in.'

The department has a number of programmes in place to address these issues. The Stepping Stones programme aims to address the fact that sport in schools is deteriorating. People go to the schools specifically to establish a code of participation that is not there. Another part of its strategy is the Mass



Chris Stali
MEC for Cultural Affairs, Sport and Recreation

Participation programme. Here field workers come up with events or workshops to encourage people in the community to try a sport and provide equipment.

There are more plans afoot – one of which is the idea of clustering the schools to create one hub so that all the facilities like athletic tracks, tennis courts and baseball fields are pooled together. 'In this way our limited resources are effectively directed,' says Stali. 'We would put ten schools together, which would then fall under a particular zone.' He goes on to stress the importance of targeting the most vulnerable areas – those without any infrastructure – and giving those with the most need a boost. The department has already established coaching clinics in these areas. Hopefully, talent scouts will frequent these districts in an effort to spot talented individuals and to help direct them to the schools with the best resources for the sport in which they excel. The department hopes to be able to provide bursaries to nurture this talent.

On the arts and cultural landscape, MEC Stali is making steady progress in ensuring that policies are in line with the national transformation agenda. Of great concern to Mr Stali are the funding policies of his department to arts and cultural groups. He says, 'The funding criteria currently makes it extremely difficult for needy groups in the townships to benefit from annual allocations.' This funding policy is now under review, hopefully by the end of April 2005, there will be a new policy that will be responsive and sensitive to marginalised communities in the true spirit of creating a harmonious Home for All. A fully representative task team is consulting with all stakeholders, getting comments on the draft policy.

Focused programmes and passionate efforts are all pushing in the right direction, but they have not crossed the finish line yet. One of the major obstacles, in Stali's eyes, is that the federations in some respects are not really developing talent, but only identifying talent. 'We as government are more focused on developing and nurturing talent,' says Stali. 'We have met with some resistance from the federations as they feel they are the main drivers of sport. But our issue is that we need to be able to merge our efforts in order to get the delivery we want. If we give organisations money and they do not deliver, then we need to consider cutting out the middle man and dealing with communities direct.' Stali emphasises the need to focus on building capacity within these communities so that its members are empowered to do the work themselves. Budget is another problem – 'but we are looking for the private sector to come on board and re-direct their resources,' he says.

Looking ahead to the World Cup in 2010, Stali believes the province is right on track in terms of preparation. The department has concentrated its efforts on boosting capacity to cater for this huge tournament and ensuring that 2010 leaves a legacy behind. It is working to identify what attractions there are in the Western Cape that will encourage visitors to return after 2010. 'But the major challenge,' says Stali, 'is how do we market 2010 to those who know nothing about soccer and think it's just another event? How do we make the man on the street see and feel the benefits?'

If all comes to fruition, then 2010 will indeed unify and uplift communities, stimulate tourism and contribute to the economy – demonstrating the unique power of sport. 'I hope everyone can stand up and give us the support we deserve,' Stali says. We cannot succeed in these endeavours without the support from the people in this country.'

OLD TRADITIONS: NEW SOUTH AFRICA

NKOSI ADVOCATE S P HOLOMISA (A! DILIZINTABA) ANC MP AND PRESIDENT OF CONTRALESA (CONGRESS OF TRADITIONAL LEADERS OF SOUTH AFRICA)

INTERVIEWED BY BEN TUROK

BT: Who are the traditional leaders?

PH: There are three rungs in the hierarchy of traditional leadership: the "Kumkani", the King, the "Nkosi", or the Chief, a term we don't like because it is a colonial imposition, and the lowest rung, "Nkosana", that is the junior traditional leader, called the headman. I belong to the middle rung, the "Nkosi". He presides over a conglomeration of clans which constitutes a tribe. I am the head of a tribe which is called "AmaHegebe" which is a constituent of the Thembu Kingdom. Below me are "amaKhosana", who preside over their own administrative areas. In my area there are six of them. They are accountable to me and I, in turn, am accountable to the King.

BT: Which of these levels are hereditary?

PH: The first two are always hereditary. The last one in some cases is hereditary. In other cases it is by appointment, either by the Nkosi or the King or by election. It depends on the culture and customs of the particular kingdom. If the culture gives the King the prerogative to appoint, then he normally would consult the Nkosi under whom that Headman operates. The Nkosi in turn would have other people, his advisers and councillors who would advise what name should be forwarded to the King. Where the Headman is elected, a general assembly of the community is convened by the Nkosi and people submit names of candidates and vote. It is generally considered democratic in the Western sense because everybody has a say.

BT: Under apartheid, some people were appointed by the government. At what level did this happen?

PH: All three levels were affected. Although I have not done any research, I would say more than three-quarters of the existing traditional leaders are legitimate holders of their positions. What happened was that when the traditional leaders saw that they were being victimised by being removed from their positions, they decided to bow down. There is a saying that "a man is a lion and a man is a reed." When there is reason to fight, the man will fight and when the time demands that you bow down, you bow down like a reed in the face of a flood that flows over it and then, when the sun rises, it rises again; unlike a tree which will resist and be uprooted. So, the majority of them decided to go along with what the system demanded of them, fully knowing that this was for strategic and survival purposes. In those instances where they did not behave like a reed in the face of the flood, they were killed, incarcerated, exiled, banished and replaced with impostors. So, only a few can now be considered to be impostors.

BT: Was your father a traditional leader?

PH: Yes, but he predeceased my grandfather, from whom he would have taken over, in 1973. My grandfather died in 1979 and a regent was appointed. But it was expected that when I finished my studies, which were partly sponsored by money collected from AmaHegebe, I would go back and take over my position as Nkosi of AmaHegebe. I was exposed to politics at university at the time. When I finished my post-graduate studies I sought guidance from the ANC as to what I should do. I was eligible to be an automatic member of the Parliament of the Transkei. So, I met some leading members of the ANC, first in Maseru, Lesotho, later in Gaborone, Botswana and later on in Lusaka, Zambia. I was told categorically that I should take up that position when the time came. I was advised that I would have to join the ruling Transkei National Independence Party, Matanzima's party because the ANC needed people of its own within those structures.

BT: Can you tell us very briefly what traditional leaders do. Is it a job or is it a role?

PH: It is difficult to define because it involves every aspect of human endeavour within his domain. A school, if it must be built, he has to be consulted, or a clinic; the same with agriculture or the environment. Under the old system they were expected to account to government through the magistrates' offices. Sometimes they were reprimanded for not attending certain meetings, not collecting taxes or reporting unwelcome activities in their domain. The levies they collected were mainly for purposes of the construction of amenities for the community. But I imagine in some earlier times they were expected to force people to go and pay their taxes that were due to government.

The role of traditional leaders since 1994

BT: Coming to the modern period. What is the relationship of traditional leaders with public institutions since 1994?

PH: They continue to perform the duties that they always performed, though with some difficulties. For instance on the matter of social grants, they are the ones who would help identify those who qualify and would take them to the relevant departmental officials in the nearby towns. But we found that with the introduction of the local government system in the rural areas, some councillors tend to believe that is their sole responsibility. However, some of these councillors are not readily available and some of them are not knowledgeable about the personal circumstances of the applicants; they are not known by the communities they represent, because they are given large areas to oversee as councillors. But traditional leaders interact on a daily basis with their communities; they know who qualifies better than other people. Officials are in offices in the towns and they need someone to testify to the eligibility of the person coming in. Some people don't have proper identity documents. So, the person who usually knows the personal circumstances of that particular person would be the traditional leader. So, they continue to do these things even with regard to education, which is a matter for the Department of Education and perhaps the Department of Public Works. In the construction of the schools, the traditional leaders are needed in order to help identify a site for that school and to help in the employment of people and identify the most needy. When local councillors were appointed their role was basically the role that traditional leaders were playing. So, there was rivalry there. It is still there to an extent but it is abating because even the local councillors, realise that to be able to even hold meetings that are properly attended, they need to enlist the help of the traditional leader. The traditional leader still has that authority to call people to come. People tend to feel much more obliged to attend meetings called by the traditional leader, than meetings called by the local councillors. And local councillors don't have venues. They used to try to call meetings at schools, but people said, "No, but this is not where we normally hold our community meetings. We hold them at the Great Place, that is the homestead of the traditional leader." So for a meeting to be legitimate even today, it has to be convened with the assistance of the traditional leader at his homestead.

Initially some people thought they could do without traditional leaders in rural areas even before 1994. But it turned out that both the ANC and traditional leadership were the losers and so were their constituents. Some say traditional leaders are against development and the others say, "These elected leaders or militants don't respect our culture. They think that just because they have money to develop us, they are going to trample on our traditions and cultures."

But now there is growing mutual respect between politicians and traditional leaders. Now that there is more clarity on the relevance of the institution of traditional leadership, more and more traditional leaders want to be associated with the ANC. Everyone in South Africa now wants, in one way or another, to be associated with the ANC because it is first of all the party of liberation, it is the party in government, and it is the party that has the policies for all the problems that we have. A traditional leader wants success for his people and success has to do with you being able to call on the ANC to come and deliver to your people.

BT: What are the implications of this system because you have a kind of dual power? You have the state, which is a particular institution created under the constitution, then you have a power based on traditional structures. What are the implications for democracy?

PH: In fact I always say that people in rural areas, especially under traditional leadership, are at an advantage under this new order because they have the benefit of their traditional leaders who are required to account, who are required to be responsive to the needs of the people in terms of their own culture. At the same time they have the right to elect politicians of their choice who will be in a position to bring forward the programmes of their parties. So these should not clash, but should complement each other. In African culture there is no one above the traditional leader. Of course, they are bound by the law. No one is above the law, even traditional leaders, but culturally the traditional leader is the most senior person in a given area. So, he is required to earn that position by making sure that he acts fairly with respect to everybody concerned, be it government officials or ordinary members of society.

BT: Are you saying that there are no traditional leaders who are autocrats?

PH: Of course there are autocrats, but fortunately we are in a democratic state, where no one is above the law. If he obstructs people from exercising their rights then he can be reported to the relevant structures, or chapter nine commissions under the constitution. If a Nkosi is seen to be preventing a person from enjoying his rights, such as refusing to give a person a piece of land without any just cause then he can be reported to a commission which has the power to call him to account or to desist from doing what he is doing, because the culture, and the customs easily determine whether the traditional leader is behaving properly or not.

BT: Does this actually happen?

PH: Well, fortunately, at this present stage most traditional leaders are quite enlightened. They are aware of the rights that are enshrined in the constitution. I am not aware of any cases reported about traditional leaders. But I am saying should a situation like that arise, the individuals concerned would have the right to appeal to the relevant structures of the state. So, it is really a dual power situation.

BT: I was in Nigeria a while ago with an Oba who is a very senior chief or King. And I asked him similar

questions and he said that in Nigeria, the chiefs are a very powerful institution but they are very careful not to interfere in the matters of state. They remain within the social and cultural spheres. They do not intervene in matters of state.

PH: I have not been to the northern parts of Africa. But what I know is that in southern Africa, the position of traditional leadership is similar. I suspect that is why traditional leaders north of us do not have a role with regard to the anarchy that you find in some of the states, or instance, the ethnic wars that are taking place. If that were to arise in South Africa, the traditional leaders would be in the forefront. We wouldn't keep quiet if politicians used ethnic differences in order to advance their political goals. We always wonder why it is that you do not hear the voices of the traditional leaders in these wars, some of which are clearly of an ethnic nature. It seems they decide to keep quiet because they know that this is politics. But if your people are dying or become refugees, how can you sit down? People are using the machinery of the state to oppress your people. So they should be standing up.

BT: The way it was put to me is that when there is civil unrest and the politicians can't handle it or the state can't or the police, the traditional leaders are called upon to appeal to the people. That is how it was put to me. And, in fact, it was said that Nigeria is a very turbulent area and there are many tribal and religious battles in Nigeria. Apparently, when the politicians fail, they come running to the traditional leaders.

PH: Yes, our view is that we should be proactive as traditional leaders. We shouldn't wait until things go wrong. We should be there when policies are formulated so that we can give our own perception as custodians of the cultures of our people, but it is much more than culture. We are custodians of the social organisation, in particular we are custodians of the land. You know land is called after the traditional leaders of that particular people. We call my area Thembuland, as Thembu was one of the original kings of the tribe. His descendants are the custodians of the land. That's why we fight tooth and nail when there are attempts to weaken our role in land administration.

What support is there for traditional leaders?

BT: Sydney Mufamadi, the Minister of Provincial and Local Government, has said that the majority of black South Africans still owe allegiance to the institution of traditional leadership. Is that right?

PH: Yes. That is true. Even in the cities it is thriving now that there is freedom. For instance, recently we launched a structure of CONTRALESA here in the Western Cape. A lot of people are coming forward to join traditional leadership, even in the cities. In Johannesburg, another structure of CONTRALESA was launched and about 500 people came, basically delegates from various townships.

BT: Can you speculate on how many people, in say Soweto, still owe allegiance to traditional leaders?

PH: The majority do not. They want to be, if you like, detribalised and no longer know who their traditional leaders are. But that does not apply to the majority of Africans countrywide; that is, the rural areas and those in the urban areas. But not the majority of those in the urban areas.

BT: In the rural areas, do people choose between the two systems, in terms of loyalty?

PH: Previously, the youth and the activists would tend to choose political leadership but the older people would choose traditional leaders. But of course, those who are politically active would choose elected politicians. What I have detected of late, however, is that they accept both systems because they don't see it necessary to choose. I thought you were going to ask me the question, "If traditional leaders were to test their support in elections, would people vote for them as against political parties?"

BT: That's a good question.

PH: The people tend to vote for political parties. They see traditional leaders not as people to be voted for. They hold their position by virtue of their customs and cultures. For instance, in Lesotho, there was a political party that was using traditional leadership as its platform and the patron was the late King Moshoeshoe. They lost in every election. People continued to owe allegiance to the King, but they voted for republicans.

BT: This poses a very interesting problem. We define democracy by the principle of elections.

PH: That's a mistake. Elections are one element of democracy. I maintain that people continue to see traditional leaders as their leaders, to whom they look for the provision of all sorts of services. A number of people come to a traditional leader when election time comes and ask, "Nkosi, who should we vote for? There are so many people who come into the Great Place." But on the other hand, they know what political organisations they want to be in power. They are aware that the resources of the state reside in structures of government that are made up of elected people. But they also know that for those services to come to our areas they need traditional leaders to be involved. For instance, if a dam is to be constructed, an official of the state can't just walk in, see a nice spot and say, "This is an ideal place for a dam". Historically, there are certain religious and sacred rituals associated with that part of the land that you are not supposed to touch and the traditional leader is the one who would advise about that.

BT: Let me put it this way, in Western democracy there is an understanding that power can corrupt, that people can abuse power. You need checks and balances in order to ensure that you can dismiss somebody if he behaves wrongly, that you can control people who abuse power

and so on. How does your hereditary system deal with the abuse of power and authority?

PH: In the first place one of the deterrents against the traditional leader abusing his position of power is culture itself. You are in a unique position. In terms of religion, as a traditional leader you are the link with the ancestors, who are the owners of the people and the land. Your position has an element of sacredness, so you don't want to be seen as offending the ancestors. Because of that unique position, you tend to be afraid of abusing your position. It's a combination of secular and religious leadership. So that element deters you from doing bad things but also, they say, "a traditional leader is a traditional leader in council". Your councillors come from the community; some of them are historians, some of them are knowledgeable about the cultures and the laws of the community, some of them would be economists, and some of them would be educated.

BT: Who chooses them?

PH: They are not necessarily chosen. They come on their own; they are sent by their communities to go and advise the Nkosi. The Nkosi also advises them because he knows the people there. He knows what resources he can get from his people. So, they become part of the structure that advises the traditional leader. Those councillors are the people who restrain the traditional leader from abusing his power. Of course, one might say, "What if they themselves become corrupted and so on?" But the traditional leader lives with his people. He does not live in town as politicians tend to do. So if you are seen to be accumulating wealth that cannot be explained then people will ask questions. If you suddenly have a number of oxen and a number of cars, you need to explain because the property of the traditional leadership is considered the property of the community. If you see a stray animal you drive it back to your homestead; it is everybody's responsibility to look after the assets.

BT: It is a very collective system, almost communitarian, in the old language of Utopian Socialists.

PH: A traditional leader is more a socialist than anything else.

BT: Now what about abuse of power. You say that there are all these checks and balances that you have listed. But there are occasions when chiefs are tyrants. What happens?

PH: Well, you report him to that council, as members of the community. And if they fail, there is that inner circle, the family; you report to the uncles and brothers and aunts of an abusive traditional leader. It is their responsibility to remove him. Otherwise people will rise against him. If all of those people fail to keep the traditional leader in check then it is a prerogative of the people to rise against him. But the peaceful method of holding a traditional leader to account includes the holding of imbizo, which is the assembly of the nation or tribe. That is when people have a right to question each and every decision taken in the interim between imbizo. It is the prerogative of the king to convene the imbizo. But members of the community can petition the great place to convene a imbizo.

The Houses of Traditional Leaders

BT: You have said that the provisions of the constitution are inadequate. In what way?

PH: First of all, if you look at the various chapters in the constitution, the shortest of them all is the one dealing with traditional leadership. The interim constitution stated that relevant pieces of draft legislation affecting the area of traditional leadership had to be referred to the House. It also granted seats to all heads of traditional authorities (that is iiNkosi), in local councils. That meant that policies and laws that had a direct impact on the area of a traditional leader would take account of the views of the traditional leaders. The present constitution does not even call for the establishment of Houses of Traditional Leaders. It says that parliament may set up a House of Traditional Leaders, if it likes. It doesn't define what role that House would play. It doesn't force legislators to refer relevant laws to the Houses of Traditional Leaders.

BT: It sounds to me as if there is some sort of power struggle going on, namely, the traditional leaders and CONTRALESA in particular want to exercise considerable power in terms of the constitution.

PH: That's right. CONTRALESA is the political arm of traditional leadership. Traditional leadership cannot be above politics but it can be above party politics. That's why as CONTRALESA we have been advocating the establishment of the Houses of the Traditional Leaders where traditional leadership can sit together and look at what the elected representatives are saying about how this county has to be run and make their input. These houses do exist and in terms of the constitution and in terms of the law, they are recognised but they are not making much of an impact. A lot depends on the quality of leadership you have in those houses. For instance, I am confident to say that the House of Traditional Leaders in the Eastern Cape is making an impact. The various government departments liaise and consult on a number of issues. But we are not even aware that some of these houses exist because they are not given enough resources. For instance, the National House doesn't have a chamber in which to hold its meetings. Yet, at provincial level, they do have chambers where they meet and discuss issues.

BT: It seems to me, that you are proposing a system of dual power.

PH: It is not a question of dual power. In terms of the traditional way of life, the people are allowed to discuss issues in iimbizo. Even at council level they discuss their issues and then, regardless of what the view of the traditional leader was initially, at the end of those deliberations, he has to be guided by what the people are saying. Politicians tend to pursue

goals that are going to promote their own interests before they promote the interests of the people. So, it is necessary to have someone who is not partisan, who is going to look at the matter dispassionately. The traditional leaders must be given that opportunity to point out deficiencies. However, in the end, if the elected representatives of the people continue to maintain a certain position then the traditional leader shall have to live with that.

Nkosi versus councillors

BT: What about local government? What is the role for traditional leaders as opposed to the elected local government and is there a conflict between indigenous law and parliamentary law or byelaws?

PH: Tribal authorities were serving as local authorities in the rural areas. Whatever had to be done at a local level was done through the tribal authorities. Things like refuse collection and sanitation and provision of electricity did not feature. But had these services been seen as necessary at the time, they would have been conducted through the tribal authorities because they were the local authorities. So, traditional leaders see themselves as local authorities and the new dispensation should have recognised them as such but making sure that they acted in accordance with the new order. If they are given money they should account in the proper manner. They should include women and the youth in decision making.

But the new order sought to sideline them, to assign them to history. They said, "You didn't provide our people with water, with sanitation services and so on, so therefore you failed our people." But whatever it is that they managed to get from government, they provided to the people. So they did what they could.

The problem arose when it was felt that elected people could do this job better. What is happening now is that if local councillors want to dig trenches for water pipes, on land that belongs to the people under the traditional leader, they have to go to the traditional leader and request his permission. Then the traditional leader convenes a meeting and this matter is explained. If it is a school or a clinic the same principle applies. For ease of operation, the heads of traditional authorities, iiNkosi, should be automatic members of the relevant councils. So that it does not become necessary, once a decision has been taken by council, to go back down to the people again and consult with them. That is a waste of time and resources. If the traditional leader is already there, he knows the situation, he knows how these things can happen. At present the number of traditional leaders who can sit in these local councils is limited by law. We resent that because it means that some traditional leaders within our district will be outside. If a dam has to be built, can a traditional leader who sits in the council say, "No, that dam must be built in Nkosi so-and-so's area," who is not even present? So, at local level it is important that all the traditional leaders are involved in the decision-making processes, unlike at the other higher levels where representation is accepted as necessary.

BT: It sounds like a very romantic description of democracy, namely, grass-roots consultation, leaders who are subjected to community pressure, and who dare not go against the community.

PH: Some of what I am saying is idealistic because it doesn't happen that way in some areas. Some traditional leaders were weakened by apartheid because they were portrayed as agents of apartheid. Now they have been weakened again by democracy. But a number of them, especially those who are politically aware, are able to do these things.

The majority are able to do so, from what I have gathered from our meetings. I have not gone around and looked at how they behave in their areas; I don't have that right. But from the discussions that take place in our forums as CONTRALESA, I tend to think that this is the way they see things. I am not suggesting that traditional leaders should be the sole local authority. But traditional authority should be the first level of local authority in the rural areas and the majority of the people there should be elected. Then at the higher level because local councillors tend to cover several areas you can have the heads of the traditional authority sitting in the local government.

Traditional leaders and land

BT: Let's turn to the land issue. You say that communal land is collectively owned.

PH: That's right. It is a good system. Every individual has a right to a piece of land. There aren't people who squat in a tribal area, because every family has a right to a piece of land for residential purposes and for farming. The traditional authority decides. If for instance, a young man, and even a young woman these days, needs a piece of land, he approaches the local sub-headman (I did not mention the sub-headman, that will be the fourth rung), who would call a meeting of the residents of the area where the applicant wants a piece of land, inform them and if they have no objections, he goes to the headman to tell him that he must come to allocate a piece of land. He then reports to the traditional authority which in turn reports to the authorities for the necessary papers to be issued for the occupation of that piece of land.

Banks don't recognise that kind of ownership because they know that they can't lay their hands on that piece of land if you default on your payments. The banks say that system doesn't provide security of tenure. We maintain that it does provide security of tenure to the person allocated that piece of land because it cannot be taken away under any circumstances. But the bank wants its own security of tenure. You can't sell it and that is the strength of it. You will continue, even if you are poor, to have a place in which to live, to eke out some kind of living. The system which requires that you use it as a security serves the interests of the people with money; it doesn't serve the interests of the poor. Now and again you hear of people being ejected from RDP houses and other houses because they cannot pay their debts to furniture shops, or municipal rates, or to the

banks. So they end up squatting in the street. Is that better?

Women and tradition

BT: You once said that a man is the breadwinner who must look after his wife and his children.

PH: Traditionally, yes. You may say it is reactionary but I still maintain, personally, that it is the responsibility of a man to maintain his family, to provide for his family. It does not mean that a woman should be prevented from providing for the family. It discriminates, but in a positive way, because it puts more responsibilities on the man to provide for the family. Some women may say that they are being discriminated against. But the point is that they should not be prevented from providing for their families where they can.

BT: But ideologically, the notion that men have a greater responsibility than women would offend a lot of women.

PH: Well, you take a person from her own family, you bring her to your family. What does that mean? Isn't that discrimination? You even make her change her name. That imposes a duty on you to take care of her because you brought her to total strangers.

BT: You said that in succession it is unlikely that a woman can even succeed as of a right.

PH: Yes, for practical purposes. Because women marry away. You see, a man is given a piece of land to provide shelter and food and clothing for a family. You cannot evict any member of your family from that piece of land because the reason you were given that land was in order for you to provide for them. When you die someone has to take over from you and take over your responsibilities and privileges. This person is generally a man because the man is unlikely to be married away. Traditionally the future of a woman is with her in-laws. So if you are going to let a woman be the successor then it means that you are putting in jeopardy the rights of the other members of the family because she can take it with her, to her in-laws. But even if a woman leaves for her marital home, she is entitled to whatever rights she had where her father lived. So, the heir does not just become the exclusive owner of that property; he steps into the shoes of the father. He does not have a right to kick out his mother or his younger brothers and sisters. He has a responsibility to set them up in their own homestead. If there are daughters to be married or some rituals to be performed, he has to provide for that.

BT: This is very much a male lineage system, which flies in the face of some modern notions of equity.

PH: Yes, it is.

BT: What have been the consequences of the Bill of Rights for indigenous systems? For instance succession and so on.

PH: That has its own problems, especially its horizontal application. For instance, in terms of African culture, a woman is not supposed to be rendered pregnant by someone to whom she is not married. That person is liable to be punished. Now in terms of the Bill of Rights and equality, a man can object and ask, "Why am I being punished? We were together in the act that resulted in her being pregnant. It was a matter of seduction." But seduction is a punishable offence in terms of African law. So, there are some disadvantages.

Ownership is a collective matter but someone has to be the leader. We have been criticised for not giving women rights to land because they are expected to go to another home, to another family. But because land is given to someone with dependants, with responsibilities to others, a woman who is unmarried and has children of her own or other people dependent on her, is entitled to a piece of land. If it is established that she is the breadwinner, she would have the same property rights over that piece of land. But her heir would be her eldest son. If she has no son, the other children will take over, irrespective of sex.

BT: Can we go to decision-making structures? Are women excluded in all the decision-making structures?

PH: Historically they were. But currently they are being encouraged to come forward and participate. In fact most of the meetings that we hold are dominated by women because men are away at work. The Customary Marriages Act has improved the situation of women because now the law recognises that kind of marriage.

BT: Can you say something about polygamy? Does it lead to the sub-ordination of some wives? And is there equality between wives?

PH: It is very complicated in the sense that the first married wife is the senior wife but each wife is entitled to her own property. But naturally if the resources are limited and you have to acquire other property, it would come from the estate of the first wife. So, in that way there may be some unfairness. But they are different in seniority because of the timing of their arrival. Each one, once married, is entitled to her own property, her own garden, her own mielie field, her own cows and things like that.

BT: What does it feel like to be the second wife?

PH: They are usually treated better than the first one because sometimes the love for the first wife would have been somewhat diminished. But the first one has stronger rights. The last one is usually the most favoured one because she is usually younger than all the others. But polygamy is diminishing now. It was always dependent on your economic position as a man. You had to be able first of all to have enough cattle to pay lobola and you had to be able to provide for them. I could say one out of ten marriages are polygamous. But men continue to have relationships outside of the marriage. Like everybody else.

BT: In customary marriage, does the widow inherit the deceased's estate?

PH: The heir steps into the shoes of the deceased man and it is normally the eldest son who acts in consultation with the widow as joint administrators of the estate. They have equality of voice because she remains the mother. But some do abuse that; they tend to think they have the right to kick their mother out of the homestead together with the other siblings, yet that is not supposed to be the case. Traditional authorities won't allow that; if it is brought to their attention and they know the purpose of customary law, which is not always the case.

BT: Is lobola a commercial enterprise?

PH: It is not supposed to be. You don't buy a wife. You establish ties with the family of the wife. That is the purpose of lobola. If you don't want to have that tie anymore you are not entitled to recover the money unless the wife is responsible. Lobola is a way to express your appreciation for what her family have done to bring her up for you. But it definitely has nothing to do with buying. It has to do with the need to have a support system in your marriage, so that if there are problems of whatever nature, you can call on the various people who negotiated lobola to help you. Those people become your friends on the other side.

BT: So, you will defend the system of lobola?

PH: Oh, yes, I would. Except for the commercialisation of the practice.

BT: If a marriage ends in divorce do the parties have an equal right to the assets?

PH: Well, if the man is responsible for the breakdown of the marriage and the woman is not at fault, then the woman is expected to remain within that homestead because that piece of land was given to you in consideration that you were married to her. So that if you want to marry another woman, you cannot take her into that homestead because that homestead belongs to that woman together with her children.

BT: What if you just disagree with your wife and say: "Let's split up."

PH: That is not easy because your parents are involved. Your families, your clans, your tribes (if you are a traditional leader) are involved.

The second economy

BT: We are all discussing the second economy which is now understood to include the rural areas and the townships. Our statistics show massive poverty, a lack of resources, lack of capital, lack of everything. And indeed some people are portraying the rural areas as dumping grounds where you either have a reserve army of labour or you have destitute people who cannot do anything for themselves. How would you characterise the rural areas? Do you think that they have any potential for development? Do you think we should close them down?

PH: No, I think there is a great deal of potential for the rural areas. What is wrong is neglect. If the government put in the requisite infrastructure like dams and tractors, and put seeds and fertiliser at the disposal of the people, they could till their lands, they could produce food.

BT: I would have thought that the traditional leaders would be the biggest lobbyists for rural development. But we don't hear from them.

PH: Nobody wants to listen to traditional leaders, certainly not the media. Only when we say there is going to be violence if there are elections in our areas, do we get attention. There are so many things that traditional leaders are doing. They lobby the land banks and other institutions. You never hear about it because they don't have the resources to come to parliament.

BT: But let's take the conference on overcoming underdevelopment that we had in Pretoria. There were only a few representatives from the rural areas. Why didn't the traditional leaders come in force? We would have welcomed them.

PH: Well, as a traditional leader you don't just come into a place where you have never been invited. That is the other problem. The activists tend to expect traditional leaders to be aware of what is happening. Traditionally information is brought to them by those who have it and then they take it up and explain it to the people. But individual traditional leaders do lobby the various structures.

BT: Some experts say that the country has a choice: either we close down the rural areas and everybody comes to the town to informal settlements or let's rather re-invigorate the rural areas. What would you advise government to do?

PH: There is supposed to be a programme called Integrated Rural Development, which I have never seen myself. I understand that it is there somewhere. Has it ever been discussed by our parliament? Has it ever been presented to our caucus, to any portfolio committee? And I would imagine that it would have been brought to the attention of the National House; it certainly was not brought to the attention of CONTRALESA. I suspect this reflects the bias towards urban areas. People tend to think that being near the cities is better than being in the rural areas.

BT: People like me are saying that urban informal settlements are not a good option. Why is it that this is not accepted? What is going wrong with our institutions?

PH: Well, government is biased and does not pay enough attention to the rural areas. The ward system is

supposed to invigorate local communities to be part of local government. But the wards incorporate different tribal authority areas. Communities within the boundaries of tribal authorities have ways of constituting themselves into leadership structures. Now the system of ward committees doesn't recognise that leadership. So you find that local councillors have difficulties in convening meetings where ward committee members are to be elected because people say, "No, here in this locality we meet at the Great Place". So, you find that local councillors have to go to each one of these Great Places to convene a meeting. But that is a duplication of committees that already exist.

Because the existing committees are not informed by the political authorities of the party so you find that they are not given attention. Unless and until the government studies the situation in rural areas and the systems and structures that are already in place and turns them around it will be difficult. If systems are imposed that are new and not informed by experiences on the ground, we will continue to have difficulties.

Traditional leaders are not opposed to government, especially an ANC government. In all provinces in South Africa the traditional leaders now feel liberated. They are waiting for the ANC to come to them, to work with them, to recognise them as the partners they are supposed to be in the programme of development.

BT: What stops the traditional leaders from coming forward to the rural development programme on their own?

PH: But where are they going to get resources?

BT: They don't need resources to write a document.

PH: And then what do you do with that document?

BT: You lobby for it, you give it to parliament, bring it to our conference, you take it to Sydney Mufamadi. There are many people waiting for such a document and there are many academics who are doing research on this issue but who haven't got the insight of the traditional leaders.

PH: We need to find time. I prefer it when people go down to the rural areas and talk to traditional leaders.

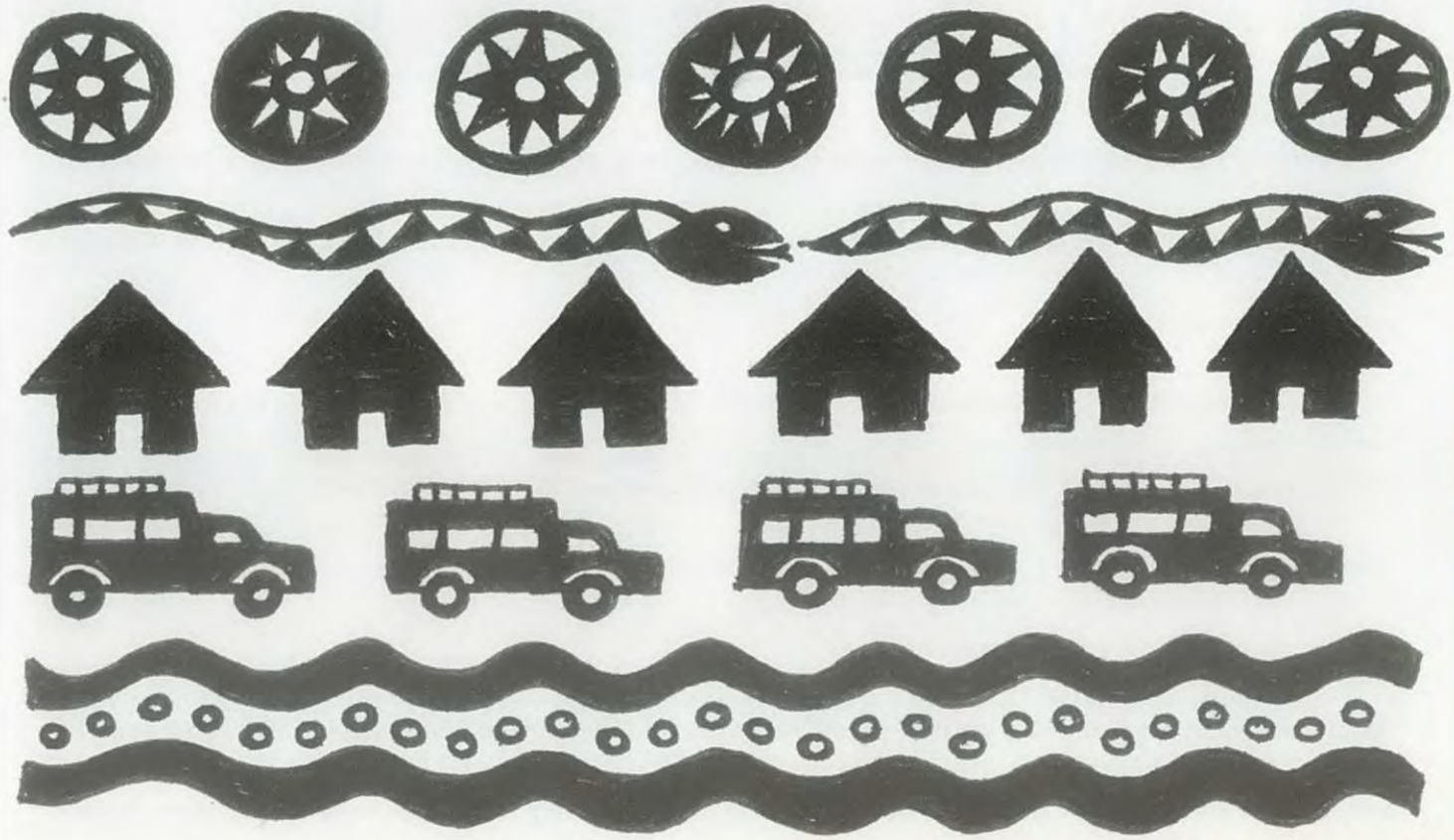
BT: Why don't we organise a meeting with your selected traditional leaders on the question of a second economy. I will come and bring various others.

PH: Talk to your people to arrange it. I'll mobilise mine...

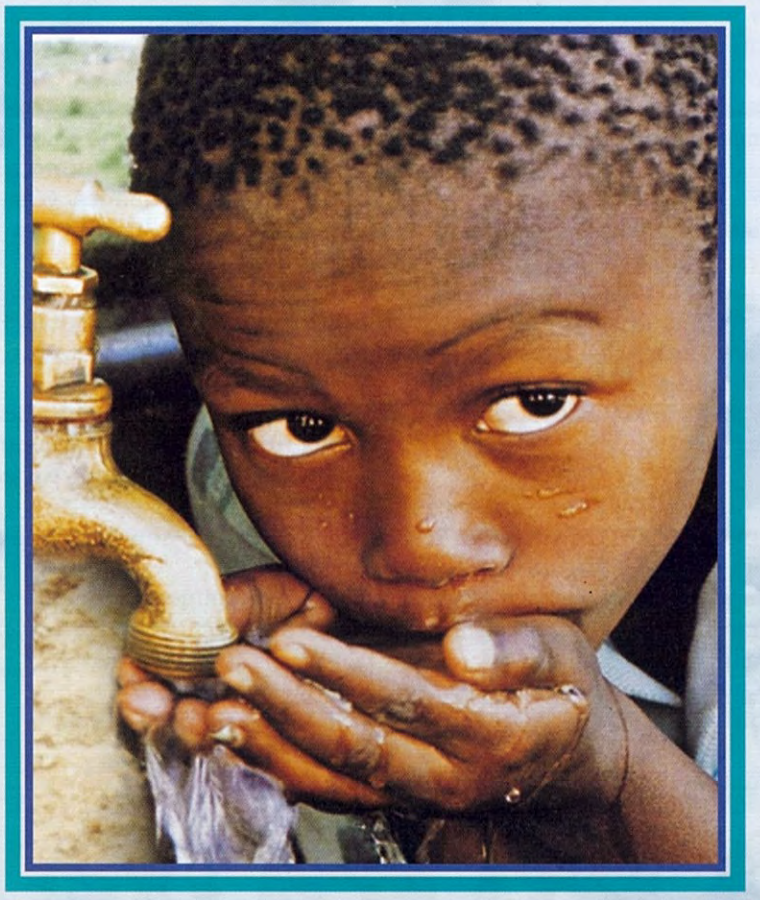
BT: We will come to you.

PH: That's even better.

BT: Thanks very much.



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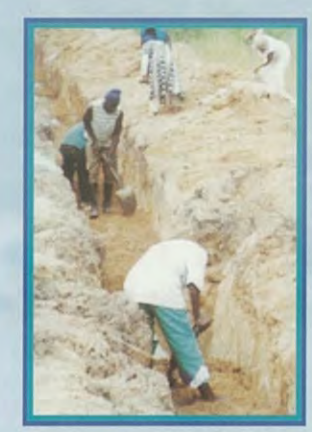


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People, like water, are one of our greatest natural resources. As a result Rand Water believes that at the end of a project what should be left behind is not only running taps or flushing toilets, but hope for a brighter future.

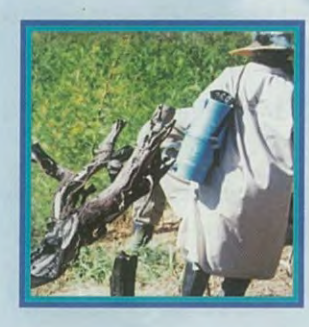
Rand Water ensures that local communities are involved in projects from initiation to implementation. Through Rand Water's community based projects department, a variety of community driven projects are implemented. At all times our aims are to create capacity within local communities, sustainability and source material from local suppliers.



Rand Water Mnweni Trust, a Presidential Lead Project, in collaboration with Rand Water, the Wildlife and Environmental Society of South Africa (WESSA), Bergwatch and the amaNgwane communities in the upper Mnweni Valley of the Drakensberg, aims to manage the protection, conservation and restoration of the Upper Mnweni Catchment area through education, appropriate local economic development and the fostering of a conservation-based ethic amongst the people of the amaNgwane.

This project aims to improve access to water for the communities of the arid area of Winterveld. The aim is to provide at least 25 litres of water per person. This initiative not only led to the employment of 85 people from the community, but also created opportunities for residents through the training and development of local contractors and artisans.

Yet another project in the Winterveldt area aims to achieve health improvements in the community by changing current poor hygiene practices and improving sanitation facilities so that they are sustainable in the long term. Through skills training, facilities can be maintained and improved. The project involves funding of improved sanitation facilities by means of household subsidies.



Focusing on the eradication of invasive Wattle and Blue Gum trees, the project aims to restore biological diversity by reducing competition for water, enhance water security through gaining control over alien plants, and improve the ecological integrity of natural systems. In addition, the project aims to develop social and economic benefits through the training and employment of 114 people from the local community.



Leaks Repair Project

This free, once-off community project, a joint venture between Rand Water and the Department of Public Works, aims to reduce water consumption in a number of townships by repairing leaking water installations and retrofitting houses with dual flush cisterns. People from the area are employed on a contract basis, empowering communities by providing additional job opportunities and fostering skills acquisition. The project on average, leads to a 30% reduction in water consumption, thus making water more affordable.

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THE EVIDENCE ON POVERTY

BY SERVAAS VAN DER BERG
The author is in the Department of Economics, University of Stellenbosch
(This paper has been shortened)

A 1995 study of poverty undertaken by the World Bank for the Reconstruction and Development Programme (RDP) office found the following characteristics to be strongly associated with poverty:

- location (poverty is mainly concentrated in rural areas, particularly former homeland areas, and is more endemic in some provinces where there are many such areas, such as the Eastern Cape and Limpopo)
- race (a large proportion of blacks are poor, and there is also a large poor segment of the coloured population)
- household structure (many of the poor are concentrated in large households with many dependants - it will be shown later that to some extent such crowding in certain households is a rational response to lack of income sources on the part of some members)
- age (children experience more poverty than others, whereas old people are largely protected by the social old age pension)
- gender (women and female-headed households experience more poverty)
- unemployment (those without labour market access or skills to sell on the labour market are often poor)

The study also found that the burden of poverty included poor access to services, particularly in rural areas; poor education; the need to spend much time on daily necessities (finding water or fuel) that limits their time for more productive work; and high transport costs and time-consuming journeys to and from work.

The report also pointed out that the most vulnerable (the poorest quintile of the population) were particularly poorly linked to the labour market and more dependent on remittances and social pensions as sources of income.

Much of this analysis still applies. Although a new poverty profile would throw up somewhat different figures, the incomparability of datasets makes it impossible to judge whether real changes in circumstances or only changes in the dataset drives any quantitative changes that may be found. However, as the aggregate picture remains largely unchanged, this paper will not spend much further time on repeating this picture, but rather focus on particular aspects which seem to provide scope for useful further analysis.

Distribution and inequality in South Africa

Given the high degree of inequality in South Africa, poverty is more pervasive than in less inegalitarian societies with similar levels of per capita income. Turkey's per capita income of $2 900 per capita is somewhat below South Africa's ($3 160 per capita), but because of lesser inequality, 18.0 percent of Turkey's population falls below an income of $2 per capita per day, versus twice as many (35.8 percent) in South Africa.

The seemingly very high income of whites needs perhaps to be put into some perspective. Firstly, in South Africa they are mainly concentrated in the top quintile of the population, yet their incomes are being compared not to top earners in other countries, but to the average for other countries. It should be remembered that average incomes more than, for instance, average educational attainment, are much influenced by the values for those at the top. A similar situation also applies to the black population, most of whom are in the bottom three quintiles, although average black incomes are even above that of the fourth. Again, the averages are misleading.

Nevertheless, there are very large disparities in the living standards of South Africans, and the South African poor are in income terms poor even by the standards of poor countries, despite the fact that in some other aspects related to living standards (e.g. access to education or health services) they benefit much from being part of a middle income society.

In terms of the racial distribution of income, white per capita incomes are almost seven times those of blacks, but there is also great diversity within the black population. In particular, the top decile of the black population had moved far ahead of their counterparts. The income per capita of decile 10 exceeds that of Indians and is not very far below those of whites. This trend is likely to have continued since the political transition, with the consequence that the black elite has probably almost caught up with the white population in aggregate, although the top earners within the white population are still probably far ahead. When one looks at another measure of inclusion in the economic mainstream, car ownership, the differentials between the top deciles of blacks and whites were even smaller in 1995 than reflected in income data.

This provides some evidence to confirm what observers have been suggesting for a while - that although most whites are affluent, they have been joined by large numbers of coloureds, Indians and particularly now also blacks, so

that the dividing line between the affluent and the rest of the population is no longer race - although race self-evidently is still a major determinant of affluence. However, as far as the poor are concerned, they are overwhelmingly black and rural, as will be shown in the next section.

The extent, distribution and nature of poverty

Poverty takes many forms, of which a lack of money to purchase goods is but one, albeit very important aspect. Measuring poverty even in terms of income is, however, not unproblematic.

The estimated distribution of the population across deciles, poverty status and urban versus rural location is another significant factor. Although only 51 percent of the population was urbanised according to the LFS/IES 2000, this proportion rises to 65 percent amongst the non-poor. But the converse is of particular interest to this study: less than a quarter of the ultra-poor are urbanised, and not even 35 percent of the other poor. Of the 19 million people considered poor or ultra-poor in 2000, almost 13 million were rural-based. Whilst 56 percent of the rural population is poor, this applies to less than a quarter (23 percent) of the urban population. South African poverty is first and foremost a rural phenomenon.

Interestingly, there is evidence that the poor and ultra-poor are not particularly present in urban informal housing. Even amongst the urban poor or ultra-poor, they do not dominate numerically, although poverty incidence is higher amongst this group than amongst the formally-housed urban population.

Poverty and indeed ultra-poverty are most prevalent in the Eastern Cape, followed by Limpopo. This is linked to another feature of rural poverty, viz. the strong concentration of such poverty in the rural parts of the former homelands.

Regression analysis shows that lower rural economic status (per capita household expenditures) results not only from the characteristics associated with being rural (poor education, many female-headed households, racial composition and unemployment). There is a separate additional influence of rural location which confirms that location has a significant separate influence on household per capita expenditure. A household headed by a rural black male with 14 years of education has approximately the same expenditure per capita as a household headed by an urban white female with no education. Residing in an urban area brings benefits equivalent to four years of additional education for a rural household head. Also, being rural has a similar negative impact as the household head being unemployed.

Although poverty amongst the narrowly unemployed is worse than for the population as a whole for somewhat higher poverty lines, their situation is far better than that of discouraged work-seekers (those who would like to have a job but have stopped actively looking for one, usually because they know that the probability of finding a job is extremely small). Unlike many of the narrowly unemployed, who are attached to households where other members have formal employment, discouraged work seekers are often the least educated, women and located in deep rural areas. They may be regarded as the most deprived among all economically active groups.

Poverty is much worse in female-headed than in male-headed households. Indeed, South African evidence points to household per capita income being 27 percent lower for households headed by females compared to cases where a male head resides at home.

Thus at least four categories of people can be identified for whom poverty is much worse than for the population as a whole: young children (0-6), older children (7-14), discouraged work seekers, and members of female-headed households. Any social security transfer of funds to these groups, even if non-means tested, would be better targeted than a general transfer of funds to the population as a whole.

Poverty, social grants and the labour market

In a recent book, Bhorat et al (2001) show convincingly that South African poverty is strongly linked to the labour market. Nevertheless, the existence of a relatively large social safety net in the form of means-tested social assistance transfers makes a large difference to the position of the poor; this is particularly the case for social old age pensions (SOAPs), disability grants and now the rapidly expanding child support grants (CSGs). Together these grants already make a substantial difference in ameliorating poverty; the further expansion of CSGs will contribute to this end. The SOAP has had a considerable effect on South Africa's poor, with considerable impacts on household formation (unemployed adults with little resources rather remain in pensioner households than setting up own households), migration and labour force participation (the unemployed in pensioner households may be reluctant to move away in search of scarce and uncertain jobs), and the position of old people, particularly the many female pensioners (as these incomes increase their bargaining power in the household).

Access to the labour market is clearly important for the distribution of economic outcomes. The lower deciles of the distribution are encumbered by many more children and old people (although the presence of the latter tends to reduce poverty due to the pensions they have access to, as is increasingly also the case with children), and also some others outside the labour force. In contrast, the top deciles have fewer members outside the labour force. Of those in the broad labour force (almost 30 percent in the case of the bottom decile, and 60 percent for the top decile), the poor have more who become discouraged work-seekers as well as more who remain unemployed. Consequently, only 10.4 percent of the poorest decile has jobs, as against 56.2 percent of the richest decile - a ratio of almost 5:1.

Thus a considerable portion of the gap between the richest and the poorest can be ascribed to differential access to the labour market. Add the fact that the wages of the poor are

often very low due to poor education and skills, and it is clear that outcomes for the poor would have been very different if they were differently placed in the labour market.

It is of interest to note here that trade union membership amongst the employed is quite uncommon amongst the poor. Whereas 36 percent of the non-poor are union members, amongst the poor and the ultra-poor this declines to just over 7 percent and 3 percent respectively. Only 2.5 percent of union members are poor or ultra-poor.

The poor, assets and access to services

Thus far, our focus has been on money-metric poverty, which is an important part of poverty analysis. But poverty is a multi-faceted phenomenon, and access to assets and to services also affects the living standards and vulnerability of the poor.

In other work, I have shown that access to public spending has improved considerably for the poor in the early post-apartheid period, and that this is likely to have continued (see e.g. Van der Berg 2001a). But a shift in fiscal resources is no guarantee of a shift in real resources - resources such as teachers or medical personnel cannot easily be shifted to alternative applications by fiscal reallocations alone. Neither does a shift in real resources necessarily mean improved services, for such a translation of inputs into outcomes implies efficiency in service delivery, which is far from universal.

Stark differences between urban and rural areas were apparent in access to services in 1995, with large differentials for access to running water in the dwelling (70 percent vs 16 percent), sanitation on site (64 percent vs 38 percent) and grid electricity (87 percent vs 26 percent). There has been progress with service delivery. Formal housing provision has improved, but there are some problems regarding housing quality; clean water provision is also much improved, but there are still some 16 percent of the population without access to clean water; sanitation has remained largely unchanged; and electricity availability has increased (though many of the poor use it solely as a source of lighting).

Analysis of the 1998 South African Demographic and Health Survey (DHS) shows that urban-rural inequalities in access to health care services (antenatal care, delivery attendance and place of delivery, access to medical aid, and health service utilisation) continue to persist. Levels of service delivery are consistently worse in rural areas. The public-private divide in health care delivery means that, compared to people living in urban areas, rural people are generally more dependent on public than on private services. Hence, in urban areas public health services appear to be an inferior good (i.e. consumption falls as income increases due to a shift to private services), whilst in rural areas public health services take on the nature of a luxury good (i.e. consumption increases as income increases), which acts to underline the importance of public service delivery in rural compared to urban areas.

Economic progress for the poor is often inhibited by the limited quantity and poor quality of the former black education system. Rural location is an impediment to escaping from poverty even for the better educated. As some 70 percent of black school-aged children (6-19) are in rural areas, inequalities, inefficiencies and poor quality in the formerly black school system crucially affect their educational attainment and quality. Massive fiscal resource shifts since the political transition to redress the apartheid inequalities did not improve the efficiency of spending in poor schools, which are largely rural, but school level data did not directly allow strong geographical distinctions.

Rural poverty and rural responses to poverty

Apartheid created a rural population largely dependent upon urban sources of income for their survival. Locating themselves relative to these income sources is the major reality the rural population has to deal with. The urban/rural interface largely determines who is poor and how poor they are. Optimisation for the rural poor involves finding ways of accessing urban income opportunities whilst retaining as far as possible their rural arrangements which ensure access to land-based natural resources (water, wood, land for cultivation, grazing rights, gathering), a much cheaper alternative than urban cash-based services.

Thus a central issue is the sources of urban income of the rural poor, particularly the process of migration (both rural-to-urban and rural-to-rural) which allows them to relocate in a way which optimises the mix between urban incomes and rural resources (particularly cost-of-living reducing access to natural resources). The migrant labour system became a way in which two needs of many rural inhabitants were reconciled.

A study of income distribution within the former homeland areas showed their dependence on remittances (14 percent), social assistance payments to rural beneficiaries (18 percent) and wages often earned in urban areas (52 percent). Agricultural production is a very minor source of income (less than 5 percent) (Leibbrandt, Woolard and Woolard 2000). Wage income contributes most to rural homeland inequality, due to huge inequality in access to wage income in homeland rural areas. Remittance and social transfers are more evenly distributed and not closely correlated with the distribution of total incomes, thus households with such income sources are usually not those with high wage income.

Remittances from migrants who have found urban jobs form an important tie between the rural population and the urban economy. Means-tested old age pensions and disability grants are the major form of social security for the rural population. The impact of these grants is great, given their large magnitude compared to rural sources of income. Three out of eight black households in the former homelands benefit from such state transfers and their overall magnitude is four times as large as that of agricultural production (Leibbrandt, Woolard and Woolard 2000). It has been estimated that more than R9 billion entered rural areas

in 1997 in the form of social grants (Van der Berg 2001a) - only slightly less than the value of health or educational services provided to the rural population. These transfers are massive in the context of great rural poverty: R383 per rural person in 1993, rising to R641 by 1997.

Migration as response to rural poverty

In previous periods it was more common for men to prefer to leave their families behind when migrating in search of jobs, even after the abolition of influx control, due to perceptions about inadequate urban schooling for blacks and urban crime and violence. Now, however, children migrate in significant numbers. The aggregate pattern of net migration is not appreciably different from the historical pattern of movement from largely rural provinces to largely urban provinces, but census evidence indicates that return migration is becoming less common. Most migration appears to be driven by labour market factors. For many of the rural unemployed, urban employment probabilities are still better than rural. Unfavourable labour market characteristics and lack of access to information about employment opportunities make it hard for the rural unemployed to compete in the labour market. They are forced to respond to this by joining households that give them access to income but also make it harder for them to integrate effectively into the labour market. Thus households themselves change and reshape in response to economic circumstances, a feature we return to in the next sub-section.

Due to differential rural-urban migration, rural areas have higher female ratios. In 1995, there were 89.9 males per 100 females in rural areas, compared to 103.8 in urban areas, and in the age group 30-39, the rural male: female ratio was as low as 76.1:100. As women and female-headed households are concentrated in rural areas, it is not surprising that they experience more poverty. Rural areas also have a larger dependency burden (0.91 versus 0.49 in urban areas), indicating a higher ratio of people of economically-dependent age groups (0-14 and 65 or more) compared to the economically-active age group (15-64 years). The cause is a high preponderance of children in rural areas, as well as the absence of many working-age adults. The age pattern of the population reflects the impact of this migration. The highest rural deficit amongst both males and females occurs in the 20-29 and 30-39 age categories.

Household formation as response to rural poverty

Models of bargaining power within the household, intra-household resource allocation, and effects of intra-household dynamics are used to illuminate matters such as the differential impact of female as opposed to male pension receivers on labour force participation or health of grandchildren. However, such models generally treat household size and composition as given (exogenous). A unique feature of the South African rural experience lies in the magnitude of the impact of migration, remittances and social transfers on household formation, implying household formation is shaped by (endogenous to) economic processes and consequently poverty. These have had powerful effects on black family structures and complexity of household organisation. In rural areas, households often form around sources of income. Unemployed adults often attach themselves and their dependants to pensioner households. Along with intra-household distribution, this plays a key role in rural poverty.

Many discouraged unemployed in poor households no longer actively seek work. Furthermore, poor households have more dependants. Hence, for rural households demographic factors exacerbate the effect of inadequate labour market linkages. One way in which poor households are indeed structurally different from better-off households is in the greater prevalence of multi-generation households, probably due to young adults failing to leave the parental household in the face of high unemployment.

But perhaps more useful for judging the path of South African poverty is to turn to some of the forces affecting poverty and judge their effect. In previous work (Van der Berg 1989), this author has argued that three main forces have had a major impact of distributional outcomes for the black population since the mid-seventies:

- rising unemployment - and that certainly continued in the last decade, mainly because of inadequate employment growth
- rising black wages, continuing despite a slowing of earlier wage pressure due to increased upwards mobility for blacks made possible by growing skills and affirmative action policies
- a fiscal shift towards the black population, that certainly continued

Determining the net effect of these forces on the magnitude of poverty in the past decade is presently a matter of conjecture. But the impact on inequality is likely to have increased, because an insider group (employed) have gained whilst outsiders have had growing problems gaining access to jobs.

The future is likely to see some moderation of wage trends, and unless growth accelerates, it is also likely to mean that fiscal resources available to the black population would grow more slowly as redistribution of service provision nears its limits. An important factor here is whether service provision in rural areas would improve, but this concerns the quality of delivery rather than the quantity of fiscal resources spent.

Prospects for policy consideration

In the final analysis, prospects for poverty revolve around the labour market. Access to this market is one aspect, and here improved education can assist; the magnitude of job creation is a second, and here economic growth is paramount as a determinant; and a third aspect is the changing demographic situation brought about by decelerating population and labour force growth under the impact of declining fertility but also, unfortunately, AIDS. The combined impact of these three factors will be crucial for future poverty outcomes.

South African poverty is largely rural, whilst paradoxically, rural income sources are largely urban in origin. Thus rural poverty reflects inter alia poor linkages of many households to urban sources of income. The most important factors determining rural poverty are not necessarily related to land and agriculture, but to income flows and access to sources of (mainly urban) income, e.g. the rules, norms and conventions determining migration (both whether to migrate, and what relationship to maintain with the rural area of origin), remittances, access to and take-up of social transfers, and rural household formation and dissolution. These institutions require attention, as do the attempts of those rural people who try to combine access to urban income with continued access to free rural natural resources instead of cash-based urban services (e.g. water, energy, sanitation).

Some possible areas where this research has a bearing on policy are the following:

- Subsistence agriculture does not offer much scope as a source of rural income. However, that does not detract from the fact that access to land where people can continue a rural lifestyle is still very important to many people. The chief use of this land is for access to natural resource-based rather than cash-based urban services: water, energy, some agriculture, grazing, hunting and gathering. However, even on existing traditional land, serious questions need to be asked about the sustainability of such use of natural resources. The problem is particularly severe on land where rapid densification takes place, due often to the good access it provides to the desirable urban-based income sources, often through commuting.
- The recent expansion of the social security system will further strengthen its role as an alleviator of rural poverty - the one public policy that has had particularly beneficial effects in rural areas. But more and larger child support grants are also likely to have implications for household formation and structure, in the same way that social old-age pensions have had. Further research is essential to determine whether this impact is mainly benign, particularly for the intended beneficiaries.
- No direct intervention by government can have as great an impact on the position of the rural poor as an acceleration of economic growth accompanied by considerable employment expansion, to provide jobs for both the urban and the rural population and the fiscal resources required for the rural poor to share in expansion and improvement of education, health services and social transfers. Jobs remain the priority for a rural population which has long ceased to be a peasantry and depends for its survival on access to urban incomes, albeit whilst retaining rural living arrangements. Jobs also remain a priority for the urban poor, whether they are long-term residents or new migrants to urban areas in search of such jobs.

Ultimately, improved distribution and reduced poverty require a sustained rise in employment, which in turn depends strongly on economic growth. In the absence of such growth, there are limits to how far poverty can be alleviated through policy interventions.

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THE SOUTHERN AFRICAN REGIONAL POVERTY NETWORK

SARPN Southern African Regional Poverty Network

SARPN was established in 2001 in response to the recognition by stakeholders (governments, the international community, civil society and analysts) across the southern African region for considerably more effort in order to place its countries on the path to meeting the targets set in the Millennium Development Goals (MDGs). In spite of its relatively recent entry into the development sector, the South African Regional Poverty Network (SARPN) has, over the last few years, emerged as a key network in the region working towards more effective poverty reduction policies, processes and practices in the region. SARPN has established its standing across the region as a facilitator, platform and disseminator of knowledge relating to poverty and its reduction.

SARPN's efforts at widening and deepening policy debates have significantly contributed to a deeper understanding of the poverty challenge, through its involvement of a wide range of stakeholders in the debates. SARPN has also contributed to the emergence of a more holistic and effective approach to poverty reduction in the region.

In view of these competencies, SARPN was commissioned by the UK Commission for Africa (CFA), which was established by Prime Minister Tony Blair in February 2004, to conduct its southern African consultation process. The CFA seeks to review issues and trends relating to the development of Africa and the role of the international community in the successful development of Africa. The southern African consultation process culminated in a two-day regional conference in Lusaka, Zambia. Participants drawn from civil society groups from Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zimbabwe and Zambia attended the event. The participants were drawn from non-governmental organisations, community-based organisations, faith-based organisations, representatives of youth groups, the disabled, international NGOs working in southern Africa, researchers, academics and those representing cultural interest groups such as sport and music. Over 160 people participated in the conference. The regional event was the culmination of a regional process, which had comprised of national consultation meetings (four countries), electronic discussions and exchange of ideas.

Regional and continental bodies that were represented at the regional event included SADC, COMESA and the African Union (including NEPAD). The CFA was represented by members of the commission's secretariat. Officiating at the opening of the event was Mr Foday Bojang of the African Union, Tim David, the British High Commissioner to Zambia, Deputy Minister (of Commerce, Trade and Industry) and Geoffrey Samukonga representing the Government of Zambia.



THE CFA SEEKS TO REVIEW ISSUES AND TRENDS RELATING TO THE DEVELOPMENT OF AFRICA

Sue Mbaya - Director

In her opening address Sue Mbaya, SARPN director noted that the event afforded several opportunities to southern African civil society.

- The opportunity to engage the Commission for Africa.
- An opportunity for participants to reflect on their own efforts towards the development of their nations and our region, and through reflection to gain better self understanding and from a better self-understanding, improve effectiveness.
- The opportunity to strategise for improved impact in civil society development programmes.
- A rare opportunity for southern African civil society to network across national boundaries and across sectors.

The conference outputs included a communiqué and a report. These documents outline the ideas of southern African civil society with respect to the actions and strategies that are required in order to facilitate Africa's development path. Both documents have subsequently been widely distributed across the region and internationally and can be accessed on the SARPN web, www.sarpn.org.za

A Snapshot of the key issues raised at the Lusaka meeting are as follows:

1. Scepticism surrounding the commitment of the UK and other developed nations to fulfil existing commitments to Africa – let alone new commitments.
2. The need for a comprehensive, new partnership between the developed world on the one hand and African government, business and civil society on the other in order for Africa's development challenges to be met.
3. The need for real follow-through to protect Africa's emerging or vulnerable industries; elimination of all developed world agricultural subsidies and non-tariff trade barriers and promotion of regional trade within Africa.
4. That greater support is required for equitable land reform, rural development and infrastructure in line with the NEPAD Comprehensive Africa.
5. Lack of job growth, unemployment and the erosion of livelihoods are key causes of poverty in Africa and the need for aid to support job-creation strategies to generate sustainable livelihoods through public works programmes, micro-lending and farm support projects, among other initiatives.
6. That Africa's debt must be totally cancelled to free resources for development.
7. The importance of private and state enterprises to Africa's development and that these must be supported by building responsible enabling business environments – through improvements to commercial laws, courts and other procedures – and improved, more cooperative policy making mechanisms that allow business and civil society to make inputs to policies affecting the economy.
8. Participants endorsed the commission's proposals to address conflict prevention, conflict resolution and post-conflict peace building on the continent.
9. That donor aid should provide support and capacity building so that civil society can meaningfully understand and participate in the African Peer Review Mechanism through a shadow peer review system.

The Commission Secretariat has indicated that the views expressed at the Lusaka meeting will form part of the pool of evidence to be used in the drafting of the CFA report to be finalised in March 2005. Since that document will be an important lobby tool for the UK government as it seeks to rally the international community to greater commitment towards Africa's development, the event by SARPN can be regarded as having been an important policy intervention relating to the reduction of poverty in the SADC region.

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CAPE TOWN'S POOR

BY COBUS DE SWARDT
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The face of urban poverty

The typical "face of poverty" in South Africa is no longer that of a rural woman engaged in subsistence agricultural production. Poverty today also refers to the large number of unemployed men who wait daily in vain on street corners for a casual job, women suffering from among the highest rates of HIV/AIDS infection in the world, large numbers of children living in areas with among the highest crime and murder rates in the world, and poor black communities which continue to be excluded from the economic riches of our country. We can no longer ignore the problem of urban poverty.

A large part of Cape Town's less affluent population live on the Cape Flats, which was relatively unpopulated until the 1960s. Since then, two waves of settlement took place: the period after the 1960s saw the forceful resettlement of so-called "coloured" people through apartheid socio-spatial engineering, and in the 1980s, a then-illegal process of large-scale African migration from the impoverished areas of the Eastern Cape began. Numerous studies demonstrate how the combined effects of social engineering, spatial planning and rural-urban migration have contributed to urban sprawl, the expansion of racialised economic geographies and the creation of an apartheid city. At present, the townships of Khayelitsha and greater Nyanga are home to three-quarters of a million people.

The uniqueness of Cape Town's urban sprawl is not restricted to its recent and rapid population growth, but also lies in the fact that it reflects a nexus of extremes. Cape Town has a strong and relatively varied economy with a monocentric structure, characteristic of South African cities. In a typical centre-periphery fashion, it represents a polarised city centre where affluent suburbs and economic activity present a contrast to the overcrowded, impoverished township periphery. Whereas the majority of white and wealthy black people live opulent lifestyles, the majority of those on the Cape Flats live in abject poverty. This paper seeks to gain a greater understanding of the socio-economic realities and livelihood challenges facing the residents of Khayelitsha and greater Nyanga.

Money

The Household Livelihood Survey (HLS), undertaken by the Cape Town African Urban Poor (CTAUP) study in 2002, suggests that most households depend on multiple sources of income. Combining all sources of income, more than three-quarters of households represented in the case study fall below the official poverty line of R352 per adult per month, at an average of R212 per person (that is, R976 per household with 4.6 adult equivalents). Moreover, 33 percent of households have less than R100 per month per household member, and in 50 percent of all households the monthly income amounts to less than R185 per month per adult equivalent. Only 7 percent of households generate a monthly income exceeding R600 per adult equivalent. The main sources of income are shown in Table 1.

TABLE 1: SOURCES OF INCOME

Source	Average per household	Percentage of total
Wages	R555.71	58.4
Social grants	R166.4 7	17.5
Temporary employment	R82.06	8.6
Self-employment (non-agriculture)	R75.12	7.9
Other	R15.56	1.6
Pension from employer	R12.98	1.4
Remittances	R12.88	1.4
Money from special friend	R12.60	1.3
Self-employment (agriculture)	R8.55	0.9
Rent	R6.08	0.6
Seasonal work	R3.20	0.3

Whilst wages constitute the most important source, social grants represent the second most important source. Grants make a significant difference to the middle third income group earning between R500 and R1 000 per month, with 55 percent of households receiving one or more social grants. The top third income group (above R1 000) relies less on state social assistance, with 38 percent of households receiving grants.

The lowest income group earns less than R500 a month and also seems to have the least possibility of obtaining grants (31 percent of households), even less so than the top income group. Language skills and educational level within households did not appear to impact on the possibility of receiving a grant.

Apart from temporary work and self-employment, other sources of income are limited, amounting to less than 8 percent of the total income. The majority of households (83 percent) did not have any savings, whilst the savings of two thirds of households of the remaining 17 percent amounted to less than R1 000. Respondents reported the following reasons for saving money (in order of the most recurrent

reasons): buying food, paying school fees, health and medical care, and paying debts. Despite low income levels, 62 percent of all households invested in burial insurance, and 9 percent of households held life insurance.

Expenses incurred by households need to be measured both in terms of the amount spent, and in relation to income. Food represented the single largest expense, accounting for 39 percent of total monthly expenses. The other largest monthly expenses included energy (10 percent), health (9 percent), clothes and furniture (8 percent), debt (5 percent), maintenance (5 percent), insurance (5 percent) and support for others (4 percent).

Fifty-six percent of households incurred debt, tending to incur debt primarily from hire purchase companies (26 percent), friends (12 percent), family (12 percent) and community members (19 percent). An approximate average figure for total household debt was calculated to be R1 872. Consistent with findings on savings and expenses, the most important reasons for debt were reported as follows: to buy food, to pay for schooling and medical expenses and to pay off other debts. More specifically, debt was significantly higher in households with permanent employment (62 percent), than in households without a steady wage income (50 percent). There was a significant positive correlation between income and debt, with the top earners holding the greatest debt.

Most of the higher income groups received a wage, and a positive correlation was evident between wage and education, and wage and language skills. Hence, a similar correlation between income and education/language was to be expected. Those households where members had more years of schooling and spoke English as well as Afrikaans generated a significantly higher average wage per month than those where this was not the case.

For example, the average monthly wage where members spoke neither English nor Afrikaans was R417, compared to R640 in households where members spoke both English and Afrikaans. The difference in income was even more profound, since households where nobody spoke English or Afrikaans generated an average monthly income of R767. Households with English and/or Afrikaans language skills produced R1 102 per month. This suggests that extended education and language skills increase the chances of obtaining a higher overall income, even if it is not the breadwinner him- or herself who possesses these skills.

The study shows that there is little cushioning for extraordinary expenses, particularly in the light of unstable income sources. It is also apparent from the relative debts which many of the households hold, that borrowing and loans appear to be a short-term solution for many households that are seriously challenged to make ends meet. A lack of money in these poor areas has to be viewed in the context of food price hikes, and an expanding monetisation of services (health, education, transport), goods and housing. These impoverished communities are excluded from the economic mainstream due to their inability to secure stable employment. This coincides with their increased incorporation into the cash economy. These dual developments not only result in increased monetary impoverishment, but specifically impact on food security (hunger) and health issues (morbidity).

Hunger and food security

Hunger is the most extreme expression of poverty, as the most basic bodily needs are not met. Internationally, a high proportion of the poor experience extended periods of hunger, as they are caught in a vicious cycle of chronic and severe poverty - a poverty deprivation trap. In the case study, a total of 70 percent of households had been excluded from access to sufficient food during the previous year. When enquiring about food security in the previous year, 81 percent of households indicated that there had been too little food available. Moreover, an average of 43 percent of households experience a food shortage at any given time of the year. The reported survival strategies in times of food shortage are summarised in Table 2.

TABLE 2: SURVIVAL STRATEGIES DURING TIMES OF HUNGER

Coping strategy	Percentage
Could not do anything	40
Borrowed/begged for food	33
Borrowed money/asked for credit from food sellers	32
Worked for food	13
Collected from rubbish dumps/bins	2
Other	16

While 40 percent of households indicated that they could not address the food crisis, closer investigation revealed that non-English-/non-Afrikaans-speaking households were less resourceful in terms of survival strategies (46 percent said they "could do nothing") compared to those with English and/or Afrikaans language skills (31 percent said they "could do nothing").

An even stronger positive correlation emerged between educational level and survival strategies: the higher the educational level within a household, the more likely members were to address the food crisis actively and effectively. Access to a permanent salary also increased the likelihood of resourcefulness, with 70 percent of households employing various strategies to secure food (including loans and debt), compared to 51 percent of households that were unemployed.

When households compared their food security to that of the previous year, 54 percent of respondents felt that they were currently worse off, 27 percent maintained that their situation was about the same, and only 18 percent of households believed that their food security situation had improved over the previous year. Furthermore, 55 percent of all households indicated that their general food consumption had been less during the year of the survey compared to the previous year. Thus, based on the overall subjective perceptions in the case study, the extent of hunger appears to have increased over the preceding year.

Since three-quarters of household incomes fell below the poverty line, it is not surprising that more than 80 percent of households experience insufficient amounts of food and 70 percent reported hunger. Statistically, there was a negative and significant correlation between hunger and income level.

Whilst income and food security are related, money is not the sole means of obtaining food. Home food gardening (that is, urban agricultural practices) and livestock farming are two potentially effective means to achieve food security that are not necessarily dependent on a monthly income. However, only three percent of households engaged in home food gardening (grains and vegetables), and did so solely for their own use and not for trading or selling. Similarly, livestock ownership is rare amongst households, with poultry representing the highest percentage of livestock held (11 percent).

In the small number of households engaged in urban agricultural activities, there was no indication that home food gardening and livestock farming reduced the vulnerability of households to hunger. These findings indicate that home food gardening and livestock farming are not effective sources for generating food security at present. The reasons for its ineffectiveness may lie in a vicious cycle consisting of spatial constraints, infertile soil and continued migration from rural areas, resulting in further overpopulation in urban areas (particularly in small towns).

Quality of food

Food security needs to be analysed not only in terms of quantity but also quality, since households that have sufficient amounts of food may still be victims of undernourishment and malnutrition because the food lacks essential nutrients, vitamins and minerals. It is alarming that more than half of all the households (54 percent) rarely or never consume meat or eggs, 47 percent rarely or never eat fruit and 34 percent rarely or never eat vegetables. The apparent decrease in food security and the reported increase in the frequency of hunger indicate that living conditions are deteriorating for large numbers of people.

Since the majority of poor people are dependent on their physical strength as a source of livelihood, the effects of lack of food security on poor health result in a devastating vicious cycle. Not only might food insecurity compound already poor health conditions, it might also be a causative factor in maintaining poverty levels. Whilst poor nutrition creates long-term health risks, it also exacerbates existing health problems, including HIV/AIDS.

As worldwide research indicates, food insecurity can lead to devastating "underinvestment" at crucial times in the human life cycle, and can permanently reduce people's capabilities. For example, inadequate child nutrition creates long-term health problems, including higher medical costs, mental retardation, poorer educational performance and lower labour productivity, and is likely to impact negatively on overall life expectancy.

Increased direct access to household food production needs to complement the food relief programmes. Supportive home food gardening measures as a means to promoting food production in urban areas include:

- optimum utilisation of existing public land (especially municipal commonage) and/or already existing potential garden space around houses
- management of these gardens in partnership with local authorities and local communities, through integrated development planning, public-private and public-community partnerships, local economic development programmes and projects
- development of community-based technical support services, incorporating indigenous knowledge systems
- long-term subsidisation of cultivation expenses
- appropriate skills development in schools and through adult learning programmes
- promotion (for example in the media) of home food gardening as an important asset and capability-generating component of household survival strategies
- deepening access to and improvement of water supply

Morbidity

Poor health is a noted characteristic of impoverished communities due to the risks to which poor people are exposed. These include, in another "vicious cycle", malnutrition, poor hygiene and sanitation, natural disasters and morbidity. More than one-third of the case study respondents claimed that their health was poor, 11 percent reported health problems and 36 percent did not access medical treatment when needed. However, there was no indication that hunger impacts directly on health status. For example, no evidence was found that hunger per se caused ill health amongst household members.

There are several factors that affect both health and mortality. This is reflected in the two main causes of death, which are HIV/AIDS and TB, or HIV/AIDS and TB combined. The age standardised mortality rate per 100 000 for HIV/AIDS is highest in Nyanga (146) and Khayelitsha (103), and lowest in South Peninsula (10) and Blaauwberg (23). HIV/AIDS-related death is a major cause of chronic poverty. Conversely, chronic poverty renders poor households more susceptible to HIV/AIDS exposure and thus infection. HIV/AIDS is not a single unicausal epidemic and policy interventions need to be multi-pronged.

The case study shows that the basic information on HIV/AIDS prevention does not seem to be sufficiently clear or accessible to poor people, despite the implementation of extensive public awareness campaigns. There is a need for basic, yet specific and applied education and information regarding HIV/AIDS, its transmission and prevention. In addition, it is critically important to extend the social safety net and rollout effective treatment regimes. There remains significant room for government to improve its performance in all these areas.

In the light of HIV/AIDS mortality and the low and high impact projections, it is important to investigate the extent of

people's understanding and knowledge base of the epidemic. The study reveals that 86 percent of people interviewed stated that they knew the causes of HIV/AIDS infection, while 75 percent held the view that HIV/AIDS could not be cured at present. However, when more specific questions were asked, it became apparent that many respondents did not have an understanding of HIV/AIDS. For example:

- 23 percent of people considered sex with healthy-looking people to be safe (that is, no risk of HIV infection), and 14 percent did not know whether this was true or false
- 34 percent of people thought that HIV-positive people could not look or feel healthy, and 16 percent did not know whether this was true or false
- 34 percent of people believed that HIV/AIDS could be cured at present if treated early enough, and 24 percent did not know whether this was true or false

This lack of basic knowledge exists against the backdrop of a very high prevalence of HIV-positive adults. Antenatal surveys conducted in 2001 revealed a 22 percent infection rate in Khayelitsha and a 17 percent infection rate in Nyanga. The AIDS epidemic is expected to lower the life expectancy of black Cape Town residents to 40 years, decreasing by 15 years in six years' time. In addition to contributing to the direct causes of morbidity as the ultimate symptom of chronic poverty, the case study identified three additional and related contributing factors, namely malnutrition, poor hygiene and sanitation, and general risk factors.

Additional factors contributing to ill health

Firstly, inadequate diet resulting in malnutrition poses a health risk to impoverished urban communities. Malnutrition not only manifests itself in wasting due to starving or insufficient amounts of food, but also in other forms, including obesity. Obese individuals in impoverished areas are often undernourished and compensate with large amounts of cheap, unhealthy food that is easily available (for example high-fat, refined-carbohydrate food with low fibre and protein content). Obesity amongst women emerges as a problem in the case study, frequently leading to high blood pressure and diabetes.

Based on the Body Mass Index (BMI) scores of those women interviewed, 70 percent of women are overweight (with 24 percent overweight and 46 percent obese), and only 28 percent fell within the normal weight range. A further aggravating factor appears to be the sedentary lifestyle many women lead due to crime and lack of physical activity. Interestingly, those few households that engaged in home food gardening showed a 56 percent lower frequency of serious illness amongst members than those that did not. This finding indicates that home food gardens might provide an important food source that positively impacts on general health status and bolsters resistance to illness and infection.

Secondly, access to clean water and adequate sanitation is indicative of the overall hygiene level within a community and the expected risk of infections and illnesses. In this study, 59 percent of households derived water from water taps outside their shelter, whilst the rest used public taps. Similarly, 60 percent of households had access to a flush toilet, whilst other residents used pit latrines (13 percent) and bucket toilets (11 percent). Only 17 percent of households had a toilet inside their home, with the majority of households sharing outside toilets. Thirty percent of households reported difficulties in accessing a communal toilet, and 10 percent had no access to toilets. In addition, despite the presence of facilities for washing hands near toilets in 66 percent of households, only 24 percent had soap for washing hands after using the toilet. Overall, the hygiene status appears to be fairly poor, increasing the risk of infection from preventable diseases.

Thirdly, there are some general risk factors. At least two thirds of homes were found to be susceptible to water damage, and the majority of shelters were at risk from fire and wind damage. Despite the high percentage of households that had access to electricity (81 percent), paraffin is the most frequently used fuel for heating and cooking because it is considered to be cheaper than electricity. Besides the negative health and environmental consequences, this practice also increases the risk of accidents and fire. For example, according to a 2001 Markinor study an average of 11 children die each day in South Africa because of accidental paraffin consumption, and, of the 118 000 children per annum who accidentally drink paraffin, 55 000 are hospitalised with chemical pneumonia. In addition, the study indicated that annually 46 000 fires in South African homes are related to paraffin accidents, resulting in an estimated R1,3 billion worth of property damage.

Due to a nexus of poor living conditions related to shelter, sanitation and water, geographic isolation, insufficient access to electricity, low income and low educational levels, the problems related to ill health and morbidity are exacerbated. The cumulative effect of high rates of obesity amongst women (a major contributor to high blood pressure and diabetes) in conjunction with high levels of HIV/AIDS, TB and assaults, increases the vulnerability of these communities to becoming trapped in a chronic poverty spiral.

Health promotion needs to address malnutrition by improving the nutritional status of obtainable foods through, for example, a public food distribution system designed to increase food quantity and accessibility, and expanding food fortification and nutrient supplementation. The lack of clean water and adequate sanitation also impacts negatively on health issues, and this needs to be improved urgently. Finally, the use of paraffin is a major health hazard, imposing very heavy financial costs on the state, and its use as a major source of fuel should be discouraged. Instead, electricity should be made more accessible and affordable.

Conclusion

This case study illustrates the complex realities facing the poor and, on a different level, policy makers and government. The Cape Town urban poor have few assets, experience social isolation and exclusion, earn low levels of income, are exposed to hazardous living conditions, poor nutrition, high

rates of HIV/AIDS infection, social breakdown and a general lack of infrastructure essential for social development. These factors undermine the poor's ability to escape from poverty through their own efforts, and confine them to long-term poverty traps.

Substantial social investment, increased access to assets, and incorporation into the mainstream economy are needed to draw the majority of the poor, particularly the most vulnerable - the chronically poor - into the socio-economically active sphere of present-day Cape Town.

APARTHEID RESTRICTIONS ON BLACK BUSINESS

BY DANNY KEKANA MP
The author is a former mayor of Soweto

Apartheid restrictions on black business (1948)
The focus of this paper is to analytically illustrate how, in particular, the apartheid government used its state power to impose legal restrictions on black business, and to create racial economic divisions which resulted in the formation of the first and second economy. The racial hierarchical division of business ownership and labour resulted in South Africa's economy being divided into the first economy for whites and second economy for blacks.

The top and middle levels of this economic hierarchy were entirely owned and controlled by whites (e.g. farming, mining, factories and banks), while the bottom of the hierarchy was almost exclusively dominated by blacks (e.g. trading stores and the informal sector). The top and middle levels are referred to as the first economy and the bottom, the second economy.

The government used its state power to impose severe legal restrictions on black business in its formation of the first and second economy. The colonial policies generally subjected blacks to a second class-citizenship, and privileged whites to a first class status. The world is also divided along these racial economic lines, where the white countries in the north are said to be First World and Africa is said to be the Third World.

An historical account, from the days of segregation (colour bar) to apartheid, will follow below. This is the development of the economy of South Africa from farming and mining industries to diversifying into manufacturing and commerce. The purpose of the paper is to illustrate how apartheid state power was used to restrict black business to a small scale so as to prevent it from posing a threat in competition with white business: in other words, to protect the growth and interests of white business against black business by restricting the latter to the second economy.

The thrust of the discussion is to demonstrate how apartheid state power established business policies which resulted in the production of a dual economy. The second economy, which is the focus of this discussion, came about as a result of a host of legal restrictions imposed on black business.

The Rivonia Trial and the banning of both the ANC and the PAC in 1961 ushered in a decade of political quiescence. The 1960s, as a consequence of brutal state suppression of the liberation movement, was marked by a distinct lack of political organisation and mobilisation inside South Africa, although the now-external ANC had formed a military wing and begun an armed struggle.

The discussion of this is beyond the scope of this paper. However, it is suffice to mention that, in the environment of the suppressions in the 1960s and the crushing of the wave of political militancy which had characterised the previous decade, the state took advantage and imposed a host of legal restrictions on black business in the absence of more militant and radical organisations like the ANC and PAC.

In South Africa, the formation of an urban African business class was blocked by racial barriers deliberately erected to protect the class interest of the white population, resulting in the first economy almost exclusively dominated by whites. All possibility of the African business class developing into a fully-fledged main economic stream or the first economy was prevented by state imposed limitations, specifically designed to inhibit, if not totally suppress, its ability to accumulate capital.

The result was that the small African business class that emerged was primarily composed of non-property owning, non-productive and non-employing elements in the second economy, as shall be shown below.

Severe legal restrictions imposed on black business in 1963:

- Africans were only allowed one business undertaking
- only daily essentials for Africans could be sold (bread and butter): 27 items
- companies and partnerships were not allowed
- African financial institutions, industries and wholesale concerns were prohibited

- Africans were no longer allowed to erect and/or own business premises

Additional business restrictions imposed in 1968:
- only lawful African residents could be employed
- traders could not be absent from their business for longer than three months
- managers or supervisors could not be appointed
- traders were to run the business with the next of kin and not to employ anyone
- profit could not be shared with anyone other than the trader's dependants
- trading licences had to be renewed annually and financial records submitted with applications
- African traders had to show proof of homeland citizenship when applying for trading licences

It is apparent that, while black business was subject to a host of legal restrictions prior to 1948, after the ascension to power of the National Party, there was an intensified campaign to inhibit the development of black business in South Africa. The history of restrictions before 1948 will be outlined later.

From the above history of regulating black business it can be seen that:
- black business was to remain limited to providing retail services to the black community
- blacks were prohibited from entering the main economic stream such as mining, manufacturing and banking
- the state used the regulations restricting black business to exercise control over political activities. For example, the annual approval and renewal of licences would depend on the political acceptability of the applicant

The government encouraged black business on a larger scale in the homelands in order to establish economic viability for the Verwoerdian doctrine of separate development, and to remove the political threat posed by the increase of African urbanisation in white South Africa.

Informal sector (pavement trading)

One of the effects of this legislative onslaught of restrictions on black business was the growth in unlicensed, and therefore illegal, trading in the townships. Potential entrepreneurs, especially the unemployed, circumvented the restrictions by illegally trading on pavements.

The informal sector in South Africa has followed the dual model outlined in the theoretical framework. It has been dependent on and subordinated to a capitalist mode of production.

Historically, the apartheid government imposed legal restrictions on the informal sector, e.g. the Group Areas Act, which prohibited blacks from trading formally and informally in the white areas.

The Influx Control Act prohibited blacks from rural areas from trading formally and informally in the urban areas. The township municipal councils prohibited backyard small industries and all other types of informal sector activity.

As a result of the reform policy that commenced in 1978, it was possible by the 1980s to deregulate restrictions that were imposed on the informal sector. Squatters, scavengers, taxi owners, shebeeners, hawkers, spaza shops, backyard manufacturing, repair shops and factories fought the bureaucracy.

The taxi industry continues to struggle in the transport sector because of heavy regulations against newcomers. Business people in the informal sector were forming groups to fight legal restrictions through organisations representing taverners, hawkers, stokvels, burial societies, street vendors, greengrocers, smokers and spaza shops.

Johannesburg became the first local authority to accommodate informal traders, and the council has recognised that informal trading must be allowed as a matter of economic necessity. This too is controlled by a clear policy, and there must be training programmes to educate informal traders on matters such as acceptable trading sites, health, hygiene, traffic regulations, informal business and the council.

The previous reformist apartheid government began a policy of deregulation aimed at ensuring ease of entry into the economy for all South Africans. The then Deputy Minister of Trade and Industry Dr Theo Alant said in parliament: "This requires the identification and elimination of unnecessary or excessive restrictions on entry into and participation in economic activity. However, controls would always be important in the interest of order, the health and safety of the country's inhabitants and the protection of the environment."

According to Lawrence Mavundla, President of the African Council of Hawkers and Informal Businesses, there are currently 900 000 hawkers countrywide and as many as 20 000 spaza shops in the PWV areas with a turnover of R3 billion in 1990. The crucial question of the size of the informal sector and its influence on the South African economy is unresolved. This emerged from conflicting estimates made by economists, which range from eight percent of gross domestic product [Central Statistical Services (CSS)] to as much as 40 percent of GDP (UCT economist Brian Kantor).

The "informal" sector in South Africa is becoming organised. The main bodies of the African informal sector are:
- African Council of Hawkers and Informal Business (ACHIB)
- Foundation of African Informal Business Sector (FAIBS)

FAIBS, which is a breakaway from ACHIB, has applied to join the Foundation of African Business and Consumer Services (FABCOS), while ACHIB has pulled out of FABCOS. The unemployed and those who are employed who wish to augment their low wages are the main members of this organisation and of the informal sector, namely women, pensioners, youth etc.

We shall now return to the historic background of how the second economy was already in formation during the days of segregation and colour bar before 1948, and the ascension to power by the National Party.

Segregation (colour bar) policies on black business before 1948

This section outlines the history that initially created the second economy before 1948 and illustrates how the post-1948 apartheid era took over by concretising and intensifying the second economy.

The Glen Grey Act of 1894 began the attack on Africans, particularly the peasantry. It increased taxation and limited the amount of land an African household could own. It was followed by the 1913 Land Act, which limited the areas in which Africans could own land to 13 percent of total land in South Africa. This constituted, amongst other things, an attack on the land-owning African farmers/peasants who were proving too competitive for the liking of white farmers. One of the effects of this was to drive Africans off the land and to the mines.

In the period immediately prior to the promulgation of the 1913 Land Act, a number of African locations, such as Alexandra (just outside Johannesburg) and Sophiatown (in Johannesburg), were established. Africans in these areas could own land by freehold title.

The early industrialisation of the second decade of the 20th century brought about increased urbanisation of Africans. In the urban township, small-scale general dealers, fast-food outlets, grocers, greengrocers, liquor stores, shebeens, services like hairdressing and shoe-, watch- and car-repairs, coal and wood distribution, butcheries and dairy shops sprang up to service the demands of the growing urban African population.

While the United Party government had earlier met some of the demands of the African middle class, it did not continue to do so consistently and, in the 1940's, it restricted the trading rights of Africans in the white areas. The major act affecting African entrepreneurs in the urban areas, the Native Urban Areas Act, was passed in 1945. While imposing a variety of measures limiting black trading activities in the white areas, it did not outlaw such trade completely. It stated that only lawful residents in the urban areas (in terms of section 10) were allowed to trade there, and then only with the approval of the local authority and the minister of Bantu administration and development.

Restricted African trading

Government policy was to restrict Africans to trading in their own areas. Trade permits would only be issued if the township superintendent was satisfied that:

- a site in the appropriate ethnic area of the township was available
- the applicant was a fit and proper person to reside in the area
- the applicant was free of infections and diseases
- the applicant would erect whatever premises were needed, though could only own the premises and not the land
- the applicant was 21 years or older
- the site would only be occupied by the applicant and dependants
- the applicant was born in the area or had resided lawfully in the area for not less than 15 years, or had worked continuously for not less than 10 years and thereafter continued to reside in the area and was not unemployed outside the area (The unemployed were chucked out to the rural areas - bantustans)

This meant that not all African trade in the urban areas was outlawed, but was only severely restricted in scope. The policy was to allow for the development of limited and controlled petty trade in the urban African township, as long as it did not threaten the monopoly which white traders had on the sale of consumption goods to Africans.

The formation of companies and partnerships by Africans was allowed as long as all the partners and shareholders complied with all the provisions set out in the act, though later this would be forbidden. An African trader was allowed to employ any number of employees as required, provided that they all complied with the residential and other provisions of the act. Later the ability to employ would be forbidden too, as already indicated above.

Many of these provisions applied not only to trading but to the practise of professions, too, for example, the establishment of medical or legal practices in the township. The government policy was contradictory. On the one hand, it allowed African traders and professionals to serve their own people in their own areas, but on the other, it wanted to limit their scope and to encourage them to relocate to their reserves.

The apartheid blueprint promised a step-by-step closure of every avenue of middle-class privilege opened up by Smuts, both business avenues and professional occupations. By 1958, Africans were allowed to sell tea, coffee, sugar and tinned meat: the types of items that are usually confined to the informal sector. The situation held generally across the country.

In 1945-6, there were 891 African retail businesses in South Africa. They were almost all one-person businesses such as butchers, grocers and native trading stores. Between 1938 and 1958 the number of African businesses in the township around Johannesburg increased from 192 to 1 683. It was this threatening increase that Afrikaans traders began to address with the government during the late 1950s.

What emerged during the 1950s was an awareness of the purchasing power of Africans, and the government policy of encouraging African entrepreneurs to serve their own people in their own areas came to be seen by white (particularly Afrikaner) business people as being in conflict with their own desire to capture a major part of this spending. In 1957, the Native Laws Amendment

Act stipulated that any independent trade business or other remunerative activity in African townships required departmental permission.

In 1958, the minister of Bantu administration and development indicated to the Afrikaans sakekamer (business council) that African purchasing power amounted to 365 million pounds per annum and that 98 percent of this was in fact spent.

Restriction of the scope of African traders meant that the bulk of this purchasing power could be channelled to white businesses. The Afrikaans sakekamer, in a 1959 edition in its official journal "Volkshandel" demanded that Afrikaans businesspeople be given privileged access to this source of wealth, and that the activities of the urban African petty traders be restricted severely, if not done away with altogether. This became the policy of the government, and African trading in the non-bantustan areas was increasingly subjected to restrictions.

According to the theory of "colonialism of a special type," white South Africa had colonised black South Africa. Urban areas such as the PWV, Durban Pinetown, Cape Peninsula and Cape Uitenhage had colonised the surroundings townships such as Soweto, Mamelodi, Sharpville, Vosloorus, Umlazi, Gugulethu, Ebayi and Mdantsane, and at the same time it further colonised the bantustans.

In 1959, the Promotion of Bantu Self-Government Act was passed, and the status of Africans in the urban areas as temporary sojourners was reinforced when the minister of Bantu administration and development stressed that African entrepreneurs should be persuaded or forced to transfer their assets to the bantustans.

The Bantu Investment Corporation (BIC) was set up in 1959 to promote this process by making loans to African businesspeople in the reserves and providing them with business opportunities. It was also required to plough back any profits that may be generated from the interest on repaid loans into the development of the native. The BIC later evolved into the various bantustan development corporations.

According to the secretary of the department of Bantu administration and development, the BIC could not encourage the establishment of large industrial undertakings by Africans, but only smaller ones whose financial indebtedness to the BIC would ensure that they remained within acceptable bounds and did not seriously threaten existing white businesses.

The second economy in the townships and bantustans was designed by policy to confine black business to small-scale trading stores, to protect and promote the growth of white business in the first economy.

NAFCOC

The National African Federated Chamber of Commerce (NAFCOC) pressed for reforms with no success until 1975. Its demands over the years included:

- removal of restrictions on expansion of African businesses
- changes in the structure and operation of the BIC
- exemption of African entrepreneurs
- that representatives of the local African chamber of commerce should sit on licensing boards
- that African entrepreneurs should be allowed to own land and property on business premises in urban areas
- removal of whites' trading rights in and around African residential areas
- amendments to the tax laws affecting Africans
- legislation making NAFCOC membership compulsory for all African entrepreneurs
- recognition of and consultation with NAFCOC by the state
- opening white business areas to African entrepreneurs, who should be allowed to operate more than one business and lease more than one trading site
- that the range of goods that African could sell be increased beyond "daily necessity"
- and that African companies and partners be allowed

In 1969 the state tried to fragment NAFCOC in line with "homeland" policy by forcing it to re-organise along ethnic and regional lines.

The above was NAFCOC's effort to open up opportunities for black business to move from small scale businesses to the mainstream economic sector, to move away from legal restrictions and change from the second economy to the first economy. Yet, thus far, all was in vain.

Blacks lacked access to state power due to disenfranchisement. This enabled the previous government to restrain black business from expanding from the second economy to the first economy. Instead, it used its state power to restrict black business to the small scale, all in the interest and protection of white business.

There was a gradual lifting of some of the restrictions on black business. From the late 1970s to the 1990s, the reformist government deregulated, to a lesser or greater extent, the restrictions on black business. This deregulation arrived too late. Whites were entrenched into the first economy and far too advanced for blacks to catch up.

Black business will remain within the confines of a second economy for a long time, even after the new democratic government has deliberately introduced black empowerment policies. Whites have already developed big capital with big monopolies that will be difficult and almost impossible to break through and compete with.

Black business will remain junior partners to white business, in the first and second economy, as has been the case elsewhere in Africa. In the words of Franz Fanon: "There are no captains of industry in Africa."

PRESIDENT MBEKI OPENS THE NELSON MANDELA ACADEMIC HOSPITAL





It was neither hot nor cold in Umtata as over five thousands people converged on the Nelson Mandela Academic Hospital grounds to witness the official opening of this magnificent institution by President Thabo Mbeki.

This normally laid back town was bustling with activity, as out of town guests and local residents mingled as they made their way to the hospital grounds and on arrival were ushered to their seats in a beautiful marquee that complemented the splendour and stature of this occasion.

The president, well known for his oratory, did not disappoint. 'We have gathered here today to open a world-class hospital. There are many in the world who describe our transition from apartheid to democracy as a miracle. If that is so, I would like to add that the existence of Nelson Mandela Academic Hospital at Umtata, in the Transkei is a miracle.'

The president then paid tribute to the selfless dedication of health workers in this country. 'I am confident that hospital managers, nurses, doctors, specialists, interns, community service doctors and other healthcare workers, will all continue

to perform in the manner that has always made health workers in our country such special and exemplary professionals.'

In introducing the president the minister of health Dr Manto Tshabala-Msimang reiterated the government's resolve: 'We decided to build this magnificent hospital in this historic town of Umtata – as a symbol of government's commitment to provide quality health services even in rural areas.'

A message read by the premier of the province Mrs Nosimo Balindlela on behalf of former president Dr Nelson Mandela defined the mood of the occasion. 'I am as thrilled as everybody else to see the completion, the functioning and now the official opening of the magnificent institution that stands to improve and benefit a lot of our people. I trust and believe that the community of this area led by the chiefs and local government leadership will protect this investment and guard it jealously, so that its primary objective as a health institution and a place of hope and healing remains paramount.'

In his introductory remarks the MEC for health in the Eastern Cape Dr Bevan Goqwana stressed the need for the local structures to rally around this development and work together in 'ensuring that the ultimate aim of improving quality of care is realised'.

The king of the Tembus Buyelekhaya Dalindyebo welcomed the guests and the Tambo District Municipality mayor, councillor Zoleka Capa-Langa performed the vote of thanks.

Dignitaries that graced this wonderful occasion included members of the executive council, members of the legislature, members of the health portfolio committee, traditional leaders, heads of departments including health's superintendent general Mr Lawrence Boya and the interim vice chancellor of the Walter Sisulu University of Science and Technology, Professor Nicky Morgan.

Television personality Noxolo Grootboom and member of the legislature Penny Majodina played hosts. Their final act was to allow a variety of choirs, music groups and poets to take to the stage and play their part in a grand and noble occasion that will remain forever embedded in the hearts and minds of all who were there to witness it.

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BUILDING A DEVELOPMENTAL STATE

BY RENEVA FOURIE AND THAMI NGQUNGUWANA
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During its election campaign in 2004, the African National Congress (ANC) committed itself to halving poverty and unemployment by the year 2014. When the political party won the 2004 national elections with an overwhelming majority, the state was tasked with meeting this commitment. President Thabo Mbeki, in his opening address to the third democratic parliament, outlined a programme of action detailing how government will meet commitments made in the election manifesto.

Senior managers of the public service are instrumental in driving the implementation of the programme outlined by the president: hence it was appropriate that a gathering of the senior management service (SMS) be convened to obtain clarity on the role of the state in the second decade of democracy. The theme of the conference for the SMS, which took place at the International Convention Centre in Cape Town September 20-22, 2004, was "Building a developmental state: Bridging the gap between two economies: a public service response".

Occurring at a pensive moment in the history of our country, where the democratic government's performance over the past decade is under critical review, the conference sought to locate the responsibilities and actions of senior managers within government's broader developmental agenda. The conference was addressed by a plethora of senior leadership including the deputy president, ministers and premiers, creating a platform for the sharing of ideas and information on how to build a developmental state in the second decade of democracy and the role of SMS in pursuing that objective.

The three days were informative and demanding, providing a clear understanding of our socio-economic trajectory and highlighting the responsibility of civil servants in advancing that trajectory. Provincial and international case studies were explored, emphasising that it is possible to manage our key developmental challenges and create a public service environment where people no longer feel humiliated and degraded but take pleasure in visiting a government office.

Sketching the socio-economic trajectory

Fundamental to understanding the role of the state, is the necessity to understand the character of the state. Members of the executive consistently characterised South Africa as a developmental, activist state, making it clear that the state has a responsibility to actively tackle poverty, joblessness and economic inequality.

Minister Trevor Manuel referred to economist Amartya Sen's definition of the role of the developmental state, in which removing poverty and tyranny was key. This definition included expanding economic opportunities, fighting social deprivation and providing public facilities and services to the poor. Minister Geraldine Fraser-Moleketi highlighted that development is about improving the quality of life, and about equity and justice.

There was general agreement amongst all speakers that the state had a duty to grow an economy which modernised productive forces and redefined productive relations, including gender relations. The gaps brought about by distributive governance were recognised and the need for improved and strengthened intergovernmental relations was emphasised. It was further noted that the budget of a developmental state should balance addressing poverty and deprivation, and expanding economic opportunities for all citizens.

Government Communications and Information Service's Head Mr Joel Netshitenzhe, in his overview of government's performance over the past decade, reported that much has been achieved, particularly with regard to creating macroeconomic stability and strengthening international relations, thereby providing a solid platform for economic growth. Treasury statistics illustrated that the consistently expansionary budget has resulted in the government spending almost R60 billion or about a fifth of the budget on direct transfers to households. If indirect transfers to households such as free basic water and electricity, bus and train subsidies, healthcare, education and housing subsidies and land transfers are added, then spending amounts to almost 70 percent of the budget. Though the democratic government boasts many successes, the pace of delivery is not adequate and many gaps remain. The role of public servants in a developmental state needs to be redefined in order to meet government's developmental objectives.

The role of public servants

Conference speakers said that the programme for the next five years was demanding. The effective implementation of the programme required civil servants who were

professional, skilled, adequately remunerated but humble. Civil servants in a developmental state are servants of the people, champions of the poor and downtrodden and not self-serving individuals that seek only advancement on the career ladder. "The poor are our masters," said Minister Zola Skweyiya.

Speakers stressed that responses to the basic requests of the public had to be creative and swift. They stated that senior managers had a responsibility to ensure that the quality of service given to the poor was commensurate with the money spent and more. Failure to translate the noble ideas of the developmental state into action and poor management of human and other resources should be regarded as failing the poor.

Speakers also noted that addressing the gap between the first and second economies was not purely a socio-economic issue; but also a human factor. They appealed that public servants never lose sight of our people and their dreams. The importance of caring, interested and responsive managers who embraced the spirit of Batho Pele, and the need to complement our skills with the necessary values and attitudes were emphasised. The conference called for civil servants to be developmental activists and champions of people-centred development. Poverty and deprivation were pinned down as the enemy; skills, professionalism and humility were identified as the key weapons.

Conclusion

The resources dedicated to the conference were resources well applied. Whilst the extent to which the messages conveyed at the conference will be assimilated is an individual choice, the conference provided a solid framework from which senior managers can operate. It remains imperative, however, that the public holds government accountable. Public servants are servants of the people. By monitoring the implementation of government's programme of action and reporting poor delivery and corruption, we will all contribute to building an effective developmental state.

FINANCING HEALTHCARE IN SOUTH AFRICA

BY OLIVE SHISANA AND JULIA LOUW

The authors are Executive Director, Social Aspects of HIV/AIDS and Health, Human Sciences Research Council, and MA Research Intern respectively

Healthcare provision in South Africa is increasingly becoming unaffordable and the rising costs of healthcare are unsustainable. A crisis is looming unless a new financing model is adopted. The current social health insurance (SHI) policy proposal outlined in the 2004 Medium Term Budget Policy Statement is likely to prove inadequate. If anything, it is likely to exacerbate the situation, especially if one considers that South Africa has a very large percentage of its population not covered by medical aid. The majority of the people are expected to use the public health sector, which is inadequately funded. As of 2003, only 89 percent of South Africans who need to use hospital services use the public health sector and yet the budget for public healthcare of R46 billion is far less than that of the private health sector which serves 11 percent of the population seeking care in hospitals with an expenditure of R66 billion. An alternative model is a national health insurance that provides universal cover for all South Africans. It enables all South Africans to have access to medical practitioners, and generally to access resources in both the public and the private health sectors. Such a system should still allow those who want to have medical aid cover to have it only after contributing to the national health insurance. A national health insurance policy is proposed to replace the social health insurance plan.

Transforming a two-tier health system

The transformation that began in April 1994 brought about many changes in South Africa's healthcare system and service provision. However, one of the most intractable problems that has so far eluded transformation is the disparity in access to healthcare resources. South Africa has a two-tier health system, where those who can afford it can get the best care in the world, while the majority continue to have inadequate services. The inequities still exist between the public and private health sectors, between population groups, and between the "have's" and "have-not's".

The two-tier system promotes a maldistribution of resources and wastage, and defeats the commitment to healthcare for all. It inflates health costs for all South Africans, pushing up the cost of living and employment costs. Yet the majority must still do without adequate healthcare. These disparities are at the root of the South African healthcare financing crisis.

Despite the progress made in building more clinics for the medically underserved, rehabilitation of hospitals, introduction of new drug policies and restructuring of national health laboratory services, the growth of the private health sector reversed the progress the state had made in increasing access to healthcare. It did so by drawing

more doctors to the private health sector. Medical doctors are critical in determining expenditure levels. The second most important determinant of healthcare expenditure is the premiums for medical aid which have grown from R4 000 to R7 000 within a period of five years from 1997/98 to 2002/03.

The private health sector expenditure per person has grown from 4.49 times higher than the public health sector expenditure in 1997/98 to 7.1 in 2002/03, suggesting that the increase in costs is making medical scheme coverage progressively more expensive, resulting in lower coverage. In rand terms, the increase is from R33.3 billion in 2001 to R66 billion in 2004.

South Africa spends 8.5 percent of its gross domestic product (GDP) on healthcare - a figure that is higher than the 5 percent recommended by the WHO. Furthermore, it ranks 182 of 191 countries with regard to level of health, and 175 in terms of overall health systems' performance. South Africa and the USA are the only two countries in the world where private sector spending on healthcare exceeds the public sector's expenditure. In addition, they are two countries with the largest expenditures on magnetic resonance image (MRI) scanners. The major difference between the two countries is that the majority of Americans use the private health sector while only a minority of South Africans do. Although South Africa boasts of spending more on healthcare than other similar middle-income countries, the public health sector, which is the provider to almost 90 percent of the population, continues to be under-funded.

Health policy restructuring

The detailed health policy direction of the first post-apartheid government is outlined in the 1994 election manifesto of the African National Congress's Reconstruction and Development Programme (RDP), which later became government policy. Underlying the RDP policy was a need for improved access to quality healthcare, guided by the primary healthcare (PHC) approach. This approach goes beyond curative medicine, for it encompasses prevention, rehabilitation and provision of services at primary, secondary and tertiary care level. It is an approach that encourages evidence-based healthcare service provision. Underlying this approach was a right to healthcare. This right to healthcare is entrenched in the South African constitution, even though it is limited by the availability of resources.

The South African government, in fulfilling the constitutional requirement to improve access to healthcare for all, used the country's tax base for provision of the following:

- free healthcare to pregnant women and children in the public healthcare sector where the need arises, as of April 1994
- universal access to public healthcare (PHC) as of 1 April 1996
- free healthcare for termination of pregnancy where the need arises (Choice of Termination of Pregnancy Act of 1996)

This led to an increase in service utilisation, but still with limited resources. Additional funds were allocated to support free healthcare for pregnant women and children under six years, however this was not sufficient.

Proposals for funding healthcare

To address this funding gap, the first post-apartheid government had to respond to the RDP's stipulation to investigate the option of a national health insurance (NHI) for South Africa. Government officials recommended a NHI that would cover services at primary, secondary and tertiary care facilities (the "Deeble Option," named after the Australian economist who led the team that conceptualised the plan). In line with this recommendation, and under an NHI paid for through payroll tax, all general practitioners (GPs) would have had to be contracted to the state. This proposal however elicited mixed reactions.

Although the proposed department of health's NHI plan fulfilled the constitutional requirement of access to healthcare for all, it was severely criticised as being inflexible. A major criticism was that all doctors were to remain as employees of the state with no option of working elsewhere. In addition, there was no room for additional insurance coverage. The option was considered too costly, and some were concerned that it would impose an additional burden on taxpayers. In spite of the drawbacks, the plan was deemed progressive because it allowed for redistribution of contributions from the wealthy to the poor, the healthy to the sick, and from young to old. It would have been possible to implement the plan with a much larger pool of resources. The plan's aim was to contain healthcare expenditure through a capitation payment system, which presumably would have led to a cut in the costs of healthcare administration.

Implementing the RDP policy, the minister of health established in 1994 a committee, known as the Broomberg and Shisana Committee of Inquiry, to investigate the NHI system. The committee recommended a system of social health insurance (SHI) and "reinsurance" of the medical aid to a defined public hospital package of health services, coupled with regulation of the private health sector. The department of health implemented many aspects of the Broomberg and Shisana report of 1996, "Restructuring the Health System for Universal Primary Healthcare", through passage of the Medical Schemes Amendment Act of 1998 and also improvement in the PHC system.

Social health insurance

This proposed SHI plan in the Broomberg-Shisana report was criticised because it was considered to favour the private health sector, since it fostered competition between the public and private health sectors at a time when the former was ill equipped to compete favourably. Furthermore, there was concern that the financial benefits of the SHI scheme would be inadequate to support the public health system. More importantly, the plan was legitimately criticised because it did not allow for universal accommodation of all South Africans.

The government then distilled the recommendations of the committee of inquiry report by abstracting and modifying those aspects it found useful. As a result, proposals were made which formed the basis of the proposed policy, which was used for further consultation under the aegis of the Committee of Inquiry into Social Security. Some of the proposals were:

- the SHI scheme would support the public health system
- all formal sector employees and their dependents should be insured for public hospital use
- the scheme would provide formal sector employees with state-sponsored insurance cover for essential hospital care at low cost
- the new SHI would be part of a single social security system for the country
- the existing medical schemes would be used for collection of payments
- contributions would be shared between employer and employee - fixed payroll percentage

The policy would be linked to the amendment of the Medical Schemes Act and to other public sector governance issues, such as: reinforcement of community ratings, introduction of prescribed minimum healthcare benefits and revenue retention in hospitals.

The government's proposal was commendable because it sought to strengthen the public sector's resource base, but it had a major disadvantage in that it did not lead to large revenue increases. The increased funding, according to the Congress of South African Trade Unions (COSATU), was likely to be absorbed by the administrative costs. In addition, proposals for SHI focus on increasing resources for the public sector health system directly, through the insurance system, and indirectly, through improved use of public hospitals by private patients. Implicitly, then, it identifies the under-resourcing of the public health system as a key problem. The SHI proposal aims to remedy this by making workers pay more and by drawing in some resources from the private sector indirectly, through increased use of public hospitals. That approach ignored the huge diversion of resources to private healthcare. Furthermore, the major problem with the government's proposal was that it did not cover the whole population.

Later, the government appointed a committee of inquiry into social security to report to the social sector ministries with specific recommendations on the establishment of a comprehensive national social security system, which included health funding and insurance. One of the proposals of the committee was to phase out the general tax revenue and depend on contributions from members and employers. Even with retention of some allocation from the general tax, this proposal was likely to put the healthcare system at great financial risk. Evidence showed that the economy over the last several years shed jobs. If the source of funds to finance public healthcare is based only on employment levels that are declining, this is very much likely to place the health budget at greater risk and place about 90 percent of the population at risk.

Proposals to support medical aid schemes

Another proposal under discussion was the creation of the central equity fund, which would contribute funds to medical aid schemes. This would probably benefit the latter and not the public health sector, which is the one needing injection of funds. To suggest a subsidy to the private health sector under these circumstances is untenable. If resources are to shift, they should move from the private sector medical aid to the public sector and not the other way round. South Africa should not continue to increase the inequities built on the apartheid past. The priority should be to strengthen the public health sector to serve the population as a whole.

Others have proposed that all civil servants become members of medical aid schemes. This proposal seems designed to further benefit the ailing medical scheme industry, whose premiums have been escalating at times faster than inflation rates. It seems that a better proposal would be that all civil servants become the base for an NHI. A position that argues for all civil servants to become members of the medical aid schemes is likely to be at the expense of the overwhelming majority of public health sector users.

Some have argued for the need to progressively strengthen medical aid as a vehicle to NHI. This position is likely to lead South Africa to maintain inequities. This is because:

- the medical aid scheme premiums continue to rise
- there is a perverse incentive that benefits the scheme administrators
- there is wastage of resources, e.g. too many MRI scanners for a population of our size, unnecessary doctor visits, unnecessary tests, unnecessary operations such as C-sections

Given that only 5 percent of Africans (who constitute more than 70 percent of South Africans) have medical aid, these arguments to strengthen the medical aid scheme system simply mean that the majority of South Africans who were disadvantaged since 1948 and before, should try to catch up with those who are advantaged with the hope that one day they too will have better healthcare.

One concern that most South Africans would have about NHI is the quality of public health services. For this reason, it is crucial that the improvement in the healthcare system should coincide with the introduction of mandatory contributions to NHI. To argue that the former should precede the latter may mean that additional funds will not be generated. The additional resources to be generated by NHI should partly be used to reduce shortages of medicines, improve appearance of physical facilities and service delivery, including training health workers to be courteous, and increasing the number of staff in the public health sector.

Should strengthening medical aid be the route to NHI, South Africa will probably be left with very few health workers in the public health sector, especially when we consider that there has been a substantial shift of healthcare personnel from the public to the private health sector. It is

reported that 59 percent of nurses, 24 percent of pharmacists, 7 percent of dentists, 25 percent of specialists and 27 percent of general practitioners work in the public health sector.

Financing healthcare

Understanding health financing and expenditure trends over the past decade is complex. The health financing challenges facing the new government in 1994 were immense. Ten years on, there are both positive and negative stories. There are many actors in the financing and delivery of healthcare. South Africa has a large private healthcare sector and many government departments and parastatal organisations that provide their own health services for employees. Allowing the largely autonomous provincial governments to have control of the distribution of resources between sectors within the province, and to adapt their own independent financial management systems, means that a large collection of data is needed to develop any picture of funding flows to, and within, the health system. The use of National Health Accounts (NHAs) provides a picture of health-related resource flows, presenting all financing and expenditure data in standard categories at different levels, from sources of funding through to the way funds are eventually spent.

Sources of finance are not necessarily the original but rather the immediate source. For example, the public health sector in South Africa is largely financed through general tax revenue. The funding from the National Revenue Fund (NRF), however, to the provincial department of health (via the provincial treasury), is represented under the NRF or the treasury as a source rather than households as taxpayers. Thus, expenditure can be tracked from its source (the NRF) through the financial intermediary who administers it (the provincial department of health) to the provider where it is eventually spent (e.g. the district hospital) and how it is spent (e.g. on drugs).

The NHAs project produced one of the first analyses of health expenditure, as opposed to budgets, collected from primary data sources which uses the same methodology over a number of consecutive years in South Africa. This initiative provided one of the most comprehensive representations of health expenditure ever completed in South Africa - though it was limited in obtaining accurate activity data. This not only affects the production of reasonable indicators of efficiency in service provision but also, in some cases, the allocation of expenditure data. The government's ability to turn policy objectives into changes on the ground requires accurate activity data to be available. This needs to be addressed as a matter of urgency.

South Africa's social security system must take responsibility for both the advancement of the majority of the population while at the same time providing adequate and appropriate safety nets in the case of particular contingencies. This dual role coupled with the impact of HIV/AIDS requires an adaptation of the social security system, as well as a substantial improvement in its organisational capability. In the 2004 Medium Term Budget Policy Statement, the minister of finance stated that "South African's social security net is under severe threat." He attributed this threat, among other things to rapid growth in disability and foster care grants as well as the rising caseload of patients in clinics and public hospitals, largely due to AIDS.

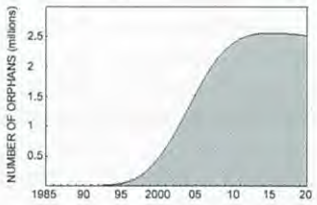
Healthcare financing and HIV/AIDS

The position espoused by the minister of finance is plausible. The reason for such a high increase in disability grants is probably that South Africa has a growing number of AIDS cases. A year ago it was estimated that without AIDS, the number of deaths in South Africa in 2003 would have been about 340 000, but because of AIDS that figure was about 700 000 (Rehle and Shisana, 2003). In the last two years of life, many of these people would have been so ill that they probably qualified for a disability grant and probably some of them accessed the grant (empirical data is being collected through the 2004 Nelson Mandela/HSRC HIV/AIDS survey).

The need to factor in HIV/AIDS when calculating revenue for the NHI requires that the prevalence of HIV/AIDS among workers be taken into account. Without access to antiretroviral therapy, increasing numbers of skilled and highly skilled workers will become ill and die within 10 years of infection, thus reducing their contribution to the fund.

By the end of 2003, it is estimated that 5.6 million South Africans were living with HIV/AIDS. Many of these people are dying at childbearing age, and are likely to leave orphans who were dependent upon them. Relatives who are left to take care of them would need additional money. Naturally, if the state provides a foster care grant, they will apply for it. As shown in Figure 1 it is expected that there would be an increase in the number of orphans because of AIDS and hence the pressure on the social security system will become relentless.

Figure 1: Projected number of AIDS orphans



Source: Rehle and Shisana, African Journal of AIDS Research 2003, 2:1-8

Another major pressure on the security system mentioned earlier is the increase in the number of AIDS-sick patients using the public health system. The study conducted for the department of health in 2002 found that 26 percent of primary care clinic patients and 46 percent of hospital patients were HIV positive (Shisana, Hall and Maluleke, et al, 2003). This happened at a time when hospitals were experiencing increases in the number of patients presenting clinical signs of HIV/AIDS-related illness. This is likely to

exert pressure on the health budget. It is critical that the government continue to increase the healthcare budget, at least to meet the stipulations in the Abuja Declaration that 15 percent of the national expenditure be devoted to health (2001).

The increase in the health budget without changing the financing method is unsustainable. It is for this reason that the finance department is recommending in the 2004 Medium Term Budget Policy Statement that future reforms include contributory SHI. The solution proposed by the treasury may not bring sufficient money to the healthcare system, particularly private health sector funds. To put this in perspective, it is crucial to analyse the trend in medical aid cover.

Trends in medical aid cover

Data on medical aid coverage between 1996 and 2003 makes it clear that there are still racial disparities in access to medical aid. Africans are far less likely to have medical aid than all other racial groups. The medical aid costs, though, are increasingly unaffordable for many South Africans. Even among whites, there is a large decrease in the proportion of the population with access to medical aid, from nearly 70 percent in 1996 to 47 percent in 2003. For Africans, the percent has shrunk from 10 percent to 5 percent in the same period. Major drops are also seen among coloureds and Indians (Stats SA Household Survey).

The overall trend in the proportion of South Africans with medical aid shows there has been a decrease in coverage from 18.1 percent in 1996 to 11 percent in 2003. This suggests that the public health sector is increasingly absorbing patients who previously had medical aid. Yet the R66 billion in the private health sector continues to provide hospital services for these 11 percent, while the public sector budget for healthcare of R46 billion is expected to provide hospital care to 89 percent of the population.

Private medical schemes typically require co-payments and deductibles. These requirements endanger the health of the poor people who are sick, decrease the use of vital in-patient medical services as much as they discourage the use of unnecessary ones, discourage preventive care and are expensive to administer. Increasing co-payments and deductibles have failed to slow down the escalation of costs.

Policy proposal for a National Health Insurance

The key difference between SHI and NHI is that the latter requires that all health resources be incorporated, through a transitional period, into the public sector. An argument can be made that the SHI policy which the treasury is proposing is likely to lead to further racial disparity in access to medical aid cover, and to disparity in access to health services at a time when the AIDS epidemic is overburdening the healthcare system.

Rather than implement this policy, the treasury could establish a committee to assist in developing a full NHI plan that will draw in the private health sector funds and human and physical resources, as well as public health sector funds and infrastructure, and ensure that all South Africans receive the constitutional requirement of access to healthcare. The financial contribution would come from employers, employees and the self-employed, and the contribution would be progressive. This could also include funds currently paid to medical aid schemes by government or public entities. The fund's administration costs could be set by parliament and be administered through an NHI authority, as proposed by COSATU.

The NHI for all is preferred to SHI because it includes all South Africans under one roof and ensures access to affordable quality service. Clinics, community hospitals, regional hospitals, specialised and tertiary hospitals would be organised in such a way that the package of services provided would clearly be defined through national norms and standards, and people could use both the private and public sector facilities. Those who seek additional insurance cover can subscribe to a medical scheme, which would still exist under this plan, but only after they have contributed to a national effort.

All medical practitioners under this scheme would be contracted to the NHI authority and they can still supplement their income by serving those who have a "top-up" insurance. All GPs would be contracted to provide services to a defined number of patients in a defined area within the boundaries of the districts. This means that the responsibility for the health of the population in a defined community would be that of the medical practitioner and a group of nurses. Under this proposal, GPs would practise community health rather than just individualised medicine. Furthermore, this plan is recommended because it deals with one of the major public health and development issues facing the country, namely HIV/AIDS. To protect the healthcare system for all, there is a need for a sustainable solution. For this reason, all South Africans have an obligation to contribute to halting the spread of HIV, and to provide care for the infected.

Only when South Africa has one NHI will the rich subsidise the poor, the healthy subsidise the sick, the young subsidise the old. Segmenting the population into those who have money to buy medical aid and therefore can be part of the SHI, and those who have little and rely on the public health system will only add to existing inequities. It can only lead to more disparities in access to healthcare by race, sex, age, rural/urban and the public/private sector. The result of this policy means men will continue to be the majority of users of the private healthcare system, while women and children will be the majority of users of the public healthcare system.

An NHI system may enable South Africa to ensure the constitutional right of access to healthcare is attained, contain the cost of healthcare in the public and private health sectors, reduce disparities and inequities in access to healthcare, improve quality of life and provide coverage to people living with HIV/AIDS.

Conclusion

There has been a substantial increase in real funding of health services over the decade. However, given the population growth of 7 million, per capita funding is similar to 1995 levels and lower than its peak in the 1990s. Further, some of the gains in health sector funding may well have been eroded by high medical inflation and wage increases. Also, given that the HIV/AIDS epidemic is estimated to cost around R6 billion per year, the sector is not optimally funded. An analysis of the composition of the private medical aid population yields evidence of even more serious inequities. Although the government has spent years investigating the SHI and NHI options, it has not been able to come to a decisive conclusion. One can continue to debate the options but, in the meantime, the cost on the health of South Africans, as demonstrated, for example, by the exploding HIV/AIDS epidemic, is immeasurable. The outcome of the inequity in access for the majority of the population is that there are many missed opportunities for early prevention and care for the majority of the population.

Furthermore, there has been a very important focus on increased delivery of care to increased numbers of people. The development of the primary healthcare package of norms and standards for clinic and community activities and district hospitals is an important foundation for improving quality healthcare services. The challenge now is to ensure that the care delivered is of good quality and the delivery standardised. High quality and patient-centred healthcare, based on evidence, is desperately needed in our health service.

Note: This paper is based on a presentation made at the Joint Budget Committee (JBC) of the South African Parliament on the theme of Social services, income support and human development held on 3 November 2004 and the paper published earlier by the first author: Shisana, O. Social health insurance and tax-based funding of health. In South African Medical Journal, December 2001, Vol. 91, No.12, pp. 1048

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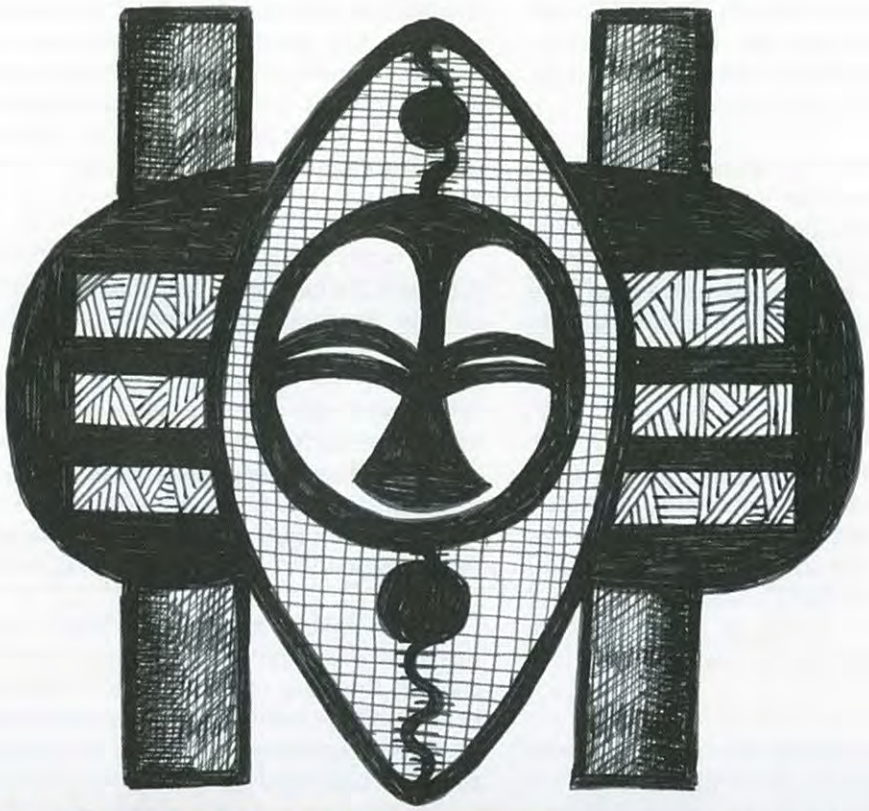
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AFRICAN NATIONALISM IN THE ANC

BY JAMES NGCULU MP
The author is a Member of Parliament

The "national question" fifty years ago

In May 1954, a symposium was staged in Cape Town on the national question. In attendance were, among others, Lionel Foreman, Thomas Ngwenya and Jack Simons. The purpose of the symposium was explained as being:

> "To encourage and develop a unity of ideas in the movement, especially on the national question, by encouraging thorough discussion and even polemics, on a national scale. The numerous avowed and unavowed differences between tendencies and factions on this, as on other questions, do not preclude such a discussion.
>
> On the contrary, they make such discussion imperative for the health of the movement. If we cannot achieve a unity of ideas, we must achieve, at least, a clear demarcation of the differences...
>
> In the absence of discussion, sectarianism thrives and the best interests of the whole movement are sacrificed...
>
> It may not be too much to hope that this joint effort on the ideological plane may initiate a general onslaught on sectarianism in all fields of activity in the democratic movement...But we are confident that it is a step in the right direction - a step towards the closing of the ranks in the democratic camp... It seems to us that failure to adopt a serious attitude to such discussion can arise only from the extreme backwardness, hardened sectarianism or political infantilism."

I start this paper with the above quotation because I am convinced that what was said then in 1954 is relevant in today's discourse and our revolutionary activities.

The issue of the national question has always been a central part of the discourse within the liberation movement. This issue has the potential to evoke intense debates and must always be handled sensitively in the movement. However, it will be important to highlight the fact that the African National Congress (ANC) has always had as its principal objective the unity of the people of South Africa - WE ARE ONE PEOPLE.

The emergence of nationalism

The emergence of nationalism in Africa, and in South Africa in particular, came as a consequence of colonialism. After the wars of resistance which stretched from the first war against colonialism led by Autshumayo in 1658 to the Battle of Isandlwana in 1879, South Africa was in a period we call the primary phase of resistance. Then followed the secondary phase of resistance led by Bambatha in 1906, the period after conquest of resisting the impact of colonialism, i.e. imposition of taxes on the colonised people.

Nationalism becomes different in the sense that anti-colonialism is understood as political and not just defence of your land or possessions. Nationalism emerged in the Eastern Cape around about 1836 led by Jan Tshatshu, and in 1880 with the emergence of Imbumba Yama Afrika which advocated African unity (as opposed to religious denominational diversity). As S N Mvambo declared in 1883: "For the black man makes the fatal mistake of thinking that if he is Anglican he has nothing to do with anything suggested by the Wesleyan, and the Wesleyan also thinks so...Imbumba must make sure that all these three are represented... for we must be united on political matters. In fighting for national rights, we must fight together." (quoted in Francis Meli, (1988), South Africa Belongs To Us)

The emergence of the ANC in 1912 was the climax of attempts by Africans to forge unity and fight all forms of divisions and suspicions. This phase of the emergence of nationalism went through a number of changes, from the period of the Herzog Bills in the 1930s, the Youth League in 1943, the African Claims and the 1949 Programme of Action. It culminated in what we in the movement call "the roaring fifties", when the ANC, now a radical nationalist movement, saw the revolutionary coming-together at Kliptown and the drafting of the Freedom Charter in 1955.

On the other hand, we have seen the emergence of the most backward and reactionary form of nationalism, in the form of Afrikaner nationalism whose intention was to mobilise the white oppressor nation behind its exclusivist and chauvinist policies. I will not be discussing this aspect further here.

Perhaps one of the founding fathers of the Youth League, Anton Lembede, best captures the most radical form of the African nationalism we are discussing. He stated that African nationalism is the ideology that could serve the interest of African emancipation - the dynamic human energy that will be released by African nationalism will be more powerful and devastating in its effect than the atomic bomb. Lembede stressed strongly the question of the psychological liberation of the African people. As he stated: "The African had to be freed from the crippling complexes of inferiority and

dependence." It is tragic and sad that Lembede did not live long enough to see the development of his ideas.

On the other hand, the emergence of the Communist Party of South Africa (CPSA) in 1921 saw another important and significant development in the history of South Africa. Of significance for the discussion at hand is the fact that the mainstays of the formation of the CPSA were the white revolutionaries and intellectuals. Given their class and national background, the founding fathers of the party simply dismissed and scoffed at the ANC as a bourgeois and irrelevant organisation. As Ivon Tones stated in the Comintern in 1921: "The African revolution will be led by the white workers." Of course, to an extent this is understandable as, at that time, the productive forces in South Africa were not developed and the African proletariat was in its infancy and had not developed its class-consciousness to the full. The main organised working class was the white working class. But, at the same time, they failed to read the laws of dialectics which are concerned with things in motion, a process, ceaseless coming into being and passing away. Because even at that time, Africans were poor, stripped of their productive land and they were the majority.

By 1924, the complexion of the party had changed. A number of Africans had been recruited into the party, people such as Albert Nzula, Moses Kotane, Edwin Mofutsanyane and Johannes Nkosi, etc. In the 1924 conference of the CPSA, the Cape delegates (who were also active in the Industrial and Commercial Workers' Union - ICU), together with the Transvaal delegates, defeated the motion by the General Secretary of the CPSA, Bill Andrews, that the party should apply for affiliation to the white-led Labour Party. Lionel Foreman, the foremost intellectual of the Communist Party, stated that the party opposed the role of Africans leading the struggle because it said that this was the opposite of internationalism. The party rejected this and a delegation led by Sidney Bunting, Rebecca Bunting and Eddie Roux went to Moscow to attend the 6th Congress of Comintern in 1928. They argued against the role of Africans saying that this would antagonise white workers. When confronted by the charge of the error of white chauvinism, they replied that of the 1 750 members of the party, 1 600 were Africans. Yet the delegation to Moscow was led by three whites and even the previous delegation was led by two whites (Bill Andrews and Ivon Jones).

Moses Kotane in 1942 said: "In a party like ours, where whites and blacks come together, the general tendency of non-European members is to take a back seat and leave leadership to Europeans." This changed only after the war when the reverse occurred, and Europeans were inclined to "take a back seat."

This situation changed when the Comintern proposal was adopted for the Native Republic. As James La Guma, also from the CPSA and who was expelled from the ICU executive, obtained a new perspective when discussing with Bukharin that the purely national struggle uniting all the oppressed of all classes against white domination was itself of great revolutionary importance. This was also a period of the election of Joshia T Gumede as the president general of the ANC, who became amenable to the CPSA.

On the other hand, there emerged - in particular after the adoption of the Freedom Charter - another grouping which saw the narrow and backward interpretation of African nationalism. This particular strain of African nationalism adopted what we call the "Africanist" tendency or, as others call it, "orthodox" nationalism. This form of Africanist exclusiveness opposed the clauses in the charter which talked of South Africa belonging to all and the land being shared among those who worked it. They thought, erroneously, that they were going to capture the hearts of the people through "Africanist" and "Poqo" go-it-alone approaches in the fight against white oppression. They professed "Africa for Africans" without a careful and scientific theorisation of the South African revolution.

What emerged in the movement was the concept of "colonialism of a special type", where the coloniser and the colonised are found in the same country. As Francis Meli stated: "They failed to modify the aspirations of the Africans to suit the concrete reality of our country by accepting the historical fact that there is room in our movement for those whites who are prepared to fight side by side with Africans and who are willing to accept the policy of the ANC under African leadership."

Forging unity of the oppressed in South Africa

The ANC has always been at the centre of the struggle for unity of the oppressed in South Africa. In doing so, it realised that the struggle for freedom and the amelioration of the conditions of the oppressed could only be realised when the oppressed are united against the common enemy - white oppression.

"Always bear in mind that the people are not fighting for ideas, for things in anyone's head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children." (Amilcar Cabral, 1965)

I have quoted Cabral here because at the centre of the pursuit of the movement's objectives has always been guided by this principle, a better life for all.

Unity of the oppressed people was forged out of the necessities of struggle against white domination. This unity had never been sectarian or racialist. It embraced all those poised against white domination and also in that fold were democratically-minded whites. Even though they were a tiny minority, they were far-sighted enough to embrace the revolutionary African nationalism of the ANC. I will here just cite the highlights:

- United Front in 1930s against Herzog Bills
- Xuma-Dadoo-Naicker pact in 1947
- Mineworkers strike in 1946 which brought to new heights the co-operation between national and class

organisations - ANC, CPSA and Mineworkers' Union
- 1951 Franchise Action Council, formed by coloured people to protest over the Separate Representation of Voters' Bill, which sought to disenfranchise coloured men in the Cape, which was supported by the ANC and the South African Indian Congress (SAIC)
- 1952 Defiance Campaign
- Congress Alliance in 1952 which comprised the ANC, the Congress of Democrats (COD), SAIC and the Coloured People's Congress (CPC)
- 1955 Congress of the People
- 1956 Women's march to Pretoria
- All-in African Conference in Pietermaritzburg in March 1961
- Student organisations between the 1960s and 1980s
- United Democratic Front (UDF) in 1983

All these events illustrate the point that in the crucible of struggle, people tried to forge unity. This was based on mutual solidarity, support and unity in action. All of this indicates the fact that African nationalism is political in form and content rather than idealistic. It is based on action not ideological theorising.

Lenin stated that only the struggle educates the exploited class. Only the struggle discloses to it the magnitude of its own power, widens its horizons, enhances its abilities, clarifies its mind and forges its will.

O.R. Tambo further elucidated on this point in 1977: "When the people decide to fight for their rights as blacks, as the most deprived, people are reacting to a situation created for them. But they are not going to stay in that situation all the time, because they are fighting for human rights basically. They are not fighting white people as white people. They are fighting a white system, but not because it is white, although it is presented in that form. But, basically the struggle is for justice, for human rights...it is capable of being supported by all human beings who support just causes irrespective of the race they belong to."

The gist of the question here is that nationalism need not and should not be synonymous with racism. When approached from a class perspective, it cuts across racial barriers. That is the kind of nationalism - revolutionary African nationalism - of the ANC. The liberation movement recognised that apartheid was the modus operandi of the exploitative system of capitalism. It was the technique of super exploitation and oppression.

Revolutionary African nationalism

The SACP's 1962 Road to South African Freedom stated: "The immediate and imperative interest of all sections of the South African people demands the carrying out of a national democratic revolution... and to establish an independent state of national democracy... the main content of this revolution is the national liberation of the African people."

The 1969 ANC Strategy and Tactics stated in the section dealing with African masses - the main force of liberation:

"The main content of the present stage of the South African revolution is the national liberation of the largest and most oppressed group - the African people. This strategic aim must govern every aspect of the conduct of our struggle whether it be the formulation of policy or the creation of structures... the national character of the struggle must therefore dominate our approach. But this national struggle is taking place in a different era and in a different context...It is also happening in a new kind of South Africa, a South Africa in which there is a large and well-developed working class with class consciousness, and in which the independent expressions of the working people - their political organs and trade unions - are very much part of the liberation front. Thus our nationalism must not be confused with the classical drive by an elitist group among the oppressed people to gain ascendancy so that they can replace the oppressor in the exploitation of the masses. But none of this detracts from the basically national context of our liberation drive... the national sense of grievance is the most potent revolutionary force, which must be harnessed. To blunt it in the interests of abstract concepts of internationalism is, in the long run, doing neither a service to revolution nor to internationalism."

This position did not go unchallenged from certain quarters. Some people who styled themselves as "African nationalists" within the ANC organised "a comprehensive review of the 1969 Morogoro decisions in particular with regard to open membership of the ANC to non-Africans." These came to be known as the Group of 8 who were expelled from the ANC. In Samora Machel's phrase, they were "the enemy hidden under the same colour and hoisting the same flag."

In the 1980s in London, another group organised itself from the other extreme, that is, wanting to mobilise for a socialist revolution without due regard to national grievance. They emphasised class exploitation over national oppression. They published "Inqaba yabaSebenzi." This group was also expelled, at the Kabwe Conference in 1985. At the Durban Conference of the ANC in 1991, both the Group of 8 and Inqaba were reinstated into ranks of the ANC.

The ideological position of the ANC emphasised that the oppression of the blacks in general and Africans in particular was found within the nature of the pyramid of oppression in South Africa. It is the Africans who were the mainstay of the liberation struggle and the also the ones who bore the main brunt of oppression and exploitation. Hence also the characterisation of the gender question being the triple oppression of African women - by race, class and gender.

The inclusion of coloureds and Indians as part of the group oppressed as blacks again is found in the operation of apartheid. They too bore the brunt of oppression and dispossession.

But the movement was always alert to the fact that the white group was not and is not monolithic. There were and there are democratic and far-sighted whites who were part and parcel of the struggle against white domination and continue to be so. When caught by the apartheid system, they too met the same fate as other fighters against apartheid.

My view is that the concept of so-called coloured-African solidarity in the Western Cape borrows on "short-term-ism" and the "immediate" and is unable to be a sustainable strategy. Apart from the fact that it denies a place for democratic whites, who even today, however small the numbers, vote for the ANC in the midst of the most rabid and racialistic campaigns. Secondly, this seems to suggest the existence of two separate communities that must show solidarity to each other - you may find that the concept becomes problematic and it could not be sustained. The converse of the Indian-African solidarity in KwaZulu-Natal can be argued along the same lines: that it is a short-term approach that may have varied appeals and may blunt the strategic objective of the movement.

The ANC is genuinely a non-racial organisation, not multi-racial. The critical question that must never be overlooked in this current conjuncture is that we are in the national democratic phase of our struggle, which embraces national/class/gender dimensions, and Africans are still the group most severely affected by the ravages of apartheid in every aspect of human activity. They too remain faithful to the credo that the only organisation to pull them out of this situation is the ANC. Hence their repeated display of confidence by overwhelmingly voting ANC in each successive election. In the liberation movement, we have come to call this the traditional base of the ANC. At the same time, sections of the coloured, Indian and white communities also display this loyalty by voting for the ANC despite the virulent racialistic and fear campaigns of the opposition.

That is why it serves no purpose, as it has served no purpose in the past, as we have illustrated, to pander to populist and reactionary tendencies of chauvinism. Similarly, the tendency to label people as "Africanists" in the current context within the ANC is rather the display of the same "swart gevaar" and chauvinistic tendencies of the backward classes. Accordingly, the notions of "Africanism" and "coloured-ism" are alien to the theoretical and ideological principles that underpin the policies of the ANC.

What generally happens is that when people run short of cogent arguments they resort to the tendency of labelling. As stated above, the debates on the national question have been with the movement for a long time. Strictly speaking, the national question cannot be fully resolved in the foreseeable future.

Material disparities between groups

The national question is a psychological question but, more importantly, it is a material question. On the psychological one, I would like to quote The Eye of the Needle by Richard Turner: "It is 'common sense' (to white South Africans) that black people are inferior to white people. And this common sense is not just some delusion. It is based on white South Africans' experience of the objective 'inferiority' of most black people in, for example, education, income, dress and language proficiency (that is, proficiency in the only language that whites recognise). And moreover, nearly everyone they know treats blacks as inferior."

On the other hand, the material side is best illustrated by President Thabo Mbeki when he states: "One of these nations is white, relatively prosperous, regardless of gender or geographic dispersal. It has ready access to a developed economic, physical, educational, communication and other infrastructure. This enables us to argue that... all members of this nation have the possibility to exercise their right to equal opportunity..."

It is perhaps instructive that I briefly cite the findings of Census 2001, which stated that the number of unemployed whites was 124 962 compared to 6 171 310 unemployed blacks. Furthermore, the Annual Employment Equity Report 2002 states that of all senior and professionally qualified management recruits 60 percent of management recruits were white, 27 percent black, six percent coloured and seven percent Indian.

The Human Development Report Review 2003 of the HSRC reveals that of all school-leavers who entered the labour market for the first time between 1995 and 1999, 75 percent of whites found employment - compared to 70 percent of coloureds, 50 percent of Indians and only 29 percent of blacks.

These figures should not shock anyone within the liberation movement. They are rather a clarion call for more vigour in the pursuit of the objectives of the national democratic revolution. They further tell us that, in the pursuit of the goals of government, we should not be blind to these facts. If we take the question of the African women, the scenario may even reflect more shocking statistics. This is despite the recognition in the movement that the African woman is at the receiving end of triple oppression. Some hostile and subtle opponents of the policies of our government and of the ANC tend to posit the issue of gender outside of race and class.

If we factor in the dominance of minority languages, i.e. English and Afrikaans, in the academic and job market, we then realise that the task ahead is huge. We know that imbalances in power relations sustain linguistic imbalances and this has an adverse effect on the development and knowledge of, and respect for, African languages. The danger here is that our nation may be creating a new form of "assimilados". This colonial hang-up will metamorphose into "legitimate" discourse because there are no black intellectuals to confront it and offer alternatives. This too has a severe impact on the national question itself.

Political consciousness

The question we started with above becomes critical here. Unity is not just feel-good or something abstract. It is something borne by an ideological unity of members of the ANC and a precise understanding of the tasks of the movement at every turn of history. You strive and work for unity. But understanding the tasks of the movement presupposes ideological and political clarity of the cadres of the ANC. Clarity of ideas is the essential condition for giving our people confidence in the ANC. Ideological unity can only be achieved if the cadres and members of the ANC are fully informed of the politics and policies of the ANC. This is the critical challenge facing the movement as it strives to build its branches and other levels of organisation.

There will always be differences of opinion in the ANC, and that is healthy. But it cannot be that people go overboard and believe that the only way of moving forward is factional rather than organisational unity. The dearth of political consciousness (I use consciousness not awareness advisedly) is one enemy the movement must confront. In the midst of the offensive of the opposition from many fronts, sometimes the work of political consciousness loses elasticity and resilience: people get confused and sometimes end up believing and singing the same tune as the opposition. I have observed many a time where the media throws the bait on certain issues and then this ends up as the basis of analysis.

That is why it has always been important that mobilising voter support in South Africa, and particularly the organisation's approach to minorities, has always been founded on the fundamental pillar of the liberation movement: non-racialism and non-sexism. It serves no purpose to appeal to them on the basis of backwardness, i.e. pandering to the backward instinct of self-interest but rather to mobilise on the basis of non-racialism and democratic values. Hence, in the Strategy and Tactics document, the ANC maintains that it is still a national liberation movement even though it reflects the elements of a classical political party. This is so because it fights for power through the ballot box but must also remain the primary organisation of nation-building in South Africa.

The movement has thus steered away from the Peter Marais or Gerald Morkel approach to the mobilisation of the coloured vote, of pandering to the banality of sectarian racism. The test of leadership is to fashion your policies not only on the immediate but also the long-term interest of building a non-racial, non-sexist and democratic South Africa.

In the same debate, the other side of the coin is the so-called multi-racialism you find in the Democratic Alliance (DA) today. To all objective analysts and observers, it is clear that the DA's central focus is white interests. Its pronouncements, and the position it takes on a number of issues, confirm this view. Hence its overwhelming support base remains white. When it then claims that its black membership comprises about 60 percent of the DA, some questions emerge. These questions emerge precisely because it cannot be true that it can then pander to the minority of its support base. Then questions come out about the role of its black leadership, a la Joe Seremane, who sit in DA benches and are even given titles. Yet those who hold the reins and determine policy remain the core white base of the DA.

This is reflected in a number of policy positions of the DA when, in particular, they will oppose any legislation or budget vote that seeks to redress the imbalances and injustices of the past. Even worse was the vitriolic attack by the DA on the president's visit to join the Haitian people to celebrate the bicentenary of their independence, the first black independence in the world! No self-respecting African could sit and enjoy such a party! Hence it is not wrong to characterise people such as Joe Seremane in the DA as window dressing, who could not in any stretch of imagination face with dignity the condescending attitudes of the Tony Leon-Douglas Gibson axis. This may be illustrated by the fact that the DA deployed Helen Zille for five years to Crossroads to mobilise African support for the DA. They have sent a "white" to go and mobilise in the "black" area and, as a white party with perceived opportunities for jobs, they had hoped they could then exploit the poverty and joblessness of the people of Crossroads with promises of jobs in the gardens and kitchens of the "white master". Yet, come the 2004 elections, the people of Crossroads could only give the DA less than 100 votes! This is a telling lesson for the DA never to take the suffering of the people for granted.

The critical call from the movement is to push back the frontiers of poverty. Those frontiers of poverty are the consequence of apartheid: poverty reflects the pyramidal operation of apartheid. The stark reflections of that poverty are there to be seen in Khayelitsha, Mannenberg or Phoenix. Yet in mobilising for pushing back those frontiers, you must mobilise all South Africans, black and white. The blacks will contribute in their own way, just as whites will also have their role in the struggle. At the head of that struggle, as the people who stand most to gain from our freedom, will still be the African people.

Conclusion

I would like to conclude by quoting the ANC January 8 statement of 2001: "The National General Council (NGC) issues a directive to all of us to build new cadres who are capable of assisting the movement to discharge its historic responsibilities. We must respond to this through a combination of political education, the involvement of our members in the movement's activities...all structures of our movement will therefore have to reach out to the masses of our people to involve them in the further deepening of our national response against both racism and sexism."

Whether we have built it since the NGC is another question, but the key challenge for the cadre is to be seized with various debates in the organisation, such as the national question. This paper is just an intervention and I am sure many will be motivated to join the debate.

SOME PROPOSITIONS ON THE BLACK ELITE: A RESPONSE TO JAMES NGCULU

BY BEN TUROK, MP

My point of departure is the following:

Does the national question have the same content after the coming to political power of the African National Congress (ANC) as before?

The ANC tradition

Apartheid deliberately obstructed the emergence of a black elite and even a black middle class. This was part of the system of internal colonialism which required the reservation of wealth and privilege for the domestic white ruling group.

The liberation movement emerged as a multi-class African nationalist movement representing the interests of the working class, peasantry and professionals.

Arguably it also represented the interests of a future bourgeoisie proper, consisting of big black business, top public servants and top professionals.

However, the Morogoro conference cautioned against an elitist capture of the revolution to serve their own interests and not those of the masses. Ngculu quotes correctly the 1969 Strategy and Tactics document: "Thus our nationalism must not be confused with the classical drive by an elitist group among the oppressed people to gain ascendancy so that they can replace the oppressor in the exploitation of the mass."

This view was reinforced in the preface to the 2002 Strategy and Tactics (S&T) document: "But ours is more than just a national liberation struggle because it places the interests of the poor and the role of the working class at the centre of its theory and practice... The ANC ... is a disciplined force of the left."

The apartheid system

The ANC has always recognised the importance of understanding the national as well as class forces in colonial countries. We also understood the dynamics of these social forces in South Africa's system of internal colonialism.

We understood as well that the inequalities in apartheid South Africa were due to super-exploitation by the ruling class that enabled huge differences in income and wealth to exist - the largest differences in the world.

The preface to 2002 S&T states that the National Democratic Revolution (NDR) "requires the elimination of the legacy of apartheid super-exploitation and inequality and the redistribution of wealth and income to benefit society as a whole, especially the poor". It calls for "the elimination of apartheid property relations. This requires the de-racialisation of ownership and control of wealth."

Our present situation

Since the ANC's coming to power, there has begun a significant shift in social forces. The recent ANC Gauteng Base Document states that a significant black middle-class has emerged in that province. It also states that the black bourgeoisie proper is "tiny", and is a "small fraction of the capitalist class". However, it is "politically and socially significant". (Perhaps the press exaggerate its size to sensationalise its influence.)

The S&T document warns that "experience in other countries has taught us that, without vigilance, elements of the new capitalist class can become witting or unwitting tools of monopoly interests."

In all this analysis, it is clear that the mere acquisition of wealth by some black individuals is not the issue at all. Some of our top black advocates, surgeons, auditors etc earn large incomes without raising undue concern. Rather, what may become important is the role of the new black bourgeoisie as a social force, in particular that section located in the commanding positions of business corporations.

The S&T argues that these contradictions are "secondary". There is no doubt of the perspective that "the motive forces include the black emergent capitalist class" whose interests are served by the NDR. But they need to be organised and given direction.

This is clearly a correct position as long as economic power resides in white monopoly hands.

However, there are some disturbing trends. First, the emerging capitalist class is taking up positions in structures

which are still based on super-exploitation of workers. Second, the inequalities of income are as great now as ever.

In general, the acquisition of wealth by one social group cannot be separated from the impoverishment of another group. Is this not what our history teaches us?

Since we are committed to deracialising the economy, including the commanding heights in the private sector, are there any means of doing this without maintaining structures that perpetuate existing inequalities, thereby going against the broad goals of the NDR and the Freedom Charter?

Should we not launch a debate on deracialising the economy in ways that lower inequality and democratise the economy?

THE CULTURE OF READING AND THE BOOK CHAIN

Keynote address by Elinor Sisulu at a symposium on The Cost of a Culture of Reading, Cape Town, September 16-17, 2004

The absence of a culture of reading is a major concern in South African society and indeed in the southern African region. It is this concern that brings us here today. Before we consider this question we should perhaps have a vision of a culture of reading - what does it look like, this culture of reading that we would all like to have?

I would like to propose the following vision of a South Africa with a strong reading culture. It would:

- be a nation of avid, lifelong readers who read widely and who value South African literature and languages
- have a government that vigorously promotes the value of reading at national, provincial, regional and local levels
- have an education system that integrates reading at the core of the curriculum, at all levels, and encourages reading for pleasure and lifelong learning
- have a flourishing writing and publishing industry to support the heightened demand for books and other reading materials from the education sector and from the general public
- have a strong library network backed by an equitable book distribution system that ensures that everyone has access to a wide range of reading material, regardless of economic status or geographical location

Why would we aspire to this vision?

We would do so because reading is one of the fundamental building blocks of learning. Becoming a skilled and adaptable reader enhances the chances of success at school and beyond.

Reading is not just for school: it is for life. Reading, in all its variety, is vital to our becoming better informed; to have a better understanding of ourselves and others; and to our development as thoughtful, constructive contributors to a democratic and cohesive society.

Leading world nations pride themselves on their promotion of reading. They see a high level of literacy as a major source of their competitiveness and social maturity. The absence of a widespread culture of reading in South Africa acts as an effective barrier to our development, reconstruction and international competitiveness.

The economic and social health of our nation depends on building a literate nation, able to read widely for practical purposes and for pleasure. This means making the current generation more aware of the pleasure and importance of reading in daily life, and ensuring that they have the level of literacy skills required in modern society.

- As things stand, South Africa has at least three million adults who are completely illiterate - unable to read the instructions on a medicine bottle or to complete a job application form without assistance.
- There are millions more people (estimates range from five to eight million) who are functionally illiterate - unable to function adequately in the modern world due to under-developed reading and writing skills.
- Less well known is that there are tens of millions of South Africans who are aliterate - able to read but who don't read! This is a major consequence of not having a culture of reading.

Reading promotion is not a new idea. Myriad organisations in both the public and the private sectors have been promoting reading for years. We have long-established organisations like READ, Project Literacy and ERA. More recently we have Bookeish, a project to promote Africa's Hundred Best Books in schools, and Zifundele, the SAFM Sunday Times campaign to provide books for school libraries.

The vision I have outlined above is a vision developed by the Masifunde Sonke campaign, initiated when the then Minister of Education, Kader Asmal, called for 2001 to be a focus year on reading. The Masifunde Sonke reading promotion campaign was developed as a key strand in government's national literacy strategy and its mission to promote lifelong learning.

The Masifunde Sonke campaign

The mission of the Masifunde Sonke campaign was to engage the whole nation in a dynamic effort to build a sustainable culture of reading and writing that affirms South African languages, history, values and development.

The campaign aimed to build a nation of readers by promoting the excellent work already being done to promote literacy and reading promotion in schools and libraries, by NGOs and community-based organisations (CBOs), in companies and through the media and to highlight these good practices and encourage new initiatives that promote literacy and reading. The objectives of the Masifunde Sonke campaign were:

- to achieve a total national consciousness of the value and benefits of reading
- to engage all in the reading chain - writers, illustrators, publishers, printers, booksellers, teachers and librarians - in support of the mission of the campaign
- to engage the corporate sector, civil society, churches and CBOs to support and participate actively in the campaign
- to mobilise investment into a reading promotion initiative of such value to all stakeholders that it will grow and continue to serve far beyond 2001.

The mission, aims and objectives of the Masifunde Sonke campaign demonstrate that is was the most ambitious reading promotion campaign this country has had so far. Was it successful in meeting even part of its ambitious aims and objectives? There has been no evaluation of the campaign, or at least none that has been made public so it is difficult to make an authoritative statement on its success or otherwise. However, we can safely question its impact because if it had been even partly successful we would not be engaged in another wheel-reinventing exercise.

The Masifunde Sonke campaign still exists within the ministry of education but in a very different form to what was originally envisaged. As part of the exercise of examining the cost of a reading culture, it is imperative that we examine the Masifunde Sonke campaign and learn from its successes and failures. We need to question whether its vision and mission are still valid, whether the objectives were met and if not, why? In my view the Masifunde campaign failed because there was no buy-in from government as a whole and there was a lack of investment of both material and human resources. There was no core government funding committed to the campaign and it was expected to run entirely on donor funding. Furthermore, it was wrongly located within the ministry of education. Although the then minister of education was passionate about the project, the ministry bureaucracy was not receptive to a campaign so far removed from its core business.

The campaign would have been better located within the Centre for the Book whose core business it is to promote the culture of reading through interaction with the entire book chain. Finally, one of the main reasons for the failure of the Masifunde Sonke campaign was the complete reliance on the voluntary labour of the people who were part of the committee set up by the minister to run the campaign. Most of these people were what one would call reading activists working for NGOs that promote reading. These reading activists were already thinly spread, working for under-resourced organisations, yet they were expected to give freely of their time as well as their telephone and transport resources to run a national reading campaign with very little support from the ministry.

The Masifunde Sonke campaign underlined what seems to be a general expectation, which is that people promoting reading and book development must give their labour voluntarily. No one would ever ask a mathematics teacher to work free of charge, yet English teachers are expected to carry out reading promotion activities simply for the love of it. Voluntary labour is important and necessary and we do need to promote the spirit of voluntarism in our communities. However, an over-reliance on voluntarism leads to a massive under-evaluation of the labour of people in the reading and book sector. People should not be expected to work as full-time volunteers at the expense of their own financial independence and well-being. In the case of Masifunde Sonke, the volunteers became over-worked and burnt-out and withdrew their labour at crucial moments in the campaign. A quantum leap in our efforts to build a sustainable writing and reading culture can only be achieved through an investment in the labour of people in that sector. I would like, at this point, to take the opportunity to pay tribute to all those who worked tirelessly to outline the mission, vision and objectives of the Masifunde Sonke campaign. I do not have the time, nor space to name them all here but I would like to acknowledge the contribution of each one of them in formulating the vision I have outlined so far.

The state of African publishing

The Masifunde Sonke campaign committee identified a flourishing publishing industry as one of the key ingredients of a vibrant national reading culture. A culture of reading is inextricably intertwined with the availability of books. As South Africa celebrates 10 years of democracy and takes stock of the successes and failures of the first decade of freedom, it is imperative that we reflect on the state of literature and publishing in the country.

A couple of years ago President Thabo Mbeki tried to popularise the notion of an African renaissance as a new paradigm for development in Africa. In pursuit of the rediscovery of ourselves, he urged us to undertake a journey among our own antecedents, our own past as Africans. As the recipient of the 2003 Noma Award for publishing

in Africa, I recently had the good fortune to be the guest of honour at a book fair and exhibition hosted by the Institute of Ethiopian Studies at the University of Addis Ababa. The exquisite exhibition on Ethiopia's tradition of indigenous bookmaking dating back to the 14th century had me floating in dreams of Africa's past glories. But I was rudely brought down to earth by a discussion that followed on the state of modern publishing in Ethiopia. The Ethiopian publishing industry is beset by many of the same problems afflicting publishing throughout the continent. These include a shortage of capital and skills, less than adequate marketing and distribution structures, low levels of literacy and the lack of a reading culture; in essence, weaknesses across the entire book chain.

Despite advances in some areas, the publishing environment in Africa is perhaps even more unfavourable than it was 25 years ago. The World Bank-inspired structural adjustment policies of the 1980s not only deepened the poverty of poor and vulnerable communities across the continent through market liberalisation and elimination of social programmes, they also dramatically reduced access to books, not least through forcing sharp cutbacks to library expenditure.

Nor can we discount the full impact of globalisation and advanced information technology. Today it is a simple matter for an author sitting in Johannesburg, Dakar or Addis Ababa to write a book and, at the press of the button, send the manuscript to a publisher in New York, London or Paris. The financial rewards of publishing in Western countries with huge book markets are certainly many times greater than publishing in Africa. Unfortunately, incentives to encourage African writers to publish on the continent are few and far between.

One of the exceptions in this regard is the Noma Award. As a literary prize set up to encourage and reward African writers and genuinely autonomous African publishers, the Noma is unique. The winner must be an African author domiciled in Africa and published on the continent. The Noma has transcended the regional and linguistic divisions of Africa with Noma winners from English, French and Portuguese-speaking Africa as well as winning entries in Arabic, Afrikaans, Swahili and Gikuyu and honourable mention of works in Afrikaans and Shona. When he set up the generous endowment that makes the Noma award possible, Japanese publishing magnate Shoichi Noma set an example to all those dedicated to developing a strong writing culture and building a vibrant publishing industry on the continent.

For reasons that I have not been able to work out, the Japanese have shown a strong interest in African literature. The IBBY-Asahi award, recently won by our own First Words in Print Project, is a Japanese award. The South African Children's Book Forum (SACBF) has recently developed an impressive catalogue and exhibition of South Africa's 100 representative children's books: a collection of one hundred South African children's books representative of our indigenous youth literature. The exhibition was originally conceived as an African exhibition with representative books from all parts of Africa participating in the 29th International Board for Books for Young People (IBBY) Congress that was held in Cape Town earlier this month. The SACBF had to abandon the plan of an all-African exhibition when it had not found a sponsor by the end of 2003. Financial support from Japan made possible an exhibition of South African books. The Proudly South African logo is emblazoned on a catalogue that depended entirely on Japanese sponsorship!

I think it is a sad reflection on the literary and publishing communities of this continent, African governments and wealthy individuals, that we are unable to mobilise the resources to establish literary awards, organise literary exhibitions and indeed to do more to build and strengthen the publishing industry in Africa.

The South African book sector

South Africa without a doubt has the potential to be at the helm of a resurgence in African publishing. Much has been achieved in South African publishing in the past ten years. The development of a distinct South African literary culture as part of a nation-building exercise is certainly in keeping with the vision of an African renaissance. The constitution also recognises the linguistic rights of the South African people and national language policies recommend access to literature and reading materials in the mother tongue.

There certainly has been an increased consciousness since 1994 among various actors along the book publishing chain of their role in developing a wider reading culture. The Print Industry Cluster Council (PICC), made up of paper manufacturers, printers, publishers, booksellers and librarians, has become more organised. The establishment of the Library Association of South Africa helped librarians discover a sense of purpose and identity, and their achievements have been considerable. NGOs like READ and Biblionef have done amazing work in getting books distributed in disadvantaged communities.

The South African chapter of IBBY worked tirelessly to organise the successful biennial congress in Cape Town in September this year. It is the first time that this international congress on children's literature was held on the African continent. Sadly, the conference organisers were unable to secure any government support or participation despite approaches to the ministries of arts and culture and education.

Writers' organisations and networks have been set up to encourage young writers, especially young black writers from disadvantaged communities. Yet despite a favourable policy environment and the fact that much has been achieved in the past ten years, we would not be honest if we did not reflect in a sober and serious way about the unfulfilled potential of the book development and publishing sector. Lack of investment, resources and capacity in the sector has meant that many of our wonderful plans to promote a vibrant book industry and library system cannot be realised.

The need to invest in libraries

I sometimes wonder why it is that, in a country in which the president and most members of cabinet are bibliophiles, library budgets in real terms have actually fallen in this decade of our democracy. Furthermore, expenditure on libraries fell at precisely the moment when libraries, which in the apartheid era catered for a small privileged group, had to expand their services dramatically to cater for the broader population. Even in countries in which the majority of the population can afford books, libraries form the bedrock of a strong literary culture and a buoyant publishing industry. In a country in which the majority of the population cannot afford to buy books, libraries are even more of a necessity.

Apartheid ideology led to the banning of many books and South African libraries were deprived of some of the best literature on the continent. Thankfully, many of these books have been republished. I was pleased to see in one of our bookshops a republication of The Wrath of the Ancestors, an English translation of a Xhosa literary classic written by AC Jordan, the father of Pallo Jordan, our Minister of Arts and Culture.

There are books from South Africa's literary traditions that should be available to all libraries and educational institutions, yet sadly this is not the case and it is unlikely that there is a library in this country that can boast a full set of South African or indeed African literary classics. A mass acquisition of books from across the continent would have helped address this gap. Unfortunately, reduced library budgets have not allowed for this possibility.

Cutbacks in library purchases have had a negative effect on African-language publishing because black communities cannot afford to buy books in volume and even those who can afford it will not find bookshops willing to stock books in African languages. It is the libraries that are the biggest purchasers of African language titles. Black communities are doubly deprived: existing libraries cannot stock up on the required volumes of books in African languages and there are not even libraries in the townships. For example, Soweto's population of over three million is served by less than 10 libraries.

In this first decade of the 21st century it has become even more imperative to provide access to books through libraries. Africa is at the epicentre of the greatest catastrophe of modern times: the HIV/AIDS pandemic. Like termites boring through a wooden frame, HIV/AIDS has quietly and steadily ravaged southern African societies, causing incalculable harm to communities and households by removing their most productive members. One of the gravest consequences of the pandemic is that it has left millions of orphans in its wake. A UNAIDS report of 2002 estimated that AIDS has orphaned more than 15 million children, 11 million of them in southern Africa. It is a major challenge for any government to meet the most basic requirements of these orphans. In this context, books are becoming even more of a luxury for the poor and vulnerable than ever before. Yet we have to address the question: how will these orphans get access to books? The answer surely lies in a strong library network backed by an equitable book distribution system which ensures that everyone has access to a wide range of reading material, regardless of economic status or geographical location.

A massive continental investment in improving access to books through public institutions such as schools and libraries is not a luxury but a matter of absolute urgency. Acclaimed African historian, academic and writer Paul Tiyambe Zeleza underlined the urgency of such a project when he wrote: "Clearly, books and libraries are not a developmental luxury but are essential, especially in our so-called information age where knowledge and information have acquired the materiality of capital and commodities, whose uneven accumulation dictates the wealth and poverty of countries, communities and classes."

In a country that is still suffering from the ravages of a Bantu education system which consigned black people to an inferior education, a culture of literacy and of reading is essential not only to cultural growth (in the broadest sense) but also to economic growth and development.

Regional responsibility

A regional reading promotion and publishing project driven by South Africa would yield enormous benefits to the entire southern African region. I recently had occasion to do consultancy work in Lesotho, Botswana, Swaziland and Namibia. During visits to schools and communities in those countries, I was struck by the lack of available reading materials and books for children. In a region that is in the epicentre of the HIV/AIDS epidemic, the absence of reading materials on nutrition, health and prevention of HIV/AIDS is truly alarming. Not enough materials are produced and those that are produced are not widely circulated within the region. As a country that shares languages with its neighbours, South Africa has a major responsibility to address this problem. There are more Sotho speakers in South Africa than there are in Lesotho. The same can be said for Tswana and Swati. Zimbabwean Ndebele is closely related to Zulu and there are Venda language communities in both South Africa and Zimbabwe. South Africa also shares languages with Mozambique. A regional project making books widely available in all these languages would benefit children both in South Africa and the neighbouring countries. By the time a South African child completes primary school, he or she should have read a book about a child in each of the neighbouring countries.

Such a regional project would have an economic as well as an educational benefit. Bigger print runs of African language books would dramatically bring down the cost of books, thus benefiting all communities involved. Increased investment in and production of books would generate much needed employment. We would have to rely less on book aid - boxes of books sent mainly from the US and UK to Africa. Well-meaning people spend considerable amounts of money sending books to Africa. Those same resources

would be of much greater benefit if they were used to buy books from Africa.

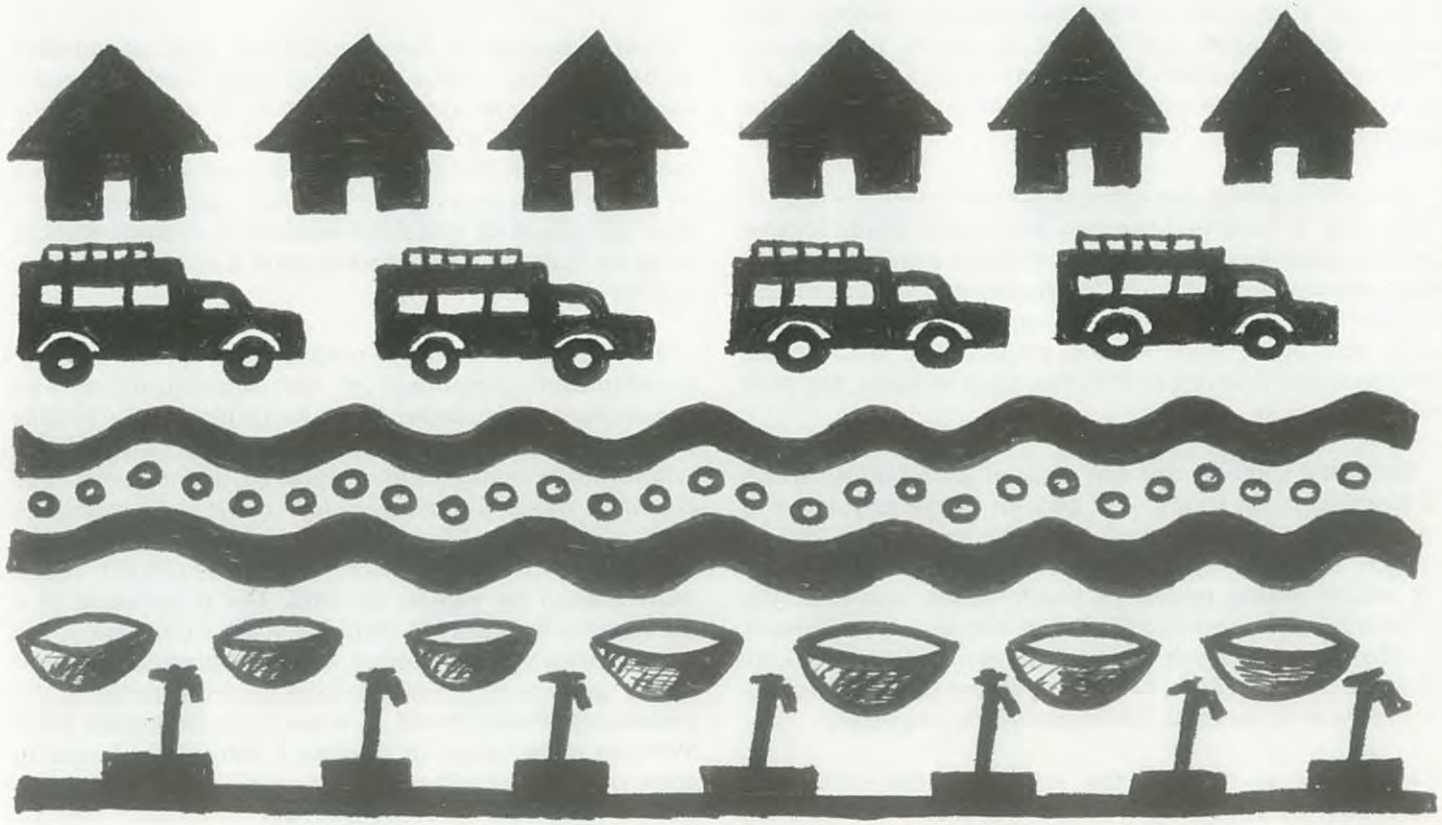
Perhaps in our lobbying and advocacy for reading promotion and book development we have focused entirely on the educational and cultural benefits of reading and not enough on the economic value. Apart from the jobs created in the publishing, printing and paper manufacturing industries, a flourishing book culture also contributes towards tourism. It is interesting to note that Alexander McCall Smith's The No 1 Ladies' Detective Agency Series has actually resulted in an increase in tourism in Botswana! There are also people who have travelled to Excelsior in the Free State, after reading Zakes Mda's The Madonna of Excelsior. The recent IBBY Congress brought hundreds of visitors to Cape Town, and after the conference many of them went on tours of the Western Cape. There are people in the world who will visit a country on the basis of reading a book. Literary tourists are a niche market that should be seriously cultivated.

Proposals toward a culture of reading

I would like to put forward some proposals that would contribute towards achieving the Masifunde Sonke vision of building a sustainable culture of reading and writing that affirms South African languages, history, values and development.

- Reading should be more thoroughly integrated into the school curricula as a requirement. Ability to read well has to be a requirement for passing exams.
- National Literary Heritage Awards are necessary to promote classic and contemporary South African literature. The awards for books that are an essential part of our heritage would be in the form of purchases of these books for all libraries and schools in the country.
- A multi-media and multilingual approach that makes extensive use of radio and to a lesser degree television to promote South African books, especially in African languages.
- Reading ambassadors could go around to schools and communities to promote reading. South Africa is blessed with people like Gcina Mhlophe, Pieter-Dirk Uys, Don Mattera and Sindiwe Magona, who already do such work, using their own time and resources. How many more people could benefit from their genius if they were given ambassadorships to do their work?
- A regional publishing project that aims to identify and promote literature produced in the region. By creating economies of scale through bigger print runs, bring down the cost of books for the benefit of all.
- Conduct research on job creation and economic benefits of the book industries.

We need to lobby continuously for increased investment in the three Ls: language, literature and libraries. We need to demonstrate how such an investment can create jobs. We need to develop a bold vision that will convince those who control the national purse that South Africa has the potential to become a major player in global publishing. Our vision should demonstrate that the development of a flourishing publishing industry is not only good business sense, it is a prerequisite to realising the dream of an African renaissance.



NATIONAL YOUTH SERVICE - A JOB CREATION STRATEGY

BY ROSS FRYLINCK
The author is producing a documentary film on this subject

The Groot Winterhoek is a fortress-like range of mountains that delineates the eastern stretch of the Swartland in the Western Cape. Encompassing a pristine 300 km2 wilderness area, and only two hours drive from Cape Town, it's a hiker's summer paradise. As the name suggests (Great Winter Corner), the winter months can be bitterly cold, and for most of this time the mountains are shrouded in mist and rain.

On a typically stormy late September afternoon, deep in the heart of the wilderness, a hiking party of 16 has come to the end of a torturous day's walking. They are soaked and tired, but proud to have reached the end of their seven-day hike. As they have done every night, they sing a haunting Xhosa song they call simply "the YSP song".

YSP stands for Youth Service Programme, a youth development course run by the Cape Town based NGO Educo Africa. The singers, who refer to themselves as YSPs, are a group of young South Africans selected from thousands of applicants for the 18-month programme. The song, passed down through the years from one cycle to the next, has become the adopted theme song for the programme.

"We are so young, but our task is huge", goes the chorus. Their task is huge because they have been deeply scarred by a troubled society - they have suffered extreme violence, rape, poverty, abandonment, imprisonment and malnutrition in their short lives. Their task is huge because they lack the skills and opportunity to find employment, because the boredom and frustration of being stuck at home day after day is crippling.

Sadly, the same is true for most of our country, which is predominately young – 72 percent of the population is under 35, while 39 percent are aged between 14 and 35 (which is the government's definition of youth). Of the 19 million young people in South Africa, approximately 7.8 million are unemployed. Seven out of every ten black youths are unemployed and one in five unemployed believe they will never get a job. Between 1995 and 1999, the absolute numbers of the unemployed increased by two million.

Having long realised the extent of the crisis, the government has developed a National Youth Service (NYS) initiative that focuses on unemployed youth who have no tertiary education, enabling them to acquire the skills, competencies and experience they require to achieve economic independence. This is done through structured learning programmes, such as the Educo Africa YSP course, and accreditation is achieved through a SETA.

Youth service has been adopted by many countries around the world. Franklin D Roosevelt started youth service in America in 1933 when he established the Civilian Conservation Corps. Millions of young people served terms of six to 18 months to help restore the nation's parks, revitalise the economy, and support their families and themselves after the Great Depression. Revitalised in 1986, Youth Service America creates volunteer opportunities for young people in America, aged 5-25, to serve locally, nationally and globally. China currently has around 900 000 participants in its youth service programme, each being supervised by a political instructor.

Tirelo Setshaba, or National Service, was inaugurated in Botswana as a pilot project in 1980. Tirelo Setshaba participants range in age from 16 to 20 years, and they serve in the field for 12 months, with a two-week break during the year. The programme has had a major impact on education in Botswana; in the early years, participants took the places of untrained teachers and enabled them to go for training, and in recent years they have served as teachers' aides.

NYS in South Africa has its origins in the Human Resource Development component of the Reconstruction and Development Programme (RDP), which highlighted NYS as a programme to give the youth structured work experience while they continued their education and training. The National Youth Commission has continued where the RDP left off by developing the structural framework for a National Youth Service Programme (NYSP), which was adopted by cabinet in 2003. The programme is a partnership between the National Youth Commission, the South African Youth Council and the Umsobomvu Youth Fund, and was officially launched by the minister in the presidency, Essop Pahad, in Cape Town in August 2004. With an initial target of training 7 000 young people in 2004, this number will grow every year until 30 000 young people can access the NYSP per year.

Funding for the programme is currently being sourced from the Umsobomvu Youth Fund, which was established by government in January 2001 with the mandate of promoting the job creation and skills development and transfer among young South Africans. The fund has spent about R470 million on 61 projects over the past two years.

Letsema

Service is obviously the most important element of the Youth Service Model. Young people are encouraged to serve their communities in the spirit of "letsema" (communal volunteerism) and "vuk'uzenzele" (arise and act).

In addition to the skills development and on-the-job experience gained through community service, this model instils in participants the value that through the act of voluntary service, they are able to give back and contribute to the upliftment and development of their communities. By providing this access, the programme hopes to bridge the gap between the latent potential in youth and their ability to become valuable contributing members of society. This model, in its purest form, integrates structured learning, personal development and workplace experience, through meaningful and beneficial service to communities - hopefully leading to employment.

There are a number of fledgling youth service organisations in South Africa – Shaft 17 in Gauteng focuses on construction and horticulture, and Cape Nature Conservation has an in-house programme at reserves in the Western Cape.

The Educo Africa Youth Service Programme trains youths in the field of community development. The programme is an 18-month course that encompasses a residential training phase of six months (based at Educo Africa's base-camp in the Groot Winterhoek), a nine-month service placement phase and a three-month post-programme support phase.

Integral to Educo Africa's programme is a personal development component that guides participants towards understanding self in relation to purpose, to others, and to the environment - encouraging them to become role models and leaders within their greater communities. Graduates of the programme gain credits towards a National Certificate in Development Practice, an NQF level 4 qualification. It is hoped that this qualification, together with follow-up mentorship and job placement support, will enable participants to find or create employment within the development sector, especially the Youth Service sector, which is rapidly expanding.

The seven-day hike at the beginning of their 18-month programme forms part of Educo Africa's wider agenda of providing leadership development through outdoor-based experiential learning. The course is inspired by the ancient, cross-cultural "rites of passage" methodology, incorporating four distinct phases: a time of severance, to acknowledge the movement away from the past and preparation for the changes ahead; a threshold ritual; an incorporation process in which one is mentored and guided; and, with one's new insight, a return back to one's communities. This process has challenged participants to discover and recognise their strengths and weaknesses, to take the time to be alone to contemplate their life path, and to receive meaningful reflection.

As the mist clears, the YSP song comes to a close, and preparations are made for the evening meal. Tomorrow morning, the group will walk into the Groot Winterhoek Nature Reserve, where base-camp, an abandoned forestry station, awaits. This small clump of isolated huts will be home to the Cycle 6 participants for the next five months. Here they will be trained in a wide range of community development and life skills as preparation for their service and job placements. It will be a lonely time for them, and they are apprehensive. They leave behind their partners, children, parents and friends. But they know that none of this matters - they have an opportunity that so few will ever know.



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THE SCOPE OF AFRICAN PARLIAMENTS

BY HON GERTRUDE I MONGELLA
The author is president of the Pan-African Parliament

Keynote address at "Good Governance in sub-Saharan Africa", Berlin, October 21-22, 2004

Introduction

I am delighted to be part of this high-ranking international policy dialogue on good governance, which has brought together speakers and parliamentarians from some of the African countries. My sincere gratitude goes to InWEnt (an agency of the German government), and those who have made this dialogue a possibility. This dialogue will provide a venue for discussions and deliberations that will influence and bring a global and common understanding of critical development issues for Africa.

New political and economic momentum, driven by what is happening in the world, is emerging based on a concept of regional integration and unity in Africa. This is not totally a new idea. The Pan-African movement characterised the decolonisation process in the 1950s. Some of the founding fathers of the African nations strongly believed that Africa could only achieve true democracy and meaningful development through a united Africa. Kwame Nkurumah of Ghana, one of the champions of this course said:

"If we are to remain free, if we are to enjoy the full benefits of Africa's rich resources, we must unite to plan for our total defence and full exploitation of our material and human means in the full interest of our peoples. To go it alone will limit our horizons, curtail our expectations and threaten our liberty."

These ideals were shared by other African leaders such as Modibo Keita (Mali), Sekou Toure (Guinea) and Cheikh Diop (Senegal). They saw the continental union as the most effective vehicle for transformation of Africa. Julius Nyerere of Tanzania further defined development in terms of a struggle to eliminate poverty, diseases and ignorance by using land, people, good governance and leadership for self-reliance. The seeds of good governance were planted since that time; it is now that we are watering them.

The post-independence period was dominated by nation building, creation of national sovereignty and unification of national peoples from small entities of tribes and religious groupings, so much so that the vision of unity became obscure. Despite that, there have been efforts to create regional integration organisations such as the Economic Community of West African States (ECOWAS), Southern African Development Community (SADC), East African Community (EAC) and the African Union (AU).

Regional parliaments have been formed along with these organisations in order to give them a strong representational mandate from the people they serve and to widen democratic process in Africa. The ECOWAS parliament was established in 2000; the East African Legislative Council was inaugurated in November 2001; the SADC parliamentary forum was formally established in 1996. The Pan-African Parliament (PAP) was established in 2004 as one of the organs of the AU to ensure the full participation of the African people in the development and integration of the continent.

Parliamentary mandate

All national parliaments have legislative powers. The regional and Pan-African parliaments have representational and advisory mandates in varying degrees according to the protocols that established them. In the process of developing regional and Pan-African parliaments as democratic institutions, they should have the following powers:

- legislative
- advisory
- policy shaping and influence
- investigative - oversight
- budgetary oversight
- enforcement of justice
- promotion of good governance, democracy and regional integration

Parliamentary scope

There are many parliaments on the continent of Africa at different levels. The effectiveness and efficiency of these parliaments will depend on a number of factors:

- availability of resources: human, financial and technical
- clearly-defined relationships between parliaments of one level and another to avoid repetition of things
- relationships of parliaments and the people they represent and institutions they relate to, including the civil society
- adequate democratic capacities to perform parliamentary functions
- access to information and communication

Issues to be addressed

In order for various parliaments to achieve African development goals, it is a responsibility of every parliament to address issues of increased poverty, peace and security and economic policies for Africa (NEPAD and APRM).

Methodology

- setting regional agenda and influencing global agenda; regional parliaments need to define their policies for their global partners
- partnership and ownership of policies
- a participatory approach that involves civil society
- harmonisation of democracy and human rights
- dialogue at all levels
- adequate and effective representation
- capacity building for PAP, parliamentarians and staff reorientation
- exercising effectively the oversight role

The Pan-African Parliament's role

Article 11(7) of the protocol for the establishment of PAP speaks of promoting the co-ordination and harmonisation of policies, measures, programmes and activities of the regional economic communities (RECs) and the parliamentary forums of Africa. Also, rule 77 of the PAP rules of procedure stresses its consultative role with national parliaments or any deliberative organs of the member states.

The Pan-African Parliament, at its second session held in September 2004, discussed and debated the foundation of its future work. The parliament adopted the rules of procedure of the Pan-African Parliament; examined and debated the African Union vision, missions and strategic plan; debated the New Partnership for Africa's Development (NEPAD) and the African Peer Review Mechanism (APRM). It discussed and debated peace and security within the continent and, finally, the parliament discussed its role within the framework of the African Union's vision and other major issues of African development and people's integration before drawing recommendations and resolutions.

The end of this session came with a list of commitments in terms of resolutions and recommendations to be turned into actions. The actions have to be directed and shaped towards meeting the objectives of the Pan-African Parliament, which include:

- to achieve greater unity and solidarity between the African countries and the people of Africa
- to defend the sovereignty, territorial integrity and independence of its member states
- to accelerate the political and socio-economic integration of the continent
- to promote peace, security and stability on the continent
- to promote democratic principles and institutions, popular participation and good governance, and
- to promote and protect human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights and other relevant human rights instruments

The committees listed below have therefore been formed to address the objectives of PAP:

- co-operation, international relations and conflict resolution
- education, culture and human resources
- gender, family, youth and people with disabilities
- health, labour and social affairs
- justice and human rights
- monetary and financial affairs
- rules, privileges and discipline
- rural economy, agriculture, natural resources and environment
- trade, customs and immigration, and
- transport, industry, communication, energy, science and technology

The functionality of these committees depends on the availability of resources.

Way forward

- change of mindset, image and policies on Africa
- an active role for Africa to inform and implement commitments reached [NEPAD, APRM and Millennium Development Goals (MDGs)]
- implementation of parliaments' commitments and development interventions
- efficient management of available resources in Africa
- establishing a code of conduct for peace and security



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Johannesburg
Constituiton Hill, 16 March-14 April 2005.

The exhibition will also visit Bisho, Bloemfontein, Cala, Durban, East London, Glenmore, Grahamstown, Tzaneen, Parliament, Phalaborwa, Pietermaritzburg, Polokwane, Port Elizabeth and Pretoria.
For details about venues and dates contact Dambisa or Mark at TCOE.

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NEPAD UPDATE

BY PROF BEN TUROK, MP
BRIEFING TO THE NEPAD CONTACT GROUP OF AFRICAN PARLIAMENTARIANS

After considering the briefing below the following issues may be considered:

- Why is NEPAD important for my country?
- Is NEPAD important for our parliament?
- Should our parliament establish a NEPAD task team? Within the parliament? Inclusive of business and civil society?
- Should the parliament report on NEPAD to the public? How?

Objectives and principles of the New Partnership for Africa's Development (NEPAD)

NEPAD is defined as "the framework for the socio-economic renewal of Africa". It is a "vision that seeks to determine the path to self-reliant development in the context of the realities of the global order."

NEPAD is not primarily an implementation agency. It is a facilitator, catalyst and negotiator.

NEPAD has as its main objective overcoming the appalling conditions prevailing on the continent, namely:

- 300 million people live on less than $1 a day
- low commodity prices for key products like coffee, cotton, cocoa, teas, sugar and various minerals
- one percent of global foreign direct investment comes to Africa
- Africa has one percent of world trade
- Africa's debt is close to $300 billion and debt reduction is very slow
- only two percent of world tourism comes to Africa

It is agreed that the following conditions are essential for development:

- conflict prevention and resolution
- strengthen institutions and capacity
- peer review of good governance

NEPAD structures

NEPAD structures were developed from 1999. The idea for a new agenda was raised in Sirte, Libya in September 1999, where it was resolved to engage with Africa's creditors on the total cancellation of Africa's external debt as a prerequisite for renewal.

At the G77 in Cuba, April 2000, Presidents Mbeki and Obasanjo were asked to engage the G8 and Bretton Woods Institutions.

In July 2000 at Lome, Presidents Mbeki, Obasanjo and Bouteflika were mandated to attempt to develop a constructive partnership with the G8, meeting the same month in Okinawa, on debt relief and overall development.

At the OAU Summit on 11 July 2001 the NEPAD programme was adopted.

The original Heads of State and Government Implementation Committee (HSGIC) of NEPAD consisted of 15 member states, three from each region: North Africa, West Africa, Central Africa, East Africa and Southern Africa. The HSGIC is chaired by President Obasanjo and two vice-chairs, presidents Bouteflika and Wade.

The Steering Committee consists of the personal representatives of the above leaders plus the AU Commission.

The NEPAD Secretariat is based in South Africa and is tasked with co-ordinating programmes and projects, mobilising technical and financial support, facilitating implementation, providing information, liaising with international partners, mobilising the private sector, and monitoring progress.

As at the end of 2003, the secretariat had 27 professional staff and eight support staff, and received R40 million funding from a variety of sources including international donors.

Implementation

Three phases have been identified: (a) visioning and policy, (b) preparing programmes, (c) implementation.

In June 2002 detailed implementation plans were created for the following areas:

- peace and security
- democracy, political, economic and corporate governance
- health
- education
- agriculture
- market access
- the environment

Actual projects have been identified in energy (hydro schemes), road and air transport, communications and water.

Agriculture and infrastructure are the priorities. A comprehensive African agriculture development programme was prepared in 2002. The NEPAD Secretariat began to engage directly with the Regional Economic Communities (RECs) and the Development Finance Institutions.

Since creating these implementation plans, NEPAD has been able to set the agenda with its domestic and external partners. It has set about creating a new partnership with the developed world and multilateral organisations, mobilising

additional resources and embarking on outreach and advocacy.

In the year ending March 2003, the Secretariat spent $628 834 on process and $3 325 008 on special projects.

African peer review mechanism (APRM)

The APRM has the following structure:

- committee of participating heads of state and government (the forum)
- panel of eminent persons
- secretariat
- country review teams

The main aim of the APRM is to accelerate progress in both adopting and implementing NEPAD, and compliance with good governance and development. Each country should develop a programme of action with time-bound objectives linked to a national budget to guide government, the private sector and civil society.

Ownership of NEPAD

It is essential that national governments align their development plans with NEPAD principles, priorities and approaches, since they are the primary agents of development. Additionally the Regional Economic Communities (RECs) are vital for co-ordination across borders. The RECs are:

- ECOWAS – Economic Community of West Africa States
- IGAD – Inter-governmental Authority on Development
- COMESA – Common Market for Eastern and Southern Africa States
- AMU – Arab Maghreb Union
- ECCAS – Economic Community of Central African States
- CEN-SAD – Community of the Sahel Saharian States
- SADC – Southern African Development Community

Following the considerable criticism of NEPAD for being a top-down process when the programme was first launched, numerous meetings have been held with a range of civil society organisations and parliamentarians in order to bring everyone on board.

Mobilising the international community

It is accepted that Africa requires a multi-faceted strategy to enhance the competitiveness of African economies. NEPAD provides a platform for doing this, as well as supporting negotiations for better access to world markets. A great deal of work has been done to facilitate a common approach in global negotiations though many problems remain. The case must also be established that Africa must become more self-reliant, while recognising the imperatives of a globalising world. Therefore, efforts to draw Africa ever more closely into a world economy dominated by the strong must be treated with great caution.

Clearly, allies must be found within the north to champion our cause within the various parliaments and in civil society. This is particularly important in free trade agreements which must not be used to entrench the advantages of the north.

Interaction with the great powers (G8)

Although the G8 have yet to give adequate attention to the renewal of Africa's development, or even to reverse the negative factors which impact on Africa's economy, it seems that NEPAD has successfully managed to reverse the downward trend in development assistance to Africa. G8 assistance amounted to $10 billion in 2002.

African leaders are in attendance at G8 meetings and there have been many interactions with the Bretton Woods institutions and other international agencies.

There are a number of new coalitions emerging, such as the G20+ and the India, Brazil and South Africa (IBSA) group. These are having a profound bearing on the multilateral global system and will have an impact on how NEPAD proceeds.

NEPAD PARLIAMENTARIANS' DELEGATION TO EUROPE

Report of a mission to Denmark, Norway, Sweden and Germany, October 2004

Delegation: Professor Ben Turok MP (South Africa), (Leader), Ms Catherine Namugala MP (Zambia), Mr Shadrack Niyonkuru, MP (Burundi), members of the NEPAD Contact Group of African Parliamentarians

Mission

The mission was twofold:

a) to enhance the understanding of NEPAD in the countries visited, and
b) to persuade our hosts of the importance of the role of parliaments in the implementation of NEPAD and enhancing development cooperation between Europe and Africa.

Activities

Denmark: Meetings were held with the Ministry of Foreign Affairs, United Nations Development Programme (UNDP)

and the Foreign Affairs Committee of parliament.

Norway: Meetings were held with the Ministry of Foreign Affairs and with the Foreign Affairs Committee of parliament.

Sweden: Meetings were held with the Ministry of Foreign Affairs and with the Foreign Affairs Committee of Parliament.

Germany: The delegation attended a conference in the German parliament and Ministry of Economic Co-operation and Development on "Good Governance in Africa: a Parliamentarians' Forum on Real Policies in North and South", hosted by InWEnt, an agency of the German government. Delegates were also invited to a discussion with the Deputy Chancellor of Germany, Mr Joschka Fischer.

The delegation had a discussion with Mrs Mongella, President of the Pan-African Parliament (PAP), about the work of the NEPAD contact group and received her full support for our work.

Discussions

The delegation argued that NEPAD is the hope of the continent and requires full understanding in Africa but also in Europe.

The current review of development co-operation and partnerships across Europe should not omit reference to Africa's parliaments since good governance cannot be encouraged without parliamentary oversight. Parliamentarians are representatives of the people without whose support and participation NEPAD will be unrealised.

It was also pointed out that we should not have an idealised notion about partnership. Partnerships may be unequal, but they imply some benefit for each party. Indeed, experience shows that, generally, development assistance from Europe to Africa invariably brings some benefits to Europe in enhancing the experience of professionals, in trading advantages and cultural experiences, among many other benefits.

It was stated that Africa is being encouraged to integrate more into the global economy, yet NEPAD has as its main objective "self-reliant development".

During the discussions, it was agreed that we need more dialogue at the personal level.

It was agreed that an approach must be found which reflects the North's concerns about security and Africa's concerns about poverty. Clearly, the world cannot avert instability if the south remains steeped in underdevelopment and poverty.

The head of UNDP in Scandinavia agreed to contact their offices in Africa to provide internet and other assistance to MPs.

At the German conference, German MPs stated that the establishment of parliamentary democracy in Europe had been a tortuous and painful process. They understood that Africa would experience similar problems. Furthermore, political parties and parliaments had a vital role in establishing a democratic order.

Mrs Mongella, president of the PAP, stated that African unity was not a new idea, but the continental vision became subordinated to national interests. NEPAD is basically an economic agenda. The African Peer Review Mechanism (APRM) is an assessment by a national team with the aid of questionnaires from the peer review panel. Good governance criteria should be applied to all institutions in Africa and not just to government.

A German official said that incomes in Europe are a hundred times greater than in Africa and profit rates are the highest in the world. Hence, German aid is now focused on the development institutions in Africa not on individual projects. The scatter gun approach had not worked. There was a dissonance between the articulated policies and what was implemented and that had to change.

Deputy Minister for Development Eid stated that Germany wanted to support African development in the interests of world peace and stability. Paternalism is over and we need two-way accountability and transparency. There had to be a joint focus on priorities.

Summing up, the convenor of the Berlin meeting said that strong governance is at the centre of the development agenda, is required of all institutions and includes attention to ethics, laws, processes and values. Development must be driven by Africans themselves, parliaments must be involved and the necessary resources supplied. The private sector also has a major role.

Findings

- there is a lack of resources for promoting a better understanding of NEPAD among African and European parliamentarians
- it seems that there is a need for much greater clarity and rigour in the development assistance policies in Europe
- we also need a clearer formulation of north-south relations generally
- we also need an overview of existing contacts and dialogue, especially on the role of parliaments in Europe and Africa
- governments and parliaments in Europe could do more to overcome negative images of Africa among the public
- questions were asked about why European agencies give more attention to NGOs than to parliaments, and more funding to NGOs than to governments

Recommendations

- since the issue of development co-operation is high on the agenda in Europe, the contact group is correct in placing economic development issues as a priority
- gender issues need to be dealt with directly
- there is a strong case for pressing for more personal contacts between African and European parliamentarians relating to development co-operation. These should not be single events but a continuing process
- the contact group will circulate a list of UN and other agency offices in Africa which will provide internet and other support to African parliamentarians
- the next meeting of the steering committee of the NEPAD contact group will be held early in 2005 in Dar es Salaam with Mrs Mongella in attendance

THE AFRICAN PEER REVIEW MECHANISM

PRESENTATION BY MRS MARIE-ANGELIQUE SAVANE
Chairperson of the Panel of Eminent Persons of the APRM, Berlin 21-22 October 2004

In keeping with the commitment of African leaders to enhance and deepen governance in Africa, the 6th summit of the Heads of States and Government Implementation Committee (HSGIC), held in March 2003, adopted the Memorandum of Understanding on the African Peer Review Mechanism (APRM) and the Declaration on Democracy, Political, Economic and Corporate Governance.

The APRM is an integral part of the African Union's (AU's) New Partnership for Africa's Development (NEPAD) and aims to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub-regional and continental economic integration through sharing of experiences and reinforcement of successful best practice, including identifying deficiencies and assessing the needs of capacity building in the areas of governance and socio-economic development.

At the 6th Summit of the HSGIC of NEPAD, held on 9 March 2003, the HSGIC recalled the decisions taken at its 5th meeting regarding the timetable for the conclusion of work on the APRM process.

At the 7th Summit of the HSGIC, held on May 28 2003 in Abuja, it was announced that 15 member states of the AU have officially acceded to the APRM, namely Algeria, Burkina Faso, Cameroon, Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Mali, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda. Mauritius became the 16th member by acceding to the APRM at the 8th Summit of the HSGIC in Maputo, Mozambique on 9 July 2003.

The mandate of the APRM is to ensure that the policies and practices of participating countries conform to the agreed values in the following four focus areas: democracy and political governance; economic governance; corporate governance; and socio-economic development. To 23 member states of the AU have voluntarily acceded to the APRM. These countries are Algeria, Angola, Benin, Burkina Faso, Cameroon, Republic of Congo, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania and Uganda.

The APRM may play a significant role in promoting courageous reforms that are needed to bring about changes in the political and economic environment of our countries, and in the living conditions of our populations. However, we are also of the view that the APRM is going to be a long learning process.

APRM principles

- National ownership and leadership by the participating country are essential factors underpinning the effectiveness of the APRM.
- The APRM process is designed to be open and participatory.
- The APRM is also guided by the principles of transparency, accountability, technical competence, credibility and it should be free from manipulation.
- It should be stressed that the APRM is not meant to exclude or punish countries. On the other hand, there is no conditionality attached to the mechanism.

Structures of the APRM

The overall responsibility of the APRM organisation and processes is vested with the Committee of Participating Heads of State and Government of the Member States (APR Forum) of the AU who have voluntarily chosen to accede to the APRM.

A Panel of Eminent Persons has been appointed to exercise the oversight function over the APRM, to ensure its integrity, independence and professionalism. The seven

members of the APR panel are:
Mrs Marie-Angelique Savane, from Senegal, chairperson;
Professor Adebayo Adedeji from Nigeria;
Ambassador Bethuel Kiplagat from Kenya;
Dr Graca Machel from Mozambique;
Mr Mourad Medelci from Algeria;
Dr Dorothy Njeuma from Cameroon;
Dr Chris Stals from South Africa.

The APR panel is assisted by the APR secretariat which provides the secretarial, technical, co-ordinating and administrative support services for the APRM.

The APRM process

The APR process will entail periodic reviews of the policies and practices of participating states to ascertain progress being made towards achieving the mutually agreed goals and compliance in the four focus areas of the APRM. These periodic reviews are called country reviews. The mechanism and processes of the review could be summarised in the following stages:

- in the preparatory stage, the national commission conducts its self-assessment against the set of questionnaires in the four focus areas of the APRM, and the country drafts its national programme of action
- the APR team conducts the country visit under the leadership of the APR panel to carry out a wide range of consultation with key stakeholders of the country, including among others government officials, parliament, civil society, unions, private sector and the media
- the country review report is drafted by the APR team, and is first discussed with the government
- the country review report is sent to the APR panel with the remarks and comments of the government. It is then submitted to the committee of participating heads of state and government (APR Forum) for consideration and recommendations to the reviewed country

It is anticipated that the timeline for these processes will vary considerably from country to country depending on country specificity. But the estimated duration of each peer review from the start of stage one and the end of stage four should be between six and nine months.

Achievements of the APR panel

Overall, the APR panel has made significant progress over the last few months in laying the foundation of the APRM. Memoranda of Understanding (MOUs) have been signed with the strategic partner institutions such as the African Development Bank (ADB), Economic Commission for Africa (ECA) and the United Nations Development Programme's African Bureau (UND Africa Bureau). Working relations have also been built with resource institutions.

Country Support Missions

The APR panel and the APR secretariat have developed a strategy to assist countries, on request, to prepare for and participate in the APRM. It is anticipated that a number of participating countries might, at the outset, need support and reinforcement of capacities from the APR panel and secretariat. The aim of the country support mission is to interact with stakeholders and launch the review process by signing a technical MOU with the government.

Four country support missions have been fielded as follows:

- Ghana: May 24-29, 2004 led by Dr Chris Stals, Eminent Member of the APR panel
- Rwanda: June 21-24, 2004 led by Madame Marie-Angelique Savane, Chairperson of the APR panel
- Mauritius: June 28-30, 2004 led by APR panel member Mourad Medelci
- Kenya: July 26-27, 2004 led by Dr Graca Machel. Ambassador Bethuel Kiplagat Vice-Chairperson of the APR panel also participated in the mission

Overall, the support missions provided an opportunity to interact with various national stakeholders. A technical workshop was organised in all four countries with the participation of key national stakeholders, including among others government representatives, public administrations, the private sector and business community at large, NGOs, unions and the media.

In addition, the support missions served the purpose of encouraging the consolidation of the political commitment at the highest levels in the implementation of the APRM process, and also to prepare a roadmap for their review.

The country support missions were conducted with the active participation of experts from the strategic partner institutions, namely the African Development Bank, the UNECA and the UNDP.

The reports of the support missions have been circulated to the APR panel. The reports of the first four country support missions were also sent to the concerned countries (Ghana, Rwanda, Mauritius and Kenya) and to the strategic partner institutions. However, they have not yet been circulated to the other participating countries. It is planned to organise a series of workshops for the sake of peer learning and exchange of experiences among participation countries. The UNDP has graciously offered the African Governance Forum (AGF) as an opportunity to review the process and allow the different stakeholders to learn, and exchange on best practices. The next AGF is planned for March 2005.

Lessons learned and challenges

There is a certainty that the support missions helped create a common understanding of the APRM processes, philosophy and instruments. They also contributed to increase stakeholder awareness and incentive to participate in the APR process.

The key issues emerging from the first country support missions may be summarised as follows:

Preparation for the support mission: Adequate preparation is crucial for the success of the support mission. The national

preparatory process needs to be at an advanced stage prior to receiving the support mission. This includes: establishment of a national commission; sensitisation of various categories of stakeholders; proposal of a timeline of activities for the entire review process at national level; onset of technical work on the questionnaire; and identification of research institutions and specific activities to be accomplished during the support mission.

The national coordinating structures: The national commission and the governing council are the two bodies within the participating countries. The national commission represents the multi-stakeholder forum for developing consensus on the country's self-assessment and for creating ownership of the draft preliminary programme of action. The national commission is also a body that will follow up on the implementation of the recommendations arising from the country review. Each member of the national commission represents a group of constituencies.

The governing council, on the other hand, is made of independent people designated by the government. These outstanding people have commissioned four leading institutions to work on the questionnaire and draft the country self-assessment. The leading institutions report to the governing council.

No government official is represented within the governing council. The criteria of selecting stakeholders and the modalities of their participation in the self-assessment process are still to be clarified. This may raise the issue of stakeholders' ownership and leadership in conducting the self-assessment and the draft programme of action.

While flexibility should be allowed to countries with respect to the establishment of their national co-ordinating structures, care should be taken with regard to the stakeholders' ownership of the process and its sustainability during the implementation phase.

The panel is debating which format fits the philosophy and the core principles of the APRM.

The National Programme of Action: A number of countries have raised concerns about the national programme of action. One government has shown reluctance towards embarking on a new programme of action as it has already had an action plan at various stages of implementation.

The panel is looking into the relationship between the national programme of action as a requirement of the review process and the country's ongoing action plans (e.g. PRSP).
The convergent view on the matter is the resolution to distinguish the national programme of action for the APRM and national development plans.

Unlike the development plans, the national programme of action for the APRM is the product of the consensus which emerged from the dialogue among various stakeholders within the national commission. This programme of action provides stakeholders with the ways and means to correct weaknesses and to improve the quality of governance in the country. It is meant to commit all stakeholders (government, private sector, civil society) on the mutual responsibility and accountability that boost social change in the country.

The questionnaire and the format of the country self-assessment: During the country support missions, questions were raised with respect to the format of the self-assessment. There were concerns whether the self-assessment is limited to filling out the questionnaire or if the country should draft a narrative report based on the questionnaire.

Introductory notes of the questionnaire are very specific on this matter as it is mentioned clearly that the questionnaire is only a tool to be used in drafting the self-assessment.

Some questions and indicators as outlined in the questionnaire are complex, and a number of countries have undertaken a sort of household survey in order to facilitate the broad-base participation of all national stakeholders. Countries are free to break down and recast this questionnaire to reflect country-specific material issues that may not be covered in the questionnaire. Some countries have also offered to have the questionnaire translated in key national languages for broader stakeholder participation. Although countries may break down and recast the questionnaire to reflect their own contexts, this should be done in a manner that will facilitate the collation of results and cross-comparison among countries.

Further, countries should feel free to elaborate beyond the questionnaire according to the nature of issues and the context of the country.

The issue of capacity constraints: Besides the resource constraint that is raised across the board, human internal capacity has been identified as an issue that countries are facing during the self-assessment. Countries may require the assistance of policy and research institutes from another African country to oversee and add value to their self-assessment.

Some flexibility should be allowed to countries that have capacity constraints to approach either partner institutions for technical assistance or work with reputable policy and research institutions from African countries to improve the quality of the country self-assessment.

Sensitisation of Stakeholders: Efforts must be made to sensitise stakeholders so as to create awareness and ownership of the process. Key stakeholder groups such as cabinet, parliament, the judiciary, the private sector, the youth, women's groups, civil society organisations, the media etc must be engaged and sensitised with regard to the APRM. Targeted efforts must also be made to involve stakeholders at the grass roots, marginalised groups, rural and urban poor.

Funding and availability of resources: The APRM is a lengthy and involved process with a number of cost centres.

For example, there has to be a fully equipped secretariat to service the national commission, documents may need to be copied, translated and disseminated, workshops and other sensitisation activities could be undertaken. In addition, the technical lead agencies may need resources for facilitating the self-assessment process. A number of countries have raised questions relating to funding for the APRM.

The matter of availability of resources must therefore be taken into account, including anticipating APRM financing in the national budget. Development partners may also be engaged provided that this is done in a co-ordinated way, preferably in the context of the national commission.

Best practice and sharing of experiences: Opportunities for sharing of experiences among participating countries will be available. For example, through inviting observers from countries due to receive a support mission, or by participating in support missions to other countries. Best practice models in terms of models of commission, organisation of the participatory process and other aspects of the self-assessment may also be showcased. In addition, it is intended to organise workshops at various intervals of the process for countries to share experience. However, this should be done under the aegis of the APR panel.

Implementation phase

The implementation phase starts when countries receive the recommendations from the APR forum and draft a roadmap containing the steps to be taken to address the weaknesses and the priorities of the country in addressing the identified problems.

At this stage, the country will need assistance from other countries in terms of peer learning. From the development partners, the country will need financial and technical assistance in implementing reforms.

ECONOMIC PARTNERSHIP AGREEMENTS

BY ROB DAVIES MP AND DR PAUL GOODISON

Rob Davies is the Chair of the Finance Committee of the South African Parliament. Dr Paul Goodison works for the European Research Office in Brussels

(This article is written in an individual capacity and does not represent the views of any institutions)

Introduction

In May 2004 the European Union (EU) and seven countries of the SADC-EPA negotiating configuration (Botswana, Lesotho, Namibia, Swaziland, Mozambique, Angola and Tanzania) met in Windhoek to begin negotiations on a new trade arrangement to replace the current non-reciprocal Cotonou trade preferences which will lapse on December 31, 2007. South Africa, which concluded a separate bilateral Trade, Development and Cooperation Agreement (TDCA) with the EU in 1999, participated in the negotiations as an observer.

The EU favours the negotiation of what are called "economic partnership agreements"(EPAs). What precisely these arrangements will entail is as yet unclear. The European Commission claims that EPAs, which will introduce reciprocal preferential trade arrangements (in which each party grants trade preferences to each other), are primarily geared towards promoting economic development in African countries. Considerable emphasis is also placed on ensuring the compatibility of any future trade arrangements with WTO rules and on ensuring that any future arrangements contribute to sustainable forms of poverty focused development. However, at times it is very difficult to pin down how EPAs are in any way different from standard WTO-compatible free trade area arrangements, which would require the least developed countries to give up their rights to non-reciprocal trade preferences and which would abandon concepts of special and differential treatment for developing countries.

Against this background this article seeks to explore how a truly development orientated EPA with the SADC-EPA configuration might be structured. The article looks at three dimensions: the negotiations around reciprocal preferential access for EU exports to southern Africa; the negotiations around future access for southern African exports to the EU markets; and how the development dimension can be incorporated into all aspects of the proposed agreements.

Negotiations on duty-free access for EU goods

The negotiations with the EU on tariff reductions on EU exports to the SADC-EPA configuration should, perhaps surprisingly, be rather straight-forward. South Africa has already concluded a free trade area agreement with the

EU (as part of the TDCA), which sets out a programme of phased tariff removals and reductions on EU goods entering the SACU market. Because of the Customs Union between South Africa and the four other SACU countries (Botswana, Lesotho, Namibia and Swaziland) these tariff cuts on EU imports will apply de facto to the BLNS countries as well as South Africa. Mozambique, Angola and Tanzania, for their part, are classified as least developed countries and are thus entitled under the EU's "Everything but Arms" (EBA) initiative, which is fully compatible with WTO rules, to non-reciprocal duty-free access to the EU market. There is no reason why these countries should not be allowed to continue with this arrangement, leaving any reform of their tariff policy as a matter of national policy and multi-lateral WTO obligations.

The issue of "opening up" the SADC-EPA configuration to EU imports has thus largely been settled, and there should be nothing more of any real significance to negotiate in terms of further access to EU imports to this region. Acknowledgement of this should clear the way for negotiations on this aspect to focus on the all-important development dimension of reciprocity. In this context there are a number of issues which should be addressed. These are:

- the negotiation of swift and simple pre-emptive safeguards for products deemed sensitive. This is an issue of particular importance given the impact the reform of the EU's common agricultural policy (CAP) is having on the price competitiveness of EU exports (e.g. average EU cereals prices have fallen 46 percent since 1992 while durum wheat prices have fallen 57 percent)
- the establishment of targeted programmes of restructuring assistance to BLNS enterprises and sectors facing increased competition from EU exports, as tariffs are reduced and eliminated
- the establishment of targeted programmes of assistance to fiscal restructuring designed in the light of the revenue losses, which will result from an elimination of duties on substantially all imports from what is the region's major trading partner.

Addressing these three issues would constitute a strong development dimension to the negotiations on reciprocity in the specific context of the SADC-EPA configuration.

The negotiations on enhanced real preferential access for SADC exports to the EU

If EPA negotiations are to have any positive developmental impact, they will have to significantly enhance real (as distinct from merely formal) access of products from the SADC-EPA configuration to the EU market. Four dimensions will need to be addressed. These are:

- tariffs
- non-tariff barriers (sanitary/phytosanitary standards and administrative barriers to trade)
- rules of origin
- the impact and consequences of CAP reform for the value of preferences granted.

In terms of tariffs on future exports to the EU, the provisions applying to South Africa have already been established under the TDCA. The provisions to be applied to Mozambique, Angola and Tanzania (MAT) and Lesotho - as least developed countries - are those applicable under the EU's EBA initiative. This provides for complete duty-free access by 2008 for all "originating" exports from these countries, except arms and munitions.

For Botswana, Namibia and Swaziland it should be noted that in October 2003 the European Commission proposed to the EU's key trade committee - the so-called Article 133 Committee - that once economic partnership agreements enter into force, the ACP states involved in the EPAs should be granted market access equivalent to that applied under the EBA initiative (that is full duty- and quota-free access after 2008). Since Botswana, Namibia and Swaziland are fully-fledged members of the ACP group, the EU should be requested to live up to this commitment by immediately introducing full duty-free access for Botswana's, Namibia's and Swaziland's exports, since these countries are already subject to the reciprocal obligations of an economic partnership agreement (the EU-South Africa TDCA) which is already under implementation. Such a move would encourage South African investment in these economies in sectors where South Africa itself does not enjoy full duty-free access to the EU market under the TDCA. This would generate jobs and growth in these smaller regional economies.

In terms of non-tariff barriers such as SPS measures the EU should be requested to enter into commitments at four levels:

- entering into a dialogue on standard setting
- supporting the establishment of programmes to provide assistance to enterprises in meeting the costs of compliance with EU standards (in line with the types of programmes established within the EU to assist EU farmers and food sector enterprises to which €248 million has been allocated under the EU's 2004 budget)
- supporting the creation of the institutional structures for the effective verification and certification of compliance with EU standards
- addressing transitional problems which arise e.g. under the current EU pesticides review.

This would constitute a strong development dimension to the negotiations on market access. Such programmes of assistance could best be established at the sectoral level and should be open to enterprises in Botswana, Lesotho, Namibia, Swaziland, Mozambique, Angola and Tanzania. In addition a dialogue should be initiated on removing administrative barriers to trade.

With regard to the rules of origin to be applied to the countries in the SADC-EPA configuration, full cumulation should be allowed as is currently the case for ACP countries under the Cotonou Agreement. This would allow greater use to be made of South African raw materials and intermediate products in the production of goods in neighbouring

countries for export to the EU market. Such full cumulation should be allowed regardless of the trade arrangements under which the exports take place (the new EPA or the EBA arrangement for least developed countries). Here again this should encourage South African investment in these economies in sectors where South Africa itself does not enjoy full duty-free access to the EU market under the TDCA, supporting job creation and growth.

It will be essential to enter into a dialogue on the impact of CAP reform since the overall objective should be to promote real market access preferences. Currently the benefits of market access are being undermined by a process of CAP reform which is systematically reducing the price of agricultural products on EU markets, by transforming the basis for extending public assistance to the agricultural and food processing sector in the EU. This will be particularly sorely felt in Swaziland where the revenue earned on current exports as a result of EU sugar sector reform could fall by up to 40 percent per annum, an amount exceeding the last five year's EU aid allocation to Swaziland.

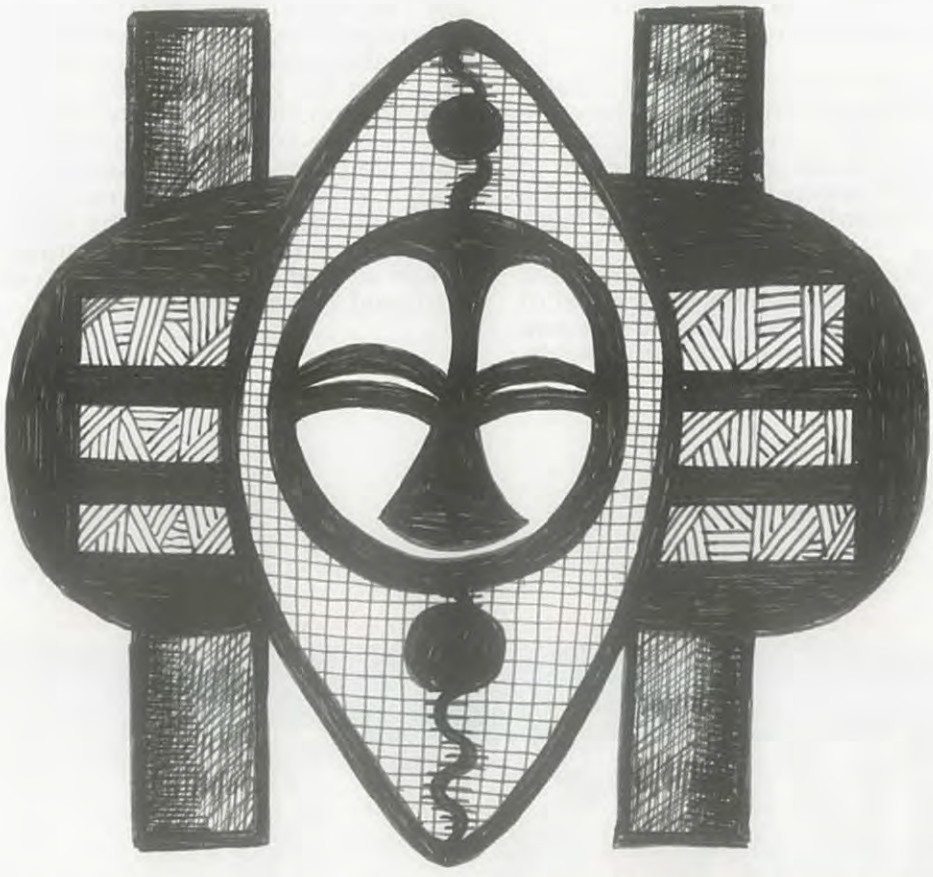
Negotiations on the development dimension

Since the aim of the agreement is supposed to be to ensure the opening up of real opportunities for growth and economic transformation of ACP economies (particularly with regard to market access opportunities in the EU), the above approach will allow most attention to be paid to the development dimension of the agreement geared towards removing the supply side constraints on competitive forms of production in countries of the SADC-EPA configuration.

It will allow negotiations to focus on what types of co-operation need to be established to ensure that the supply side constraints in Botswana, Lesotho, Namibia, Swaziland, Mozambique, Angola and Tanzania are progressively removed so that enterprises in these countries can increasingly add value to local and imported products destined for national, regional and international markets. The overall objective will be to progressively promote the structural economic transformation of these economies in the context of the emerging southern African regional economic configuration.

Since these co-operation programmes will need to be multi-dimensional, aimed at addressing the specific supply side constraints faced in each of these countries, a detailed assessment of the requirements is beyond the scope of this paper.

A framework will nevertheless need to be established for an ongoing dialogue with the EU on the priorities to be addressed within this approach within a rolling programme of EU assistance to the countries of the SADC-EPA configuration.



The Safer Festive Season Programme

The second SAFER FESTIVE SEASON programme, an anti-crime prevention initiative from the Western Cape Minister of Community Safety, Leonard Ramatlakane, has established itself to be so triumphant, that Minister Ramatlakane's distinct action is that it will be maintained for the future and extended to all of the 168 police stations in the province.

On release of the results for the 2004/2005 campaign, Minister Ramatlakane and Provincial Commissioner Mzwandile Petros – once again showed that the design of integration between the department, SAPS, City Police, City Law Enforcement agencies, civil society organisations and communities – put a stranglehold on serious violent crime two years in a row.

In realising the goal of bringing about a Safer Western Cape the Department has seen the value in engaging the public into the structure of detecting solutions and attaining the objectives of the Bambanani philosophy in dealing with the confrontations of wrestling crime at street level.

Minister Ramatlakane emphasised his successful model with a reflective statement, 'As a result of our success with this campaign in the last two festive seasons, crime such as murder, dropped by 34% in 41 targeted stations during 2003/4 and with the 2004/5 festive season we targeted 75 areas and even there, we managed to bring down crime, especially murder by 23% in the targeted areas and by 14% provincially.'

Echoing the sentiments of the Western Cape Premier Ebrahim Rasool, Ramatlakane added that the campaign had immediately paid dividends in closing liberties for villains and the public's influential role in determining the path government needs to charter in combating law-breaking.

Priority stations like Khayelitsha, Nyanga, Mitchell's Plain, Kuilsriver and Gugulethu which contribute more than 75% of contact crime, such as murder and attempted murder has declined by 23.4% and 15% respectively. Minister Ramatlakane added that drug related crimes have positively increased by 54. 6% in the east Metropole, by 54. 9% in the West Metropole, 80. 7% in the Southern Cape and 84. 3% in the Boland. 'The increase in drug related busts is a positive sign because this indicates that it is a result of the police lead operation, confiscations and arrests', he added. Provincial Commissioner Petros supplemented that police would also amplify limitations on crime in rural areas and in farms.





The nine core projects successfully implemented and executed were:

- **Community Based Activities** such as arts, sports music and skills development for participation during the period as a crime prevention vehicle. In the 245 sponsored activities approximately 169 110 people were directly reached.
- **Safety on Trains** – a joint initiative between Departments of Public Works and Community Safety – ensured the protection of commuters on trains and platforms using a total of 692 Neighbourhood Watches.
- The **Arrive Alive** focus on traffic violations preventing road fatalities deployed 128 volunteers and even included 24-hour mobile courts in George and Beaufort West to deal with significant offences.
- The visible policing on identified beaches and the successful restrain of alcohol consumption on beaches made the **Safety on Beaches** programme successful as it additionally encouraged youth to stay crime free in active participation in sport and educational programmes. **The Youth on Beach** project created a relationship between the Department of Community Safety and the Department of Cultural Affairs, Sport and Recreation.
  Other schemes included **Safety of Women and Children**, **Special Neighbourhood Deployment**, **Monitoring of Shebeens** and **Safety on Farms**. On the farms, Watches trained at the Chrysalis Academy were recruited to assist the farming community. The shebeen control monitored opening and closing times through neighbourhood watches and SAPS to shrink occurrence of crime.
- The awareness raising programmes to reduce violence against women and children demonstrated the ability to forge partnerships in identified communities through NGOs and the increase in police visibility.

On Saturday February 5, 2005 the Department of Community Safety Minister Leonard Ramatlakane, Commissioner Petros and Premier Ebrahim Rasool acknowledged the contribution of the 4000 ordinary men and women of the Western Cape in making the 2004/2005 Safer Festive Season programme a huge success at the Mew Way Hall in Khayelitsha.

The successful inventiveness by the Department of Community Safety with other governmental departments, NGOs, SAPS and volunteers made the Western Cape Province **'A Safer Home for All.'**

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A Safer Home for All

Festival Season

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THE BUSH DOCTRINE AND AFRICA

BY CHRIS LANDSBERG
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Prior to September 11, 2001, American policy towards Africa, and multilateral engagement in general, was characterised by considerable ambivalence. After September 11, there is less ambiguity: ambivalence has been replaced by an aggressive anti-terrorist grand strategy. Just like the US pursued a containment strategy against the Soviet Union for some 50 years, so it is likely to pursue a 50-year long anti-terrorist strategy. This strategy will continue to have significant fall-out for multilateralism and peace support operations, not only in Africa, but throughout the world. Consider for example the US stance on the International Criminal Court (ICC): it described the ICC as an unaccountable body. In Kananaskis, with the G-8 summit in 2002, it was the US and Japan that really behaved like the spoilers vis-à-vis NEPAD and the US that wished others would support the war on terror or receive little American support.

Whereas the expectation was that the US would become a more sensitive global power after 9/11, under the current administration it became a less sensitive power. Whatever African, Arab or even European criticisms there are against, or opinions of, the war against terrorism, perception has it that the US doesn't care. For the Bush administration, it is all about convincing the US public about their cause, not the rest of the world. The message was that the rest of the world doesn't really matter.

While Mr Bush and his cabinet stressed the war on terror, President Mbeki and others have been at pains to stress that not only terrorism, but other factors like global inequality and poverty need urgent redress.

We run the risk that engagement in Africa, including US support for peace support operations, will gradually be made conditional upon Africa coming on board the US anti-terrorism crusade. Instead of multilateralism, the US is already showing a greater propensity for unilateralism. Even before September 11, powers like France, Germany, China and Russia complained about Bush's unilateralism.

Prior to September 11, US interest in Africa was defined as follows: prosperity in terms of promoting and encouraging trade, economic integration and foreign investment; democratisation in the sense of promoting democratic stability and the rule of law; and security in terms of addressing the challenge of transnational threats (terrorism, crime and arms proliferation). After September 11, the priorities had fundamentally altered: it is now all about terrorism and oil.

The Bush doctrine

On June 1, 2003, US President Bush announced the Bush doctrine, which fundamentally goes against the very grain of 40 years of containment doctrines, and the post-Cold War liberal internationalist strategy. It is a revolutionary new doctrine based on pre-emptive wars against all those suspected of fermenting terrorism, and backers of terrorists. Bush claims that there are terrorist cells in 60 or more countries which could become targets against US political, economic, and military interests. South Africa is included in such a list.

A second key aspect of this doctrine is that the Bush administration would strengthen co-operation with all major powers, including Russia and China, to solve regional conflicts and defeat terrorism.

Third, the US would "promote moderation and tolerance and human rights" so that requirements of freedom apply more fully to Africa and Latin America and the entire Islamic world. The architect of the Bush doctrine is Richard Haas, who is playing the role George Kennan played in 1947 when he proposed the containment strategy. The new strategy is clear: "to integrate other countries and organisations into arrangements that will sustain a world consistent with US interests and values, and thereby promote peace, prosperity and justice as widely as possible." So, the strategy is this: unilateral when we can; multilateral if we have to.

The US sought to support many nations, including key ones in Africa, to provide military bases and intelligence in the fight against terrorism. While the strategy still supported "pivotal" states like South Africa and Nigeria, it also supported selective anti-terrorist pliant states like Kenya, Egypt, Ethiopia and Algeria specifically because of their purported roles in fighting terrorism in Somalia and Sudan, and because of their own battles with so-called "Islamic fundamentalists".

Prior to September 11, the view was that the US was the world's "indispensable nation", punctuated by a general feeling that the world is indeed fortunate to be dominated by a democratic superpower like the US, that American power is a force for good in the world, and that US allies cannot do without American involvement in the affairs of their

regions. After September 11, the view is that the world has a vital interest in helping to safeguard the security, and fight the threats to the security, of this "indispensable nation" - AMERICA.

There are two dominant world-views emerging. America's geo-strategic hegemony is contrasted with, for example, South Africa's reluctant hegemony. South Africa will remain very sensitive not to be seen as a regional "big brother", or "giant" in Africa. This should not conceal the objective fact of overwhelming South African dominance in SADC in particular and in Africa as a whole. But South Africa prefers to manage its dominance through stressing partnerships.

Where American multilateralism is accompanied by a unilateralist impulse, South Africa's strategy reflects an ingrained multilateralist impulse. South Africa plays the role of the "anti-hegemon" to America's hegemony. For Pretoria, this rendition of the "good hegemon" means carrying the rest of Africa's baggage in pursuing its own "national interest" agenda in its dealing with the US and in the international community at large. Further, for South Africa, multilateralism serves a fundamental strategic interest of integrating South Africa, long isolated from the continent by apartheid, into the rest of Africa via SADC - instead of integrating the rest of Africa into South Africa.

Security in Africa: the African Crisis Response Initiative

The saga of the African Crisis Response Initiative (ACRI) is a good example of how, in the security field, American multilateralist intentions can feed perceptions of super-power unilateralism. While the underlying well-intentioned motivation regarding ACRI was essentially multilateralist, its initial birth as a policy initiative was methodologically unilateralist. That initiative landed it in trouble until a more multilateralist approach was adopted to retrieve it from utter failure.

Fearful of a domestic backlash to US involvement in UN operations like Somalia, expressed through a US Congress that was highly sceptical if not hostile to the UN, the Clinton administration quickly became a major inhibiting force in future UN interventions in Africa. Moreover, not only should American troops be spared the risk of a repeat of the humiliation suffered in Mogadishu, African troops should similarly be spared such risks. Rwanda became the first post-Somalia backlash victim. The horrendous magnitude of the Rwandan genocide generated yet another reaction in the Clinton administration's Africa policy which resulted in its hasty launch of the ACRI.

A well-meaning initiative intended to support African peacekeeping capacity-building, it came up short in its presentation to South Africa. This was because the ACRI idea had not resulted from a prior process of consultation with prospective African partners. Omach furthermore asserts that the ACRI initiative failed to anticipate that in "states where threat to national security is largely perceived as emanating from external sources were generally reluctant to participate in ACRI". Omach goes on to attest that "the practical feasibility of establishing an African Crisis Response Initiative was received with scepticism". ("The African Crisis Response Initiative: Domestic Convergence of National Interests", January 2000)

ACRI came across as a "take it or leave it" fait accompli which was bound to be rejected by a South Africa that was, and remains, sensitive to being perceived by other African states as doing Washington's bidding on the continent. Described by some Washington observers as a "panic" response to an anticipated emergency in Burundi that might follow the genocide in Rwanda, the initial ACRI proposal also had not involved consultations with likely European - as well as African - partners. Further, the timing was bad since it surfaced on the eve of the 1996 presidential election and was conveyed by a secretary of state who was making a "swan song" maiden voyage to Africa. Also prejudicing the ACRI message was the US "campaign" against then UN Secretary-General Boutros Boutros-Ghali, a campaign abrasively spearheaded by Clinton's envoy to the UN, Madeleine Albright.

America's unilateral doctrine also has an impact on its development policy. Aid will be made conditional on fighting terrorism, and those who fight unambiguously along with the US will be rewarded with preferential treatment. This is the case because Africa's stabilisation involves African partners and other donor countries through burden-sharing. The implications for NEPAD are vast. This is the real challenge to NEPAD. Africa's leaders spearheading NEPAD, the continent's own liberal Marshall Plan-type blueprint, will have to deal with a very cynical, reoriented US. For example, while Africa will go with an action plan to solicit G-8 support for capacity building and strengthening the continent's regional and sub-regional organisations to better make, keep and enforce their peace, the US will be asking its allies for $10 billion to fight terrorism.

South Africa: Watch out for the Euro-American power struggle!

South Africa must be careful not to become embroiled in a Euro-American power struggle. Indeed, given its history and role in Africa, the French factor presents another dimension to the issue of American hegemony and unilateralism, and it has this in common with the US. France has long sought to offer itself as an alternative model of influence and leadership on the international stage, in particular seeing itself as an African power. France has sought to parley itself into a special relationship with both South Africa and Nigeria.

South Africa should watch out. It should pursue an independent posture. South Africa should carefully navigate between the liberal, internationalist, superpower anti-terrorist embrace of the US, and the embrace of France as a neo-colonial power arrogating to itself a special role in Africa linked to its cultural exceptionalism. Thus far, Pretoria appears to have been especially attuned to the motivations both of America's aggressive hegemony and French realpolitik as well.

France clearly has an obsession with American hegemony. This is instructive in trying to decipher what may lie beyond the perceptions of American hegemony. This obsession has taken on added force during the period of cohabitation between Gaullist President Jacques Chirac and Socialist Prime Minister Lionel Jospin, and Jospin's highly expressive foreign minister Hubert Vedrine.

The French-US ambivalence, as articulated in Vedrine's obsession with American hegemony, may help to place in perspective the question of American unilateralism as it relates to Africa, and the role that Pretoria and Abuja are seeking to carve out in the affairs of the continent. Both Rwanda and Burundi are seen as becoming increasingly close to Washington, and Pretoria has to navigate this.

In the pecking order of world politics, Vedrine, according to Judt, offers the following stratification: Vedrine... divides the world into five categories of state: a "hyperpower" (of which more below); powers with "worldwide influence" - France, Great Britain, Germany, Russia, China, Japan and India; mere "powers" - e.g. Mexico, Australia, Egypt, Spain and Italy; "powerless states" (or "mere states"); and "pseudo-states." The pseudo-states, including much of Africa, Asia, and, one suspects, Eastern Europe, get no further attention. "Mere states" - Belgium, Sweden, Portugal, Austria, etc - are dismissed with the observation that they have "no means of influencing the situation around them." The Scandinavians in particular are condemned with a sniff: concerned with justice, social and moral, not with "Europe-puissance."

This is all suggestive of globalisation as America's imperium, which Vedrine sees "most assuredly as a 'project'" though, as Judt says, it also suggests that Vedrine "deeply misunderstands the nature of America's undoubted global hegemony." Whereas the US has global power, Washington "lacks a conception of what such power means, and what to do with it," something that French public figures like Vedrine - and here he might add most non-Westerners as well, especially the still reflexively anti-imperialist political classes of Africa, Asia and Latin America, including South Africa obviously - find hard to believe. Because of a convergence in thinking, this is where France's geo-cultural political-economic strategy is often able to make anti-American inroads among such elites, although in Africa this has not retarded the momentum of American influence. Yet, Vedrine's anti-Americanism strikes a chord in much African thinking and converges with the sensitivities of South African leaders who do not want their country to be seen as "the gateway" to America's penetration of the continent.

African pragmatism

Because of America's undoubted hegemony and the unilateralist impulse, the mindset represented by Vedrine can lead to a ruling-out of options by other state actors that might benefit global peace and security. On the African front, however, there has been a display of pragmatism in engaging the US that may nurture a more multilateralist approach to Africa by Washington, and South Africa should continue to keep the door open. This is largely based on the new-found proactive leadership displayed by South African President Thabo Mbeki and Nigerian President Olusegun Obasanjo. They have spearheaded a campaign aimed at ensuring that Africans assume more responsibility and mutual accountability for the continent's future, and used this as a basis for engaging with the US and other powers of "worldwide influence" like France. This is where Judt's contention that the US has no conception of what its global power means, and what to do with it, can represent a window of opportunity for the type of leadership being displayed by Mbeki and Obasanjo who, along with Algerian President Abdelaziz Bouteflika, were in the vanguard of the OAU's Millennium Africa Recovery Plan (MAP).

A key aspect of South Africa's policy has been not come across as the "surrogate" of Washington in Africa. We should now look forward to a battle between Washington and Pretoria, in which South Africa will challenge American unilateralism and continue to push for American multilateral engagement.



THE EDUCATION FOUNDATION TRUST

Commitment to the policy objectives of Education for All (EFA) and the Millennium Development Goals (MDG), which include universal primary education, provision of quality education and redressing inequalities, calls for African countries to formulate effective and appropriate policies, judicious allocation of resources and monitor and track their implementation. One key strategy to achieve high quality Education for All is the use of management information systems and tools. These form the basis for rigorous planning, modelling, monitoring and budgeting techniques. It is recognised that governments can improve their policy environment and their attainment of policy goals by encouraging the use of quality information in the policy process. The Education Foundation Trust (EFT), a non-governmental organisation established in 1990 supports and advocates the establishment and effective utilisation of integrated Education Management Information Systems (EMIS).

Its primary objective is to promote and build capacity in the use of data and information for planning, budgeting, decision-making (at various levels of the education systems), monitoring and measuring the impact and performance of the education system in South Africa and the rest of Africa. Since its establishment, the EFT has been the predominant provider of education data and value-added information in the field, pioneered policy modelling and scenario development, supported the growth and formal establishment of the EMIS function with training and skills development, and pioneered the use of Geographic Information Systems (GIS) in education planning in South Africa. In recent years, it has also undertaken projects on monitoring and evaluation, impact of HIV/AIDS in the education sector and training in education budgeting and financial management.

Today the EFT is governed by a group of eminent trustees and is lead by Ms Lomthandazo Mavimbela, the Executive Director, an economist by profession with extensive knowledge and experience of education policy and planning issues in the southern African region.

Its core business is in the following areas:

Education management information systems. The EFT has assisted in setting up EMIS systems in four provincial departments of education in South Africa and through a project on District Development Support Programme has been instrumental in piloting a school and district education management information system.

- Policy support, interpretation and implementation. The EFT has undertaken a number of projects to facilitate the implementation of policies such as the Norms and Standards for School Funding. Recently, it has provided technical support in the finalisation of the National Education Information Policy promulgated in August 2004 and the development of standards for the implementation of the policy.
- Education information dissemination. EFT through a collaborative agreement with the Department of Education maintains a database on schooling systems in South Africa and a perform query service on behalf of the public per request.
- Training and capacity building. EFT undertakes training in EMIS, school financial management, and so forth and provides capacity support for national and provincial departments. It is part of the SADC Centre for Education Policy Development, Planning and Implementation and through this collaboration has provided training to other countries in southern Africa.
- Research, data analysis and information collection: EFT conducts surveys and research, and develops reports for clients.
- Monitoring and evaluation. The EFT also undertakes evaluation of projects.

SERVICES

The Education Foundation Trust offers a range of services to a wide range of clients and partners. These are:

- Technical assistance in EMIS,
- System development,
- Policy support and analysis,
- Training and capacity building,
- Research:
  - Conducting surveys
  - Data manipulation and analysis
  - Assessments and evaluation
  - Monitoring and evaluation
  - Geographical Information System (GIS). This is a tool that facilitates school mapping, planning and spatial information to support the move towards equal access to education.

Contact details:
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THE EDUCATION FOUNDATION

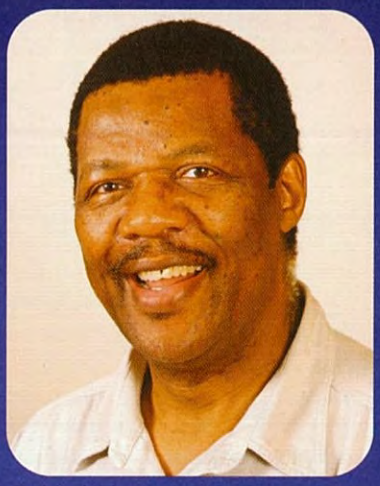
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MISSION

To cost effectively enhance public service delivery through Information and Communication Technology.

OBJECTIVE

The objective of SITA is to provide Information Technology, Information systems and related services in a maintained Information systems security environment, to or on behalf of participating departments and organs of State and in regard to these services, act as an agent of the South African Government. To achieve its objective, SITA may perform certain functions as prescribed in the Act.

VISION

To be a global leader in Public Sector Information and Communication Technology.

VALUES

- Service Excellence
- Transparency
- Integrity
- Fairness
- Prudence
- Innovation

BACKGROUND

The company came into operation on 4 April 1999 as a result of the SITA Act (Act 88 of 1998).

The primary reasons for the creation of SITA were the Government's difficulties in:

- Recruiting, developing and retaining skilled IT personnel;
- Managing procurement and ensuring that the Government gets value for money;
- Using IT to support transformation and service delivery;
- Effectively utilising expensive IT resources; and
- Integrating IT initiatives.

In short, SITA was established to consolidate and co-ordinate the State's information technology and information management interests.

In line with the mandate from the Shareholder and the Board of SITA, the executive management has in earnest begun implementing the recently adopted SITA strategy. This Turnaround Strategy is geared towards ensuring that SITA focuses its resources, both human and capital, towards speedy delivery on the "Must Do" areas as captured in the SITA Amendment Act of 2002.

The Turnaround Strategy is informed by the following Strategic imperatives:

- Radically improve service delivery to our clients;
- Prioritise citizen-focused projects and engage clients to build and execute a SITA value proposition;
- Drive the best demonstrated practices in people management and leadership;
- Overhaul internal and external communications to improve transparency, visibility and image;
- Build an appropriate organisation structure and team to achieve our strategic objectives;
- Maintain financial sustainability.

PRIMARY FUNCTIONS

SITA must:

- Provide or maintain PTN/VAN;
- Provide or maintain transversal information system;
- Provide data processing for transversal information system;
- Provide IT for Government;
- Set standards of interoperability;
- Set standard for information systems security;
- Set standards for certification of IT acquisition;
- Certify all acquisition for standard compliance;
- Eliminate duplication;
- Leverage economies of scale.

SITA

state information technology agency

CHINA'S ECONOMIC BOOM

BY IVAN TUROK
The author is Professor of Urban Economic Development at the University of Glasgow

The transformation of the Chinese economy over the last 25 years from a state of underdevelopment to an emerging superpower has brought significant benefits to many of its citizens. By mobilising the country's collective will to boost its economic performance, as many as 300 million people have been lifted out of poverty. This has helped to reduce infant mortality dramatically and to increase average life expectancy from 55 to 69 years. It is all the more remarkable that China's growing prosperity has occurred during an era of increasing international competition and continuing efforts by European and North American governments to protect their domestic economies from Third World producers.

A simple comparison with India is revealing, since both countries have performed well in relation to many other Third World nations. In 1990 China and India had similar levels of GDP per capita (approximately $1 400 allowing for differences in purchasing power). However, in the following decade India's per capita income nearly doubled, while China's nearly trebled. Consequently, China's per capita income is now about 50 percent higher than that of India. This means that there are more jobs in relation to the population and better quality public services, including education, housing and health, at least in the urban areas.

The purpose of this article is to explore some of the drivers and dynamics of China's recent economic development and to consider some of the consequences. What lies behind its economic success and has there been a downside? I argue that although there are many positive effects, economic growth has also left in its trail some outstanding social and environmental challenges. They reflect a tendency on the part of the government to neglect the character and sustainability of growth in the interests of maximising the quantity of growth.

The drivers of economic development

China's economic output (GDP) grew by over 10 percent per annum in the decade to the mid-1990s and it has grown by about 8 percent per annum since then. This is one of the fastest growth rates in the world over this period. China has overtaken many other countries to become the sixth largest economy in the world. In fact, allowing for differences in purchasing power, it is arguably now the world's second largest economy after the United States. The growth of manufacturing industry has been the key to this impressive performance. China already accounts for over one-quarter of world manufacturing value and the scale and scope of this are growing quickly.

The country's rapid economic growth has been driven first and foremost by increased exports. External sales have been growing by at least 20 percent per annum over the last decade. China has been able to take advantage of increasing international trade with spectacular results. Indeed it is now the world's fourth largest trading nation. The country's exports of goods were valued at $438 billion in 2002 and its imports $413 billion. This has had major knock-on effects for domestic transport and distribution industries, including the growth of major seaports along the southern and eastern coasts.

China's main competitive advantage since opening up its economy to external trade at the beginning of the 1980s has been its low labour costs. Wages for young women engaged in the manufacture of relatively low value products such as textiles, toys, plastics or printed material can be as little as $50-60 a month. However, the country's competitive edge is beginning to extend beyond low wages as production moves up the value chain into higher quality products. China is rapidly broadening its output by diversifying into machinery, equipment and electronic goods. Fifteen years ago half of all China's exports were textiles and clothing and a quarter were raw materials. Now only a quarter is textiles and clothing and a tenth is raw materials. To illustrate the movement into higher value products, China now produces half of the world's cameras, a third of televisions and a quarter of washing machines, and its share of all these is generally growing.

Astute joint ventures with foreign investors are part of the explanation. These arrangements enable Chinese producers to gain more advanced technologies and manufacturing capabilities from abroad. China has shown that a calculating approach to "catch-up" is easier than trying to be innovative by developing wholly new products and processes. The total value of foreign direct investment (FDI) in China reached $53 billion in 2003, overtaking the US to become the largest recipient of FDI in the world. Foreign investors are attracted partly by the low production costs, enabling China to be used as a cheap platform for exporting. It is helpful in this respect that the country is strategically located at the centre of the growing Asia Pacific Region. However, the prospect of serving a huge domestic market of 1 300 million consumers - one fifth of the world's entire population - is probably even more important to most foreign investors.

These attractions put the Chinese authorities and domestic companies in a powerful position to negotiate favourable deals with foreign investors, including gaining access to advanced technology, specialised skills, management

expertise and profit sharing. This has helped a number of state-owned enterprises to restructure their activities, transform their management and introduce new products and processes. Such arrangements are often controversial and "doing business with China" is considered very challenging for foreign companies. This is not simply because of the significant cultural differences and complex formalities that surround personal and business relationships. The importance of driving a hard bargain is a potent lesson for other countries keen to attract and maximise the value of foreign investment.

Another important dimension of China's economic dynamism has been the concentration of productive activity in major cities. China already has 50 cities with over a million people. These act as powerful magnets for a rich mixture of foreign investment, government spending on economic and social infrastructure, and growing labour resources as a result of migration from the countryside. The urban population - currently 36 percent of the total - is forecast to double over the next 25 years by a staggering 300 million. The scale and pace of urbanisation is without historic parallel anywhere in the world. Poor peasants continue to leave the countryside in search of economic opportunities and better social facilities, despite government controls and a complex urban registration system. The migrants constitute an insecure and unskilled floating population, often willing to work for long hours and low wages.

The most visible sign of economic growth is a huge property boom of high-rise housing, offices and business parks in the cities. Towering new skyscrapers in all colours, shapes and sizes chequer the urban landscape. In addition, extensive residential and commercial development on the edge of the cities is consuming the surrounding farmland. The property boom has been stoked by the release of pent-up demand from people living in the municipal housing blocks built in earlier decades. These flats were very small and physical conditions were sub-standard. The property boom has been reinforced by a tide of speculative building following relaxation of central controls on bank lending to real estate and the creation of a vibrant land market through the sale of leases on publicly owned land. The construction frenzy began in the southern coastal cities - such as Shenzhen - during the 1980s and subsequently spread elsewhere.

Another important catalyst of economic change has been the emergence of a new "creative class" of entrepreneurs, managers and professionals. They have taken full advantage of the shift from a planned economy towards a market economy by starting or acquiring commercial enterprises of all kinds. They have also introduced a new lifestyle and set of values to urban society, with much greater emphasis on overt consumerism. This has fuelled a growing consumer boom in cars, luxury household products, fashionable clothing, jewellery, electronic devices and up-market housing. The new ethos is very apparent on domestic television and in the glamorous department stores, buzzing high streets and crowded public spaces in the major city centres. It is reinforced in the prosperous southern cities by the migration of skilled technical and business people from the poorer northern traditional industrial cities.

Government incentives and infrastructure have played a vital part in laying the foundations for the resurgent cities and facilitating their growth. They illustrate the awesome power of collective effort in a country of this size and stature. Special development zones in the southern coastal belt have exploited the physical and economic connections with Hong Kong and neighbouring states. They offered tax incentives and modern business infrastructure to incoming firms, with considerable success. This policy has subsequently been extended to many other cities in an effort to replicate the effects, although with more mixed results. The state also remains an enormous investor in roads, railways, ports, power, telecommunications and water supply, thereby influencing the shape and pace of urban growth in important and sometimes unintended ways. Every city has several new ring roads and Beijing's fifth and sixth are currently under construction. The scale of government ambition and the level of commitment through tangible investment are unmatched elsewhere in the world.

Emerging dilemmas and challenges

Although China's economic transformation and collective determination are undoubtedly impressive, there are some nagging concerns about the sustainability of its economic growth and the social and environmental consequences. The expansive form of the way the cities are growing is a potential problem, reflecting apparent indifference to extensive building on adjacent countryside. Although the new housing typically consists of apartment blocks built at high density, the commercial and business park development is often not. Development projects dispersed around the city are bound to complicate the provision of mass public transport systems (such as subways, light railways and trams) and encourage people to travel by car or taxi where they can afford to. This is bound to have dysfunctional implications for road congestion, air quality and safety on streets and pathways. Accelerating urbanisation of this expansive character could cause such congestion that productivity increases and employment growth are held back in the future.

Gridlock and pollution are already problematic in cities like Beijing, despite car ownership still below 10 percent. In contrast, Dalian on the east coast has been obliged to plan more carefully and redevelop lower density inner areas, being hemmed in by the sea and surrounding hills. In every major city, swarms of taxis, buses and private cars have replaced the massed cyclists that dominated the streets not so long ago. According to the United Nations, China's cities have some of the highest levels of air pollution in the world on all three key indicators of sulphur dioxide, nitrogen dioxide and suspended particles (smoke, soot and dust). Sharp growth in car ownership and poorly regulated industrialisation could worsen environmental conditions with harmful effects on local health as well as on global warming. The sheer size of China's population and economy mean that the global consequences of domestic policies and practices cannot be ignored.

The imbalanced geography of China's development is a second major challenge. The southern cities with growth rates approaching 20 percent are overheating. This is causing water and power shortages, overloading the transport system and driving up raw material prices. It has prompted the government to explore ways of curbing aggregate growth by cutting steel and cement production and reducing bank lending to small and medium enterprises.

Yet, these are blunt instruments because northern cities and the poorer rural interior need all the jobs they can get as a result of the decline of heavy, state-owned industries and rising agricultural productivity. Old industrial areas need more substantial retraining programmes to help people adjust to industrial change. Intensive business support schemes are also required to help state-owned enterprises to modernise their processes and diversify their products and markets.

Migration from the countryside or from the northern cities to those in the south is a poor solution to uneven development because it causes a loss of skills, talent and capacity in the affected regions and wasteful duplication of public infrastructure and services elsewhere. It adds to a cumulative process of decline in poorer regions and growth in wealthier cities. A more explicit regional and rural development policy would help to alleviate the harmful imbalances and distortions that can result.

Despite China's historic progress in lifting millions of people out of poverty, there are still more than 160 million living on less than $1 a day and a total of 480 million living on less that $2 a day. Most of them are in the western interior of the country, where public services and facilities are inferior as well as incomes. For instance, recent policy reforms and the collapse of collective enterprises have led to the breakdown of rural community health services. Children also get far less schooling in rural areas and housing conditions are poorer.

The property-led character of urban growth poses a third challenge. The staggering scale of new construction risks outstripping the level of demand from occupiers, whether they are households or businesses needing premises. There is a real possibility of mismatch because developers' understanding of property market dynamics is limited by their inexperience. A private market in property is also something of a novelty in China, so no one knows how different actors really operate and how they will react to changing circumstances. Evidence of vacant and incomplete buildings suggests a growing gap between property supply and the real economy. It is supported by rumours of corruption, excessive lending by the banks and speculation by wealthy investors. There must be a risk that the current property boom could turn into a bubble that bursts, causing a wider banking and financial crisis with serious repercussions across the economy.

There are also concerns about poor quality construction methods and materials causing faster than expected deterioration of the building stock. Insufficient consideration seems to be given to the liveability of surrounding areas and the general quality of urban design, which risks creating environments that people feel little attachment to and do not bother to look after. Urban planners need to work harder to create a sense of place in areas of major redevelopment and new construction, and to find ways of rebuilding communities where they are fractured by demolition and relocation.

At the heart of some of these challenges is persistent uncertainty within government and civil society about the right balance between planning and market forces. Co-ordinated public action and collective effort have brought about big improvements in education, health and housing conditions, at least in the cities, which are relatively privileged. There are very few visible signs of urban poverty, despite the fact that average incomes are still low by international standards. There is no obvious informal housing and very little evidence of homelessness or begging. Ordinary people are generally polite and friendly to foreigners and there are many public manifestations of an egalitarian ethos. However, centralised systems undermine local responsiveness and flexibility. This applies to economic structures as well as organisations responsible for providing public services. Municipalities and state enterprises are answerable to institutions at the centre rather than to their local communities.

Consequently, socio-economic and environmental challenges tend to be seen through particular filters rather than an integrated urban perspective with proper co-ordination of land-use, transport and infrastructure investment. Individual property redevelopments are handled speedily, but not always sympathetically to the architectural heritage and natural surroundings. A change in perspective is needed to give local institutions and communities a stronger role in urban planning and design, and to find ways of paying greater attention to environmental and regional considerations. Unprecedented economic achievements should provide China's cities and towns with the resources and popular demands for better management of economic growth in the interests of all-round sustainability. Unless places and prosperity are managed effectively, there are risks of stagnation and degradation.



AFRICA AND THE WASHINGTON CONSENSUS

BY TREVOR MANUEL
The author is the South African Minister of Finance

As many interpretations of the Washington Consensus exist as there are regions in the world. For Africa, the panoply of reforms subsumed under the term has been useful as a guide to economic policymaking - with the main focus on fiscal discipline and privatisation - even though it has proved difficult for most African countries to pursue all of them. Few countries anywhere have applied the reforms of the Washington Consensus completely, not least because some of them are culturally and historically sensitive. A larger difficulty, however, is that the reform agenda only partially addresses the growth constraints faced by many developing countries. Macroeconomic stabilisation is critical for growth, but it is not clear that privatisation is. Moreover, privatisation and deregulation simply do not apply to African countries in the same way that they may in Latin American countries.

Nevertheless, most African states have made strong progress with many of the reforms, which helps explain, in part, the continent's improved economic performance in recent years. Economic growth in Africa is expected to average 3.1 percent this year and 4.2 percent next year - more than twice the average in 1984-93 and marginally higher than the average for all developing countries. Macroeconomic stability is being consolidated, with average consumer price inflation at 9.7 percent in 2002, down from 13.2 percent in 2001 and 54.6 percent in 1994. Underpinning the better inflation picture are lower fiscal deficits, which have declined from an average 5.2 percent of GDP in 1994 to 2.1 percent in 2001.

Of course, to reduce poverty, more consistent and rapid economic growth is required. One of the most important drawbacks of the Washington Consensus was that, while it provided a good mixture of reforms to both stabilise the economy and encourage private sector activity, it did very little to help resolve structural and institutional constraints on growth. John Williamson pointed this out in his 2002 speech at the Center for Strategic and International Studies: "Did the Washington Consensus Fail?" when he asked why so little of development economics had made its way into Washington thinking.

Three aspects of development economics are particularly relevant to African economies and their growth problem: the "dual" economy, the creation of social capital and the role of the state. But before turning to those issues, it is worth discussing the role of external factors in African development, among them, trade and development assistance. The Washington Consensus implicitly assumed that there was nothing wrong with the development assistance relationship, but certainly, from an African perspective, development assistance has tended to undermine growth prospects, even if it has helped fill the investment-savings gap.

Adapting the global environment

Part of Africa's growth problem is due to the incentives and disincentives embedded in the global environment. All African economies, even those of South Africa, Nigeria and Egypt, are small. Thus, the whole global environment - trade, international finance and development aid - needs to be supportive of growth and to provide the right incentives for small African states to pursue reform.

Much of the literature on small economies focuses on the problems presented by the volatility of capital flows, but a larger problem for African economies is that their growth potential is directly affected by their ability to export and use export revenue to diversify production. Their ability to do so is constrained by a global trade regime inimical to the full development of African countries' comparative advantage. Limited market access for low-cost textiles, cotton, and agricultural products and competition from heavily subsidised industrial economy exports effectively prevent growth. The current proposal for a common agricultural policy-type organisation of global agricultural markets is, from an African perspective, bad economics and, probably, an attempt to spoil any progress at the Doha world trade negotiations.

At the same time, Africa has not developed a continental trading system with low transaction costs. Regional trade arrangements are fragmented and complex, resulting in relatively limited trade between African economies. A good example is the overlapping and inconsistent regional schemes in sub-Saharan Africa. Regional trade agreements are as important as multilateral liberalisation. They are needed to provide incentives to diversify production within African economies, while multilateral reductions in barriers would enable countries to maximise revenue from exports of goods in which they have a comparative advantage.

Moreover, the international financial system and prevailing aid practices cause periodic disruptions to economic activity. Development assistance continues to be crucial in supporting poverty reduction and economic development

in poor countries, but there needs to be more than the recent slight reversal of the trend of declining aid levels. The recently mooted International Finance Facility holds promise for increasing aid levels. Accelerated progress also requires more and better-targeted financial support for poverty reduction, particularly in policy areas important for achieving the Millennium Development Goals (MDGs) - education, health, clean water and sanitation.

It is important to recognise, however, that the recent swing in thinking about development assistance has come about as a critique of the Washington Consensus. The 2002 Monterrey Consensus, the 2002 Johannesburg World Summit on Sustainable Development and the creation of the New Partnership for Africa's Development (NEPAD) a year earlier are deliberate attempts to change the donor-recipient relationship from aid as welfare to aid through partnerships. Without this continued shift away from tied, politically driven and welfare-based aid, Africa will continue to be faced with what Ethiopian Prime Minister Meles Zenawi calls the "syndrome of the long-term unemployed."

Two further adjustment mechanisms are needed to assist African economies to reap net benefits from trade liberalisation, globally and regionally. The first adjustment mechanism is really a set of internal changes meant to ease the shifting of capital and labour in the domestic economy to take advantage of new economic opportunities.

The second mechanism would be multilateral - a financial facility designed to help low-income countries weather exogenous shocks to the prices of key commodities. The benefits of such a mechanism, if sufficiently funded, would be to make it possible for African (and other low-income) countries to adjust to commodity price shocks without derailing economic reform programmes and fiscal plans. For heavily indebted poor countries (known as HIPCs), the facility might also ensure debt sustainability.

In summary, the external problem is that the global economic environment makes it less likely that internal reforms will be either initiated or sustained. For example, reliance on exporting a single commodity partly reflects inadequate external incentives to diversify production. Reform of revenue management (broadening the tax base and lowering marginal rates) becomes difficult because there is heavy dependence on a few sources of tax revenue, such as export and import tariffs. This makes it more difficult and much more important to reform the public sector and public expenditure management or to agree to sweeping trade liberalisation.

Uneven consensus

From a domestic perspective, the consensus does not address three aspects of African economic development that I believe are critical to making sustained growth a reality.

Dual economy. African countries tend to exhibit severe economic and social imbalances, particularly between the urban formal and the rural informal sectors. Unemployment and poverty levels are normally much higher in the rural sector, exacerbated by insecure or nonexistent land ownership. This results in rural dependence on fiscal transfers and employed workers in urban areas. Household income is shared among family members, raising relative poverty levels and creating disincentives to finding a job.

Social capital. Critical to spreading economic activity is not to choose between developing formal or informal sectors but to ensure that the regulatory environment is supportive of economic activity in both sectors. A trickle-down development strategy is insufficient, particularly where there are large poor populations reliant on the informal sector and few low-cost, effective public services. Human capital creation, through informal or formal employment and rapid advances in public services, needs to be a key plank of African development strategies.

The NEPAD proposals seek to strengthen ties further between rural and urban sectors and the expanding formal and informal economies, through, among other things, improved transport and communications networks. Other methods might include further development of specialist financial services. Agriculture, as the main form of rural production and income, requires special attention -particularly in terms of land redistribution and reform and strengthening property rights for smallholders.

Role of the state. The problem in Africa is that most states are weak and limited, not that states try to do everything and account for 50 percent or so of national income, as in other regions. This means that, while there have often been problems with privatisation, they normally have more to do with flawed processes (non-transparent, discretionary) than with the extent of privatisation. Most African states need to expand, not contract, their public sector - and dramatically improve its efficiency in delivering quality public services.

This demands institutional capacity, especially in areas of regulation, service delivery and social spending.

Economics as a discipline long ago recognised the need for adjustment, particularly where price signals are not strong or labour is not able to move to different sectors because of skills constraints and mismatches. Capable states are required to ensure not only that prices fulfil their signalling role (a regulatory function) but also that populations are able to respond to them (a public service function). Some of the more important requirements are:

- effective regulation of key sectors such as transport, communication, and finance
- policies that encourage new entrants, enterprise, innovation, and the development of social capital
- labour markets that allow for re-absorption of labour
- public services and institutions that lower supply-side costs of changing from one type of economic activity to another.

Public institutions must be capable of achieving the balance between private and social costs and benefits, which requires a minimum level of democratic accountability in those institutions. Technical capacity needs to be combined with transparency and representation in public institutions. The IMF and the World Bank have made strides in recognising these issues and incorporating them in their programmes. The Poverty Reduction Strategy Paper process should be continuously reviewed to ensure its relevance to African development challenges.

Conclusions

It is not clear that rigorous pursuit of the Washington Consensus reforms in African countries would have delivered the outcomes expected from their application in Latin America. A number of key assumptions do not apply, and it has never been proved that privatisation is the best approach to all of the problems of public sector inefficiency. At the same time, African economies suffer from a variety of constraints to growth that the consensus reforms may have indirectly eased but would have done little or nothing to resolve directly.

Nonetheless, the Washington Consensus did impart new, if not always unfailing, direction to reform efforts throughout the developed and developing world. This in itself provided guidance to those seeking more rapid growth, economic development and poverty reduction. Perhaps most usefully, the consensus emphasised the importance of maintaining prudent macroeconomic policies and balances - a lesson taken to heart by most of the developing world but neglected by the developed.

Since 1994, Africa's development has received three major boosts, including the re-entry of South Africa into the world economy, the agreement to establish NEPAD, and the decision to pursue economic and political integration through the creation of the African Union. A wide variety of other significant developments have also contributed to improved prospects for Africa's development, including the Southern African Development Community (SADC) free trade zone and initiative on macroeconomic convergence, and the Africa Growth and Opportunity Act.

The NEPAD programme sets out a critical set of actions to speed up African economic development through integration of trade, finance, labour and infrastructure between individual African economies. Deeper integration gives rise to a number of direct and indirect benefits, including, but not limited to, lower transaction costs (tariffs and exchange rates); increased flows of goods, services, capital, and people; expansion of economic opportunities; increased public revenues and greater means for social development; broader transfers of knowledge and technology; greater regional political stability; and fewer asymmetric exogenous and endogenous shocks and, hence, fewer negative spillovers.

Large investment-savings gaps in African countries mean that sustained official and private financing is required. This is being addressed in the NEPAD Capital Flows Initiative through efforts to institute best-practice investment rules, improve public expenditure management and revenue administration and develop financial markets.

The global community has made significant progress with the Monterrey Consensus, the MDGs, and the Johannesburg sustainable development goals in defining additions and pragmatic adjustments to the Washington Consensus, most notably in a redefinition of useful development assistance that emphasises partnership. State-focused reform efforts are underway in African economies. An external environment conducive to increasing African exports and economic opportunities must match these reform efforts.

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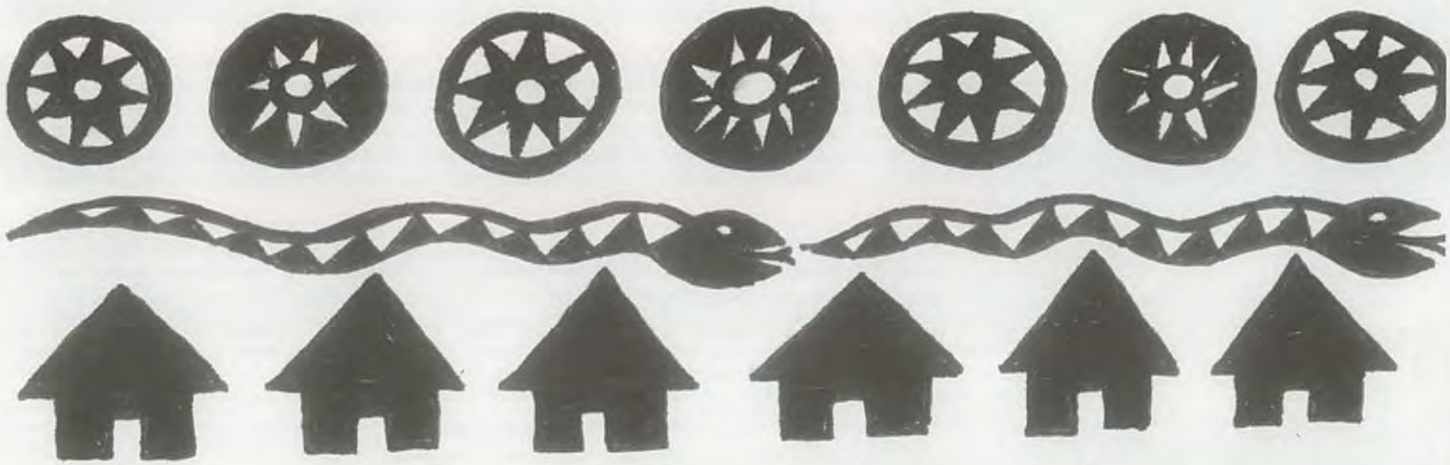
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The shaping of a world-class city

Ekurhuleni
METROPOLITAN MUNICIPALITY



With a corporate vision firmly stating that it will be the smart, creative and developmental city in South Africa, the Ekurhuleni Metropolitan Municipality's way to the realisation of this vision will be found along lesser-travelled roads rather than via traditional government routes.

Ekurhuleni Metropolitan Municipality was established in 2000 with the amalgamation of the nine cities and towns situated in eastern Gauteng, previously known as South Africa's East Rand. The region includes Alberton, Benoni, Boksburg, Brakpan, Edenvale, Germiston, Kempton Park, Nigel and Springs, all prominent cities and towns each with their own residential, business and industrial areas. Central to the Ekurhuleni region is the Johannesburg International Airport (JIA). Rated among the best in the world JIA is the busiest airport in Africa and annually brings around 12,7-million people into the Ekurhuleni region.

As the Gauteng Province is the economic hub of South Africa, Ekurhuleni is the economic centre of Gauteng with more than 37 000 Small Micro and Medium Enterprises (SMMEs) and more than 8 000 large organisations offering a variety of goods and services that contribute in excess of 23 percent of Gauteng's GDP. World brand names such as Barloworld, Robertson's Spice, SAB-Miller, CAT, Xerox, Coca-Cola, Gestetner, and many others, have invested in the Ekurhuleni region because to do so makes economic sense; among the lowest electricity costs, world-class business infrastructure, the ease of import, export and travel found by having South Africa's largest airport on their doorstep, and the availability of a large workforce are among the reasons cited for selecting Ekurhuleni as a place of business. Through ongoing business development projects, developer forums, SMME programmes and Public Private Partnerships, Ekurhuleni Metropolitan Municipality is creating a sound economic climate for businesses of all sizes to prosper.



Current large development

The proposed Industrial Development Zone at the airport, termed the JIA IDZ, aims to attract light industry sectors such as electronics and IT, time-sensitive airfreight distribution, aerospace and avionics. The R21 corridor situated opposite the JIA will become a new industrial development that, because of its centra location to other major cities and its easy access to the airport, is already attracting the attention of local and international developers. Future developments include industrial corridors in the main industrial areas of Germiston, Wadeville and Alrode.

Infrastructure

The region spans approximately 2 000 square kilometres of business, industrial and residential areas and houses around 2.5-million people. Its excellent residential infrastructure includes upmarket residential areas, extensive and modern shopping facilities, above standard medical facilities, a variety of public and private educational facilities and many sport and recreational options.

Overall Ekurhuleni is ideally positioned as the hub for import and export with its sophisticated road system that inter-links its cities and towns, the Johannesburg International Airport, the southern, western and northern areas of Johannesburg, Tshwane (Pretoria) and meets up with the rest of the country's highways. Ekurhuleni's Germiston Railway Station is South Africa's major east-west and north-south rail intersection that transports people and goods to, among others, South Africa's major ports and cities. Most essential business and industrial services needed to manage and grow production and retail are available within the borders of the Ekurhuleni area, which creates a self-sufficient business and industrial environment for all market sectors. Ekurhuleni is divided into a Northern, Southern and Eastern region to decentralise and enhance service delivery. In the near future Customer Care Centres will be established throughout the three regions to offer customers a one-stop municipal service centre that will be no further than 5 kilometres from their place of business or residence.



Leading the way

Ekurhuleni's top leadership directs this Metropolitan city along private sector business principles, implementing the strategies and plans needed to meet their unilaterally agreed seven major corporate priorities; good governance, urban renewal, poverty alleviation, local economic development and job creation, the prevention of HIV/Aids, safety and security and community participation.

Building business relations

In South Africa, Ekurhuleni is a member of the South African Cities Network, a government body that shares best practices and implements benchmarking through regular peer reviews. Ekurhuleni supports the National Government initiative regarding NEPAD by facilitating a programme in the Mozambican city of Xai-Xai that introduces this area to Ekurhuleni business people as an economic development opportunity. Internationally the metro is also developing business links and fostering good relations with several overseas cities.



Local economic development

As the main industrial hub of the country, Ekurhuleni considers the business community one of the most important stakeholder groups and has established many platforms for active business participation. Business meetings between industry sector groups and the executive mayor is a monthly occurrence while developer and economic sector forums have been established to fast track development and investment in Ekurhuleni.

The metro's long-term development strategy will span 15 years. Good corporate governance, quality of life, economic development and financial sustainability are the foundations of its 2015 strategic plan that will firmly place Ekurhuleni on the international map as a world-class city.

For more information contact the Communications and Marketing Department.
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BOOK REVIEWS

Daniel John, Habib Adam, Southall Roger (eds), **State of the Nation, South Africa 2003-2004** and Daniel John, Southall Roger, Lutchman Jessica (eds), **State of the Nation, South Africa 2004-2005**, Human Sciences Research Council, 2003 and 2005 respectively.

The HSRC has made a massive contribution to the analysis of the new South Africa with these publications. They have exercised great discretion in the selection of contributors and considerable insight in identifying the issues covered. Clearly no academic, student or policy-maker can afford to ignore this huge opus on the South African condition and this review can only give a few pointers as to why the books are important.

We start with the more recent publication for 2004-2005. The introduction sets the scene for an assessment of the performance of the government since 1994, dealing mainly with the economy, democracy and society. The finding is that the government is showing important signs of rethinking earlier more stringent economic policies in favour of a more long-term view and a more assertive role for the state in development. This is because: "The majority of people are appallingly poor, economic growth is insufficient to guarantee mass improvement, social inequality remains rife, and democracy itself faces major challenges."

Nevertheless, the authors have no hesitation that the new South Africa is a far better place than what existed under apartheid - "more united, more peaceful, more optimistic, more self-confident and more ambitious".

There follows a discussion about whether we are moving towards a developmental state and there are several caveats about that.

Then follow three major sections: Politics, Society, the Economy and South Africa in Africa. Every reader will select those sections according to individual need and interest and keep the volume for future reference as required.

The earlier volume for 2003-2004 had a similar structure with the introduction being less judgmental and more descriptive of the contents of the book. It was also less positive about government performance, referring to "the advances made and the setbacks experienced". For instance, there is a reference to the "coupling of economic neoliberalism with political democracy and the deracialisation of the apex of the class structure. Not the entire class structure. Rather, deracialisation is confined to the upper echelons and strata of South African society."

Several of the major papers deal in considerable detail with economic and social performance and some harsh judgments are made. For instance, "Unemployment is now a (if not the) defining feature of the SA political economy." And there is a great deal of data about unemployment, poverty and inequality, as well as the reasons for this.

There is also a new analysis of South Africa's economic relations with Africa, showing who is investing where and how much. This analysis is essential reading for anyone concerned with Africa's integration.

But there is much more in these very valuable volumes which ought to find a place on many a bookshelf for ongoing reference.

BT

Mhone Guy, Edigheji Omano (eds), 2003, **Governance in the New South Africa**, University of Cape Town Press, pgs 368

This book, edited by two academics at the University of Witwatersrand, is obviously partly intended as a teaching textbook for students of governance and is admirable for this purpose. It is concerned not only with national issues, but covers in some depth the functioning of provincial and local government. There is also some discussion about the role of civil society and its interface with government at various levels.

But it also fulfils a larger function in tackling the SA transition from the point of view of governance and performance, and it is therefore very valuable for those who want to interrogate the state of play in the country and for policy-makers generally.

There is a considerable emphasis on the relationship between governance issues and the reliance on market fundamentalism and economic liberalism as the dominant paradigm. There is an attempt to assess "whether, in the current conjuncture, the objectives of democracy, good governance and development are inherently compatible with the imperatives of globalisation and market fundamentalism". But there is also much attention paid to the relations between state and society and the merging institutions of the new SA. Another important theme is the quest for decentralisation and the performance of local government.

The authors are partly driven by a sense that there is a need to promote sustainable human development for its own sake

and not simply as part of a macroeconomic strategy, and that guidelines and targets have been set by the various millennium goals accepted internationally.

Critics of government's policies on structural adjustment and economic stabilisation will find meat in this book, but there is also much more on the whole issue of what is meant by "good governance", which is treated in a rather different manner than the pronouncements of the IMF and World Bank.

BT

Callinicos Luli, 2004, **Oliver Tambo: Beyond the Engeli Mountains**, David Philip, pgs 672

This is a beautiful book, the result of a labour of love by an unusually dedicated scholar. It is also monumental work which will require a great deal of digestion and debate over and beyond the factual material presented so diligently.

The role of Oliver Tambo in the struggle for liberation has received far too little attention during the 10 years of democracy, and this is partly compensated for by this major study of the life and political contribution of Oliver Tambo. The point is not merely to record the actual work and activities of this great man, but also to understand the values and political judgments that underpinned those actions. For Tambo was no mere prominent personality or figurehead of the ANC: he was an architect of policy and strategy during the most turbulent years of its history. And he pursued his vision and philosophy with unrelenting determination and energy.

In exile, he was tireless in his lobbying with governments and political forces of all kinds, with few thoughts about his personal life or, indeed, his health. In the latter years exhaustion took its toll and Tambo was unable to play the role set out for him by the previous years when it came to exercising political power in government.

Major reviews of this book will follow in due course. An assessment of the work requires time and care. What needs to be said right how, however, is that Callinicos has produced a courageous study in which she has not hesitated to make substantial judgments about some of the most important stages of our struggle and she has done this with great integrity.

BT

Johnson RW, 2004, **South Africa: The First Man, The Last Nation**. Jonathan Ball, pgs 244

Many are familiar with the opinionated and biased articles written by RW Johnson in a variety of English newspapers. So it is with a certain discomfort that one faces the task of reviewing his latest book. Johnson likes to parade his previous academic status in order to establish his credentials, though he admits to being a journalist as well.

Is this book a genuine work of research and exploration? It is difficult to say, because the introduction sets the scene in a particularly polemic manner so that it becomes difficult to read the rest with any sense of objectivity.

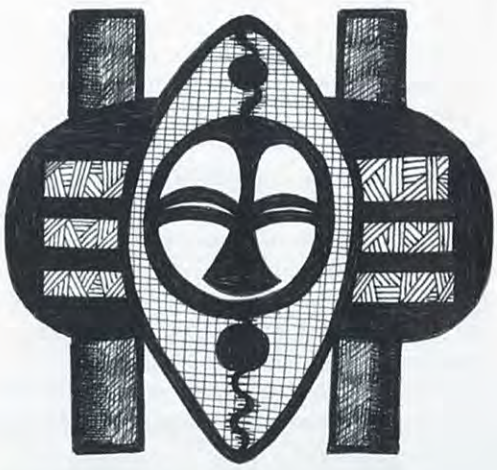
But let me begin with the end. Johnson's concluding remarks are that "Afrikaner and African nationalism, deemed very different... (but) the two nationalisms have much in common, particularly when in power... African nationalism is bent on the same self-destructive trajectory as its predecessor." The book can therefore be assessed by that unprejudiced judgment.

The preface is equally discomforting. Johnson, the aspirant historian, gets carried away in a long exposition about the dispute at Wits University between Van Onselen and others on the pretext that this reveals the lack of genuine historians in South African universities. Having worked through that, the reader is expected to give serious attention to the rest of the book, which may indeed have some merit; I am unable to judge.

For the rest, the chapter "The Limits To Liberation" is a quick canter through many events with a liberal ladelling of snide comments about Mbeki, and even Mandela and the ANC. The flavour of writing may be judged by the following: "By accepting peace the ANC elite accepted the fruits of power and office in a modern working country, replete with jumbo jets, computers and six-lane highways. Accepting the ministerial Merc, the big salary and the big house was, perhaps, wondrous magnanimity in the eyes of the admiring world - particularly since one could carry on calling everyone 'Comrade' to show where one's heart was. But miracle it was not."

Such is the quality of Johnson's judgment and such is the quality of his research.

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