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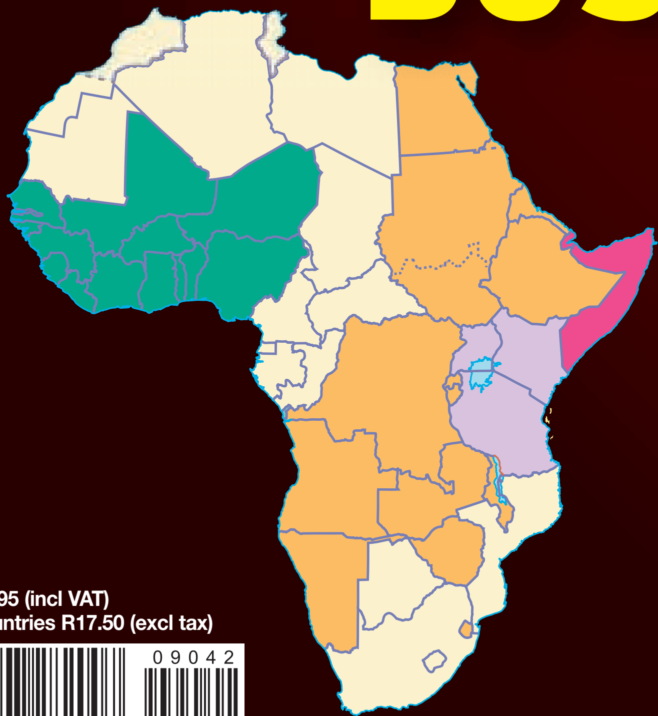
SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

CAPE TO CAIRO
TOWARDS A FREE TRADE AREA

GOVERNMENT CHALLENGES BUSINESS



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ISSUE 42 SECOND QUARTER 2011

NEW AGENDA ISSUE 42 SECOND QUARTER 2011

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FINANCE TODAY
THE CHALLENGE: SUSTAINABLE JOB CREATION AND EMPOWERMENT.
Metropolitan views this year's budget as a challenge towards real sustainable job creation and the empowerment of all South Africans. By providing a foundation through education, health and skills development, we can empower the community. Through socio-economic development, a key focus for Metropolitan, we can change our country's financial landscape.
With proper implementation, this year's budget can bring real change and opportunity to every South African, and the African continent as a whole.
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BREAKING BARRIERS TO ENTRY INTO PUBLIC SERVICE

By the Director-General of PALAMA, Prof Solly Mollo

On 10 February 2011 President Zuma expressed concerns about unemployment and poverty that "persist despite the economic growth experienced in the past 10 years". In order to address these concerns, he declared 2011 a year of job creation through meaningful economic transformation and inclusive growth. To this end, he urged "every sector and every business entity, regardless of size, to focus on job creation. Every contribution counts in this national effort", he said.

In this regard, the President called upon the Public Sector to fill vacant posts in order to reduce the level of unemployment amongst graduates. The Public Service and Administration Ministry has responded to this call by aligning its programmes with the job creation imperative. One of the interventions developed by the Public Administration Leadership and Management Academy (PALAMA) is the Breaking Barriers to Entry into Public Service Programme (BB2E). This Programme seeks to equip unemployed graduates with competencies to access employment opportunities in the Public Service.

PALAMA sought a partnership with the National Youth Development Agency (NYDA) to implement BB2E. The NYDA manages the database of unemployed graduates from which PALAMA sources the beneficiaries of BB2E.

Remarkable progress has been made since the implementation of BB2E in December 2010. A total number of 1 190 unemployed graduates participated in the week-long Orientation to Public Service course. Out of this number, 1 092 graduates received Certificates of Completion. The number of graduates who have been placed in various departments as interns is at least 20 per cent of those who enrolled for the Programme in the 2010/2011 financial year. A special tracking system will be put in place to accurately trace the success of these learners in exploiting employment opportunities.

The foundation to break the barriers to entry into Public Service has been laid. PALAMA intends trebling the number of beneficiaries of the Programme in the next two financial years. An important aspect of the Breaking Barriers to Entry into Public Service Programme is the role of mentors and/or coaches in supporting the development of interns. The intern-mentor relationship is key to enhancing the development of the intern's capacity to exploit employment opportunities in, among others, the Public Service.

The Breaking Barriers to Entry into Public Service Programme is not only designed to enhance the employment potential of graduates, but to develop what the Minister of Public Service and Administration, Mr Richard Baloyi, describes as a Public Service Cadre of a special kind. Through this Programme, the future of the Public Service will be in the hands of those with attributes to develop not only a humane Public Service but also one with the capacity to speed up delivery of quality service. The programme has been very well received with learners expressing their excitement and appreciation for the programme. It must also be noted that many unemployed graduates attended the programme at their own cost in terms of travel and in some cases both travel and accommodation. This shows a firm commitment to the Breaking Barriers programme. This ground breaking programme is the first in a two-prong approach; 2011/2012 will see the piloting of the Graduate Internship Development Programme. It is hoped that the latter will be as successful in its piloting as the Breaking Barriers programme.


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Transport
REPUBLIC OF SOUTH AFRICA

Department of Transport International

Investors Conference, 2011

Creating Winning Partnerships Through Investment

13 - 14 June 2011

CREATING WINNING PARTNERSHIPS THROUGH INVESTMENT

The Honourable Minister of Transport, Mr. Sibusiso Ndebele will be hosting the Department of Transport's Investors Conference in June 2011 in Cape Town. In contributing towards economic empowerment and the social wellbeing of South Africans, the Department is continuously seeking out opportunities for investment in transport infrastructure. The main purpose is to attract both local and foreign investors to major transport infrastructure and flagship projects in rail, road, maritime and aviation sectors.

Date: 13 - 14 June 2011

Venue: Cape Town International Convention Centre (CTICC)

For more information about the conference, please visit **www.dotinvestorsconference.co.za** or send an email to **info@dotinvestorsconference.co.za**

An apology is due from the IMF

By **Ben Turok**

The persistence of the international financial crisis has forced even the IMF and World Bank to question their long held positions. Famous for their "one medicine fits all" policies that have brought havoc to many developing countries, especially in Africa, these institutions seem to be reconsidering their failed recipes.

At their last annual meeting former head of the IMF Dominique Strauss-Kahn argued that economic growth alone will not automatically generate jobs. He added that the financial system should serve the real economy. Yet this is not what the IMF has been advocating in our countries. Against all evidence, they have consistently pushed growth and financial stability down our throats.

His colleague Robert Zoellick, President of the World Bank, questioned the prevailing paradigms in development economics and said "economics doesn't always get it right and instead can get it spectacularly wrong", and wondered whether the export-led model of transformation will succeed. Yet these are precisely the policies they pressed on South Africa and the rest of the continent.

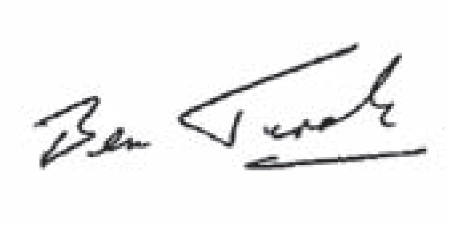
This agonising self criticism has led Joseph Stiglitz, Nobel Prize winner and former deputy president of the World Bank to say that the IMF is trying to distance itself from its own rejection of capital controls and insistence on labour market flexibility. Stiglitz argues that the continuing crisis proves that the pursuit of free and unfettered markets brings neither efficiency nor stability. And that financial markets need regulation, not total freedom. Instead we need spending policies to stimulate the economy and social policies that create opportunities for all.

South Africa has since 1994 tried to hold the IMF and World Bank at arm's length. The main effort has been to avoid massive borrowing which would have brought the horrific conditionalities that have brought Africa's economies to their knees. But we have not escaped entirely.

We still have the regular IMF "surveillance" visits to the Treasury and Reserve Bank under Article Four of their constitution. And we do have a variety of "technical support" agreements with the Bank. More importantly, the ideological influence of these institutions remains pervasive and the rating agencies and international investors still use their judgments as a yardstick of our performance.

Can we ignore the IMF and World Bank and promote our policy independence? Perhaps we can, to a limited extent. There may be some penalties in increased borrowing costs abroad and the like. Let us talk about that.

Perhaps as we pursue the New Growth Path more vigorously, we can afford to focus more on the real economy and domestic policies and be more aloof from what our international critics advise. Their record is not that good – as they now admit.



APOLOGY

In our last issue (No. 41, First Quarter 2011), an article by Ravi Naidoo of the DBSA was accompanied by a photograph of another person. We apologise for any embarrassment this caused Mr Naidoo.

BE THE FIRST TO EXPLORE TRADE AND INVESTMENT OPPORTUNITIES AT THE 29th HAVANA INTERNATIONAL TRADE FAIR, 30 October – 05 NOVEMBER 2011

The South African government, through **the dti** will be participating at the Havana International Trade Fair to explore business opportunities in trade and investment, and expand economic cooperation between South Africa and Cuba.

Export opportunities are available in the following sectors:

- Agro-processing
- Automotive
- Chemicals and Allied Industries
- Electro-technical
- Manufacturing and suppliers of services to the hospitality industry
- Engineering services and related industries

Investment opportunities are available in the following sectors:

- Biotechnology
- Research and Development activities
- Pharmaceuticals
- Medical equipment and technologies
- Hospitality and Construction
- Mining

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REPUBLIC OF SOUTH AFRICA

Successful applicants will be provided with financial assistance through the Export Marketing and Investment Assistance (EMIA) scheme. The scheme provides the following financial support to qualifying firms:

- Air travel assistance to a maximum of R13,000;
- Daily subsistence allowance of R2,000;
- Freight forwarding of display material; and
- Exhibition space and booth rental costs.

EMIA application forms and guidelines can be downloaded on the link below:
http://www.thedti.gov.za/exporting/nationalpavilions

The closing date for applications is 10 June 2011
For application forms contact Victor Makhele on (012) 394-1034,
or Mayanda Kondile (012) 394 1616, e-mail: vmakhele@thedti.gov.za
and mkondile@thedti.go.za

Cape to Cairo: Towards a free trade area

By **Rob Davies**, Minister of Trade and Industry

The heads of state of the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) convened a Tripartite Summit in Sandton on 12 June 2011 to discuss a "grand free trade area" between the three regional communities. Ben Turok spoke to Rob Davies just prior to the event which was launched by President Zuma.

Ben Turok: What is the background and agenda for this tri-regional heads of state summit?

Rob Davies: It follows a summit that was held in 2008, when Kgalema Motlanthe was the president of South Africa. There were various issues at the time, such as overlapping memberships in the different organisations, but it has led to a discussion of how to promote co-operation in trade, infrastructure and real-economy issues across these three regional economic communities (RECs).

In SADC, we've engaged in a debate about deepening integration and moving to a customs union. In our view, this has not been taking us forward. We've been bogged down in consultants' reports that have given us models that don't work and have not generated the consensus we need. With this Summit, we are saying that the next stage is to broaden integration across the regional communities. That's a very important proposition. It has not been adequately theorised, but I think that broadening regional integration across our RECs is correct at this stage, given the way the world is lining up.

Africa is the new growth story, after India and China. We find ourselves in a fortunate position, particularly following the impact of the 2008–9 crisis, to be a significant part of a continent that is among the fastest growing parts of the world economy. There are two major drivers of growth. The first is the minerals boom that is benefiting a number of countries. The second is the growth of the internal market – but the internal markets of our individual countries are too small.

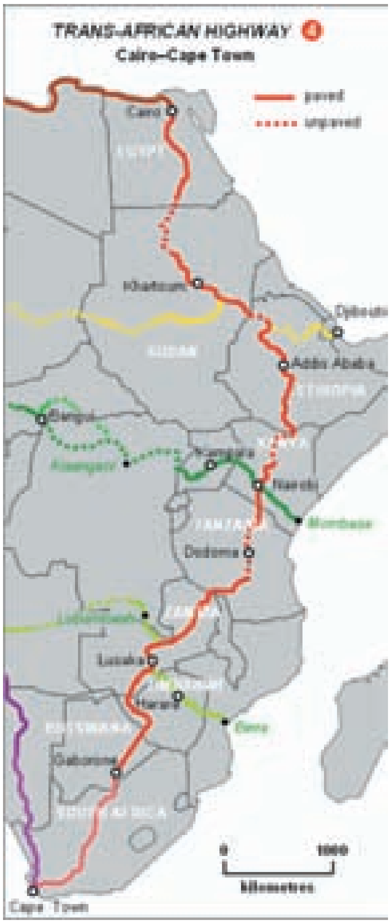
South Africa hardly adds a pimple in the combined population of the BRICS [Brazil, Russia, India, China, South Africa], which have nearly one third of the world's population. It's the same with other individual African countries. But together, we start to crack the numbers: the whole continent has a combined population the size of India. The COMESA–EAC–SADC process will bring together a grouping of 26 countries with a combined gross domestic product (GDP) of $833 billion (R5.6 trillion) and a population of around 530 million people. It will bring together a sizeable regional market and it can give a growth spurt to development in the region.

We have agreed on a process to put a free trade agreement in place. I think it is a good process: it will be member-driven; it will be asymmetrical; and it will take place over a reasonable period of time so that we'll have lots of consultation to ensure we make the right arrangements.

BT: Does free trade mean no customs duties between all those countries?

RD: Yes, on *substantially* all trade – but not on all trade necessarily.

Each REC has some sort of free trade area (FTA) or customs union in place that removes duties on trade between themselves, but in a proportional way. In SADC, for instance, South Africa opens up more than



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Malawi opens up. We need to extend free trade to the wider community on that basis. It doesn't mean that we must remove duties on absolutely every product in trade between us, but we will do so for a sizeable block of products, and the bigger economies will have to do more than we expect the less-developed to do.

BT: But development economists say that there are no trade complementarities within Africa, because we all produce primary goods.

RD: A free trade agreement on its own is not going to promote the internal market in the region. We know this is the reality.

When South Africa wants to promote a more equitable trade balance within Africa, there are immediately two big barriers. One is transport logistics. The other is the ability of the countries concerned to produce goods that will be competitive on the South African market. These are real-economy issues.

So two other work-streams have been identified. One is infrastructure development in transport and communications that improves the links between our countries. The existing infrastructure was designed to move raw materials out of the continent to elsewhere, so we have good communications from the mine to the port but not between countries. We have to move in that direction, and we have to get developmental benefits from that.

The other stream is to co-operate on real-economy issues. African ministers of industry have identified three priorities. One of them is that we can't let this mineral boom just be a period where we earn good money by taking raw resources out of the ground and exporting them. We have to beneficiate, to add value to them. In South Africa, we're fairly close to putting forward the broad strategy on minerals beneficiation, but other countries are in the same position, and we need to find common ground. The move towards mineral beneficiation will involve negotiations with major customers. Some of the BRIC countries, which are big customers for mineral products, have said that they are willing to work with us on beneficiation. We need to follow that through and to co-operate around that. We will also start to generate internal demand in our own markets, which will then have to be consolidated by the development of other industries and other productive activities.

> The COMESA–EAC–SADC process will bring together a grouping of 26 countries with a combined gross domestic product (GDP) of $833 billion (R5.6 trillion) and a population of around 530 million people. It will bring together a sizeable regional market and it can give a growth spurt to development in the region.

We need to use these processes of *formal* integration to promote *developmental* integration. That's the point. We've always supported a process of "developmental integration", which doesn't mean the fastest possible rush up the ladder of formal integration arrangements.

This is one of the reasons why we've been concerned about the customs unions. They're hugely premature; what's on offer doesn't make sense for us; and they detract from the ability to use tariffs as instruments for industrial development. With an FTA, we can still use tariffs in our trade relations with the outside world and we can combine that with regional co-operation programmes.

BT: What is the difference between a customs union and a free trade area?

> China, despite all its progress, is still a developing country; India has more poor people than all the least-developed countries in the world combined; and certainly South Africa is a developing country with huge challenges of development.

RD: Both a customs union and an FTA remove duties on trade between the members. But a customs union also requires a common external tariff (CET), which means that the tariff that members have with the rest of the world would be the same. Historically, in SACU, South Africa simply set the tariffs and the others just followed them. But once we start to discuss this among our group of countries, where there's quite a large disparity in terms of development, and where some use tariffs as a means of raising revenue and others for industrial development, then it becomes very, very difficult to set a CET. And there are other concerns, such as revenue-sharing, that get caught up in this.

BT: And an FTA doesn't require a CET?

RD: That's right. "Free trade area" has a legal definition in the WTO [World Trade Organisation] and in the literature of regional integration. It is distinguished from a "preferential trade area", for example. The WTO definition says you have to remove duties on "substantially all trade", but that doesn't mean absolutely all trade. In fact, the WTO-compatible free trade agreements we've had with the European Union and SADC do not cover more than about 80 percent of tariff lines.

In our view, a large scale African FTA will be a stimulus – if it is complimented by these co-operation programmes to develop regional, rather than national, internal markets. It could play a similar development role as internal market development did in India, Brazil and China.

BETS ON BRICS

BT: How does this strategy fit with South Africa's entry into the BRICS?

RD: It's complementary. We recognise that we entered the BRICS because we're an emerging economy in our own right, but also because we're part of the African continent. The other BRICS countries are also involved in the African continent, and to an increasing extent. We want to play a role in defining a programme of intra-BRICS co-operation, and also co-operation between BRICS and other developing economies. This co-operation should be mutually beneficial and give real effect to the kind of principles we often enunciate in trade agreements but then fail to attain at the end. We want to give some real content to that.

If we do this, then we will be able to achieve what the BRICS want to do at another level: to co-ordinate positions in order to have greater influence in the management and governance of the world economy. The two ventures are very complementary. Fundamentally, our destiny is linked to that of the African continent. We need to move Africa to convert the sort of a growth spurt we're going through now into sustainable development and value-added production and job creation. At the end of the day, that is what it's all about.

In terms of both trade and investment, the BRICS are new partners for much of Africa. The figures tell the story. Between 2006 and 2010, SADC exports to BRIC countries increased fourfold. Our imports doubled. There's still an imbalance in their favour – but this happened at a time when there was a big dip in trade relations with our traditional, established partners.
The more that Africa is able to come together, and to chart forward its own development strategy, the better placed we will be to engage with the other BRIC countries, and to define and set the terms for a new programme of relations between us.

South Africa got some important commitments from China, for example. In the Comprehensive Strategic Partnership in 2010, China committed to work with us to beneficiate mineral products at source and to purchase more value-added products from us. These are important statements of intention. Now we need to follow that through with concrete proposals, projects, etc.

BT: Are the United States and Europe a bit anxious about this?

RD: We're not excluding the United States and Europe. We're saying that Africa now has more

choices in its trade and development partners, and that choice is a good thing.

In practice, a sharp competition is now emerging, and the different parts of the world have different approaches. Europe has tried to assert itself through seeking policy commitments from African countries: these were the issues that bedevilled the EPA [economic partnership agreement] negotiations. They seek commitments that will mean that, in their competition with China, Europe is not disadvantaged. I think they've realised that this game has not really worked and they've been softening – but not entirely abandoning their quest.

BT: Are the WTO negotiations finished?

RD: Not as such, but they are deadlocked. It has been acknowledged that there is no possibility of concluding the Doha Round during this current "window of opportunity".

The issues are fundamentally about the level of commitments that are being sought from the larger developing countries. This goes along with a narrative that says that, because China, India and other countries – we're also on the list – are responsible for a sizeable part of world growth, we should collapse the distinction between ourselves and the developed countries. But that narrative just considers "growth", not even GDP per capita, let alone human development. If you looked at those measures, you would see that China, despite all its progress, is still a developing country; that India has more poor people than all the least-developed countries in the world combined; and certainly that South Africa is a developing country with huge challenges of development.

The changing configuration is leading to a lot of tensions that are bedevilling multi-lateral agreements. They're certainly bedevilling the conclusion of any agreement that could in any sense be called a "development round" in the WTO negotiations. On this particular issue, South Africa has been very clear that the only round that can happen is a development round. It must give effect to the principles that were embodied in the Doha mandate. And if we can't conclude at this moment, then we will wait for another moment that's propitious. We're not prepared to engage in any other kind of round.

There's a ministerial conference at the end of the year, and some discussion now about a "Plan B", which would involve delivering just a small part of the programme by the end of the year. South Africa has said we should focus on delivery to least-developed countries (LDCs). The LDCs badly need the things that they need – the "cotton dossier" and a lot of other things that have been talked about. It's not going to solve all their problems, but it will be a step in the right direction. We have said we will co-operate to deliver to somebody else. All of us will pay a proportional commitment, but we won't be giving and receiving benefits between ourselves, and this is the piece of work we should focus on. There are a number of processes and discussions going on, but it's not by any means certain that there's enough unity in the WTO to even deliver on a short-term package for least developed countries.

But it's to do with the dynamic between the larger developing countries and the developed world. The developed world realises that, on many indicators, it's not likely to be calling the shots. The centre of gravity of the world economy has moved south and east.

> Fundamentally, our destiny is linked to the African continent. We need to move Africa to convert the sort of a growth spurt we're going through now into sustainable development and value-added production and job creation. At the end of the day, that is what it's all about.

BUSINESS SECTOR

BT: What is the attitude of South African business to this Summit and the regional process? Are they interested?

RD: We've kept them informed of these processes through Nedlac, as we've done with organised labour, and I think they support the broad direction. But there is a bigger question that South African businesses are going to have to take on board. There is now a great competition in the African continent. South Africa has a presence there and we need to consolidate on that. A lot of our relationships with other countries, including the BRICs, are partly based on that.

BT: But that's a commercial presence rather than a productive or developmental one.

RD: We even need to compete on that basis. Some of the propositions coming from other players are actually quite attractive in developmental terms, and we're going to have to start defining our presence more in those terms. For example, we have been encouraging our retail shops that are invested in other African countries to procure more locally. I think they'll have to embrace that a lot more.

BT: Surely the infrastructure programme should open the door for huge advances in our engineering industry?

> The developed world realises that, on many indicators, it's not likely to be calling the shots. The centre of gravity of the world economy has moved south and east.

RD: Indeed. That's exactly what we've been saying in the Industrial Policy Action Plan (IPAP2). The domestic infrastructure programme will be the first stimulus, but the infrastructure we'll build in South Africa is the kind of infrastructure that's needed in the rest of the continent. It should create a huge opportunity for us to move in there, but that's also a very competitive environment. The other BRICs – China in particular, but also India – also play in that space. Our firms have got to develop attractive developmental propositions.

BT: Do you and your department have close discussions with business?

RD: We do. We meet with organised business and we've been putting out the message *we need a new and tighter partnership than we've had up to now.*

We've worked on a lot of trade missions and trade promotions, but we need to make sure that we are actually seriously working as Team South Africa in all of this, and that we've also got a good developmental message.

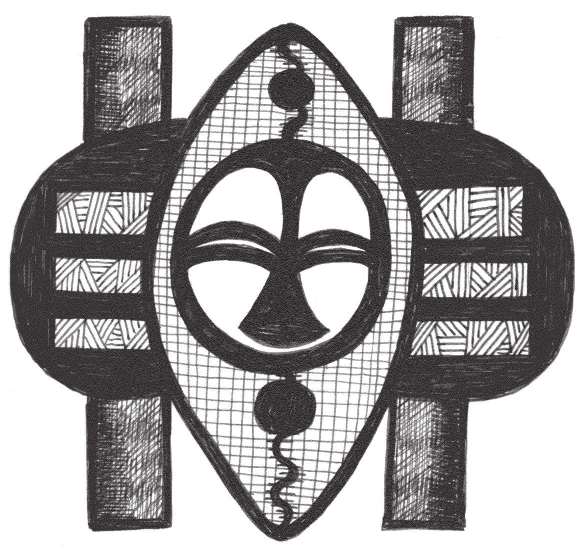
BT: That includes design, investment, analysis, research and development... Is this likely?

RD: I think we need to drill down and get much more specific and concrete about these things. That is within the framework of the Tripartite Summit. For example, our president is charged with giving greater impetus to the North–South Corridor, which is essentially a road-and-rail infrastructure improvement programme, running from Central Africa to Zambia, Zimbabwe – it comes into South Africa as well – to improve the linkages between countries.

We've also been championing spatial development initiatives. Beyond just creating infrastructure, we're looking for it to provide a base for a number of other economic activities. The Maputo Corridor is the model. One that we are working on energetically and giving high priority in SADC is the Trans-Cunene Corridor, which is coming from Angola through central Namibia to link up with the Trans-Kalahari. That's a very, very important project to us. It will provide a road and rail link between South Africa and Angola which complement marine development – because the sea and the port are very clogged in Angola – but also will enable a lot of investment and development along that Corridor. There are a number of infrastructure programmes of that sort, designed not to "take ore to the coast", but to increase and enhance our relations between African countries.

POSTSCRIPT

On 12 June 2011, the Tripartite Summit agreed that the three RECs would embark on a development integration programme built on three pillars: infrastructure development; industrial development, and trade integration. The Tripartite FTA will be a trade-in-goods agreement negotiated over three years. The negotiation process will be member-driven, involving consultation and interaction with stakeholders (including business and labour). Among the 11 principles is that the agreement will embody "special and differential treatment", meaning that the smaller and weaker economies will be expected to do less than the bigger and stronger. There will be a parallel negotiation for a protocol on the movement of businesspersons.



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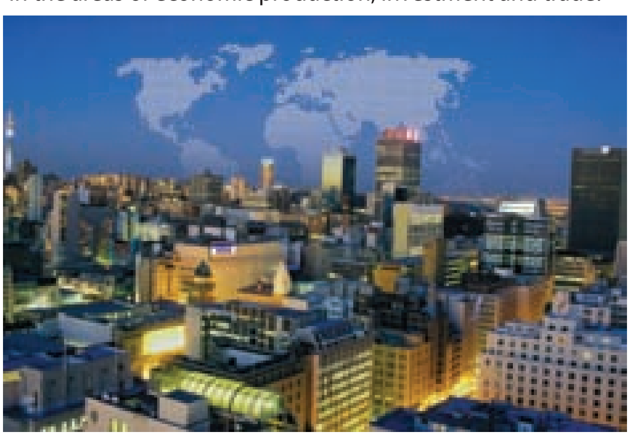
The Gauteng Economic Development Agency is the first point of contact for smart investors and entrepreneurs who need access to unlocking new value in Gauteng, South Africa and the Southern African Development Community region and beyond.

What we do?

The agency is responsible for marketing and facilitating the economic, investment and trade promotion of the province. GEDA's key objective is to identify market investment opportunities and to respond to requests for assistance from local and foreign investors. GEDA's strategy is wholly aligned with national and provincial government objectives and processes, thereby creating an investor friendly environment.

Our mandate

Our mandate is, 'to implement and promote the economic development policies of the Gauteng Provincial Government in the areas of economic production, investment and trade'.



Our Economic Profile and Policies

Gauteng Provincial Government and its economic wing GEDA is totally committed to creating a welcoming climate for business people, entrepreneurs and investors from all over the world. Gauteng offers attractive incentives with its

business friendly policies by assisting anyone wishing to share in the exciting investment opportunities available in Gauteng - South Africa's smallest but richest province.

The South African Government's chief economic policy, is to provide opportunities to previously disadvantaged communities, so as to enable them these communities to share equitably in the resources of the country. The government has recognised the importance of investment in achieving this and has introduced measures to enhance and support trade and industrial development.

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How can GEDA assist you?

GEDA can assist with project facilitation

GEDA can assist in setting up a first contact, chairing initial meetings, organising initial secretarial services, networking and creating an environment in which potential partners can reach a common understanding.

GEDA can help with the implementation and operation of a project

GEDA team can assist with the identification of local and international consultants or institutions that provide support in the fields such as business development and land acquisitions.

GEDA will assist in finding investment and trade partners

GEDA can assist in identifying local and international business partners that meet the necessary business requirements of the project. While GEDA is not primarily a venture capitalist, the agency can assist investors in raising the necessary finance for investment projects that fall within its area of focus. Such assistance is conditional on the project being approved by GEDA, and on the necessary feasibilities/market research has been completed.

GEDA can assist with sourcing of information needed for investment project

The GEDA team can assist with sourcing of information crucial to a project's success. This may take a form of technical theses, information brochures, contracted in-depth studies or contact with relevant authorities in specific fields.

GEDA can assist with work permit application

Once a project has been approved and it is established that local personnel cannot be used in key positions and that international personnel are therefore required, GEDA can assist in applying for the necessary work permits.

GEDA can helps in finding appropriate sites/properties for projects

GEDA has a good knowledge of the property market in Gauteng, and can assist in finding the most appropriate and suitable location for investors.

GEDA can assist with incentive application

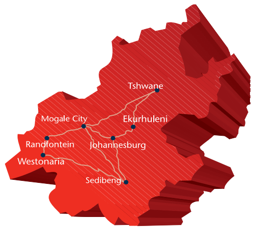
There is a wide array of incentives available to investors from the Department of Trade and Industry, Municipalities and institutions. GEDA can assist in identifying the most appropriate incentives and in completing necessary applications for projects that qualify.

GEDA can help get a pilot operation going

GEDA offset the investors the opportunity to setup a pilot operation with in-house facilities such as telephones, faxes etc until such time as the company is ready to move out into the industry in which they operate.

GEDA offers as export development programme

GEDA assists companies to be export-ready by capacitating the companies to supply high quality that comply with set international standards, host export-ready companies on both international and domestic exhibitions and trade shows. Investors can also be able to host their products on our internet enabled Export Portal (marketing tool) free of charge.



GEDA also assists in policy advocacy and lobbying

Working with both investors and regulatory authorities to remove obstacles to investment and ensure that strategic development projects are delivered in the quickest possible times.

GEDA
GAUTENG ECONOMIC DEVELOPMENT AGENCY
SOUTH AFRICA

GAUTENG PROVINCIAL GOVERNMENT

Gauteng Economic Development Agency

Mr Siphiwe Ngwenya (CEO)

Attracting world-class business opportunities

Gauteng is the economic heartbeat and financial hub of South Africa. As a gateway to the continent, it is vitally important that the province creates the right environment for businesses to flourish, while meeting the government's socio-economic goals.

'Since 1996 GEDA has attracted R10 billion in investment'

Gauteng is the engine room of commerce in SA, contributing 34.8 percent towards the country's GDP. The mission of the Gauteng Economic Development Agency (GEDA) is to promote economic growth, encourage new investment and maximise opportunities for skills transfer and job creation. To this end, it identifies and markets investment opportunities in the province and responds to requests for assistance from potential local and foreign investors.

In line with government's New Growth Path, GEDA aims to create 2 000 permanent, sustainable jobs this year. 'We are targeting key growth sectors, which include renewable energy, the automotive sector, ICT, chemicals, manufacturing, business process outsourcing, pharmaceuticals and mining, including processing and value-adding,' says Siphiwe Ngwenya, CEO of the GEDA.

Since its inception in 1996, GEDA has attracted R10 billion in investment. In the past two years alone, it has secured investment worth R2 billion. Major investments include the expansion of the Ford Motor plant, which manufactures automotive components, as well as the expansion of property and hospitality infrastructure.

Ngwenya says the agency is busy finalising a number of upcoming investment projects. 'We want to become involved in the manufacture of active pharmaceutical ingredients (APIs). Currently there are no api manufacturing plants in SA. This will enable wealth creation by introducing new players to the market. We are also involved in a joint project to set up an industrial development zone (IDZ) near OR Tambo International Airport. This will include a mineral beneficiation project as well as a jewellery manufacturing precinct.'

Another important project is the establishment of a second inland port in Gauteng for imported and exported goods. 'This is to support our manufacturing industry, which is one of the key sectors in the province,' comments Ngwenya. 'The inland port will be located in the southern Vaal area, which is an economically depressed area, and will attract workers from nearby townships. Property development of this kind has a multiplier effect – for example, job creation and the expansion of rail services which leads to less traffic congestion.'

The green economy presents exciting growth prospects. 'There is an industrial park called Babelegi which was previously empty,' continues Ngwenya. 'It used to belong to North West Province, but has recently been incorporated into Gauteng. We are turning Babelegi into a green economic cluster production area which uses solar and renewable energy. Factories like Nestle's powdered milk factory that operate there, use clean technology.'

As far as future plans are concerned, GEDA wants to see the broadband network expanded to make it easier for companies to do business. 'Gauteng is the headquarters for many companies' African operations,' says Ngwenya. 'It is therefore crucial that we have the infrastructure in place to enable them to operate efficiently, especially with the rise of new technology like cloud computing.'

Why mining should be nationalised

By **Martin Nicol**

The author is an economist and former chief director: research adviser at the department of trade and industry. From 1988 to 1996 he was a senior official in the National Union of Mineworkers and represented COSATU in the trade and industry chamber of NEDLAC

The most dangerous mines in the world are in China. They kill and injure more mineworkers every year than any other mining industry and are responsible for extensive environmental degradation. These are nationalised mines.

The coal mines in Britain were nationalised after the Second World War by the new Labour government. Health and safety improved once the government took over, but the government did not invest in the industry and coal-mine employment fell steadily. At 700 000 after the war, it had fallen to only 7 000 in 1995, when I visited Arthur Scargill, president of the British NUM, with a delegation from South Africa's National Union of Mineworkers. Margaret Thatcher's Conservative government then privatised the remaining mines and went on to destroy the union and the way of life of mining communities.

South Africa nationalised the diamond diggings in Namaqualand in the 1930s. The benefits of these diggings were diverted to white voters in the area. When the mine, Alexkor, was taken over by the new government in 1994, it was thoroughly mismanaged, and it still is. Stories are told of the new minister of mines getting a personal package of uncut diamonds as a present on every visit to Alexkor. Of course, the first mining minister appointed by the ANC after the 1994 election was Pik Botha – then still a Nationalist. He later was welcomed (by some people anyway) as an ANC member.

The nationalisation of mines does not guarantee a positive result. Nationalisation can have predominantly negative consequences for all stakeholders, unless it is done correctly.

I wish to put forward an argument for the nationalisation of mines in South Africa. This is not simply stating a case for the state to purchase the shares of all mining companies, which could be one definition of nationalisation.

This is a call for a human, environmental and economic strategy for the country to benefit fully from its incredible mining riches and for mineworkers to have safe jobs that are well remunerated.

The aim is not to take the mines away from the greedy and feckless racists who still own and manage much of the industry, although that would be one outcome.

The aim is to create a just mining industry, a natural resource industry that is able to provide the metal, raw materials and power that we need to improve our country's standard of living. The aim is to build a revived industry that is efficient, responsible and promotes recycling and the wiser use of the world's scarce natural resources. The aim is to foster an industry that cares for the people who work in it and the communities who live alongside its operations.

Mining should be a temporary activity, after which the land is restored and made available for other uses. Mining should not be synonymous with ecological devastation – as it is in many parts of South Africa, with concerns about acid mine drainage, the collapse of poorly maintained slimes dams, the dispersal of cancer-inducing asbestos dust and the poisoning of ground water with arsenic. Underground mining should not be a death sentence for so many workers. Mining is dangerous: but it can be done safely.

The communities around Xolobeni on the Eastern Cape's Wild Coast should be able to choose mining AND ecotourism AND the long-term protection of their local lands and customs. This outcome is unlikely unless mining is nationalised.

NATIONALISATION AND THE FREEDOM CHARTER

The current call for the nationalisation of the mines by the ANC Youth League is based on the wording of the Freedom Charter: *The mineral wealth beneath the soil... shall be transferred to the ownership of the people as a whole.*

I do not understand why this has become the primary intellectual argument for mine nationalisation. The Freedom Charter says other wonderful things, such as *there shall be a forty-hour working week and a national minimum wage* and *adult illiteracy shall be ended by a mass state education plan*. These are not put forward along with mine nationalisation as important priorities, although both, arguably, would have a much more powerful transformative effect.

> This is a call for a human, environmental and economic strategy for the country to benefit fully from its incredible mining riches and for mineworkers to have safe jobs that are well remunerated.

The ANC government has also addressed the Freedom Charter issue directly. South Africa used to be one of the very, very few countries in the world where you could own mineral rights. It was a property right that could be severed from land ownership and passed on by rights of succession. This was an anomaly – however greatly favoured by the mining houses. Everywhere else in the world, the state traditionally owns the mineral rights. It then makes commercial arrangements with the mining companies to mine and market the minerals in return for royalty payments according to the amount that is mined. Mining companies also pay normal taxes on their profits.

Since 2000, the South African government has taken ownership of all the mineral rights in the country. The *mines* – that is, the operations that are put in place to extract the minerals – have not been nationalised. But the riches beneath the soil belong to the state; they have already been nationalised.

The ANC government has followed the Freedom Charter to the letter in passing the Mineral Rights Act. They have had to defend this Act from the mining industry, which at first said the state could not do this because of the property clause in our wonderful democratic constitution. The Bafokeng also objected! The result was a negotiation and a compromise, but honour is satisfied. The state owns all the mineral rights in South Africa and the mining companies have the right to mine them. They retain this right as long as they actually mine minerals and as long as they comply with the law of the country. This includes the Mining Charter (which sets a minimum target of 26 percent ownership by historically disadvantaged South Africans by 2014).

MINEWORKERS COMPROMISED

Honour is satisfied, but it feels unsatisfactory. Since 1994, so little has changed on the mines and in the way they operate. Blacks still do all the hard, backbreaking manual work on the mines. Workers still feel that there is racism in the way the mines operate. Wages have gone up, but they are not great. Some three-quarters of mineworkers remain illiterate. Fatal accidents have gone down, but there are signs that disease and sickness have increased. Single sex hostels have, in some cases, been converted into family accommodation, but many workers and former mineworkers live in shacks with limited rights and poor conditions. Mineworkers have their lives and spirits drawn out of them by the mines and then are tossed as empty shells back into the rural areas and informal settlements.

In 1991, I was working for the National Union of Mineworkers in Johannesburg as the head of collective bargaining. The NUM was the fastest growing union in the world. Although the mine bosses were retrenching workers every week – pushing forward their shameful victory in the great 1987 mineworkers strike – there were still over 700 000 mineworkers in SA.

Until 1980, the mining industry actively resisted the unionisation of black workers, although white unions were institutionalised as part of the racist pact formed in the 1920s. But black worker unionisation was an anathema to the Zac de Beers, the Harry Oppenheimers, the Ruperts and the Robin Plumbridges who ruled the economy of exploitation that was based in the mining industry. Wages for black workers in 1968 were lower than before the First World War. Up until 1990, more than one worker died for every ton of gold that was extracted from mines in South Africa. There were 675 deaths in 1980 alone.

Nationalisation of the mines was a clear theme of NUM policy. There was great appreciation in 1990, when Cde Nelson Mandela, on his release from jail, confirmed that mine nationalisation was indeed ANC policy as well. The Union scheduled a workshop to discuss the nationalisation of the mines and I was all set up with graphs, figures and arguments about how it might be done.

But there was a snag. The workers did not want me; they wanted the Communist Party, which had just returned from exile and was accommodated on the third floor of our building. The members of the NUM – particularly the members on the gold mines – were the greatest enthusiasts for the Party in the country. The Party responded and every shaft committee had a Communist Party branch. The SACP had experience working "underground" and the NUM was very receptive. It became a problem when the NUM branch committee was upstaged by the chairperson of the SACP's mine branch. But the NUM members put enormous faith and trust in the Party and its leaders, particularly in Cde Chris Hani.

So the Party agreed to send an official representative to the NUM workshop on the nationalisation of the mines. This was held at Wilgespruit in Roodepoort, a church-run centre that hosted and inspired resistance to apartheid, despite many trials.

But what a disappointment! The Communist Party said we could not nationalise the mines. The time was not right. We did not have the capacity. Look what happened in Zambia when they nationalised the copper mines. There were other tasks to accomplish first.

This was the first of many, many compromises that the militant organised mineworkers accepted from the Party and from the ANC. The most humiliating compromise of all was to accept Pik Botha as the new mining minister for a democratic South Africa.

Between 1994 and 2004, the number of gold miners in South Africa halved. World gold production rose but South African production fell, and with it was lost the livelihoods of workers from all over southern Africa, including Lesotho and Mozambique, who had all voted for the ANC in the 1994 elections.[1]

The officials and leaders of the NUM knew what challenges we were facing with the ongoing retrenchments in the mining sector. We made a special study of mine downscaling and tried to learn lessons from how mining industries had managed downscaling in other countries. I went with Kgalema Motlanthe to Germany and to Sweden; Gwede Mantashe sent some colleagues and me to England, Wales and France. We knew that sterling state support was needed to manage downscaling in a humane way. We put concrete proposals for state intervention to the department of minerals and energy. We made long, detailed submissions to President Mandela's Labour Market Commission in 1996. We tabled the Social Plan Act at Nedlac.

What did we get from the ANC? First Pik Botha and then another lawyer, Penuell Maduna. This is how the ANC rewarded the mineworkers of South Africa, who had given their all for an ANC victory. The ANC knew the mineworkers could be relied upon not to waver in their support, however poorly they were treated. They were loyal and trusting.

This was the first of many, many compromises that the militant organised mineworkers accepted from the Party and from the ANC.

The NUM was also at fault. After the superb victory in 1994, it thought that anything could be won through negotiation. The Mines Health and Safety Act (29/1966) – the first piece of substantive legislation that was passed by the new parliament – was one concrete example of this. It was achieved through use of the law and negotiation. But the union held back in pressing issues of worker control, worker membership of boards of directors and on the grass roots organising that was needed to keep in touch with members as these new levers of power came within their grasp. There was a reluctance to give real power to the branches. The new 1 percent subscriptions and agency fees went directly to NUM head office, not through the branches where the money was generated. The union accepted the findings of the Labour Market Commission that the social plan to protect retrenched workers should not be legislated, but should be a matter for negotiation in Nedlac. (Cde Mantashe was one of the commissioners.)

AIMS AND MEANS

What would I have told the NUM if I had been able to argue for nationalisation of the mines, in place of the South African Communist Party?

The first point is that it is not nationalisation itself that is critical, but the *way* it is accomplished. As I have said, the nationalisation of mines in China, in the UK, and in South Africa has had bad results for workers, for the environment and for the nation. And I can give many other examples: the Zambian case is particularly instructive.

The second point is to be clear on what you want to achieve. What is the *aim* of mine nationalisation?

- Is it to take assets away from white owners and shady "world class" mining companies that have profited far too long from unlimited access to ore reserves that properly belong to black people?
- Is it a ploy to rescue black businesspeople – gifted with mining shares in BEE deals they are struggling to pay for – who would welcome a state-sponsored buy-out?
- Is it a way to give China exclusive access to our mineral resources?
- Is the call for nationalisation just meant to agitate, to upset the business press and foreign investors and get publicity?

If any of these were the aims of the ANC Youth League's nationalisation campaign, I would argue against it. (And indeed I can find no noble motivation for this opportunistic campaign, which has been correctly contradicted by the NUM as well as the ANC leadership.)

But I would be in favour of nationalisation as state policy if the aims were

- to ensure that mines are operated for the full benefit of those who work them
- to ensure that the environmental consequences of mining are fully mitigated
- to ensure that full economic value is gained from mineral deposits by mining them with care and efficiency.

The department of environmental affairs and tourism calls these "the three P's": people, planet and prosperity (DEAT, 2008). In a competitive capitalist environment, these three aims are each threatened by the need to sell your product at a cheaper price than your competitors.

RESPONSIBLE MINING

I could make a general argument for socialism or the collective ownership of all the means of production, but my focus is on mining. Mining is a special case because of its particular characteristic of exploiting a non-renewable resource. With agriculture, forestry and fishing, the natural resource is renewable. With proper care and management, you can grow crops seasonally, sustain fisheries and forests, and protect biodiversity.

With mining, however, the natural resources are progressively depleted. Mines are a "wasting asset". For this reason, humankind needs to make sure that ore deposits are mined responsibly. Mining companies pick out the richest parts of a deposit and mine to the lowest average grade that is economical, thus ensuring that the maximum amounts of minerals are extracted before a mine is closed. It may not be possible to go back to mine lower grade deposits at another time; it will often not make economic sense to do so.

One way around this issue, globally, is to pay great attention to recycling. A lot of metal that is dumped or thrown away as trash could be recovered and used in new production. However, this is expensive. It can be cheaper, in the short term, to mine more bauxite and coal and transform them into aluminium than to recycle used aluminium cans or auto components.

There is also the national interest to consider. A mining industry that does justice both to the environment and to the people who work in it cannot be a capitalist industry driven only by the profit motive. South Africa still possesses huge mineral wealth, far more than we can use ourselves. This is why we continue to export millions of tons of coal, iron, manganese ore and partly processed chrome. We export it all at rock bottom prices – prices that do not reflect the real costs for people or planet but create attractive income flows that are appropriated by tiny interest groups.

Why do we mine? For some mined products, the answer is obvious: we need metals and coal because they are fundamental to the standard of living that is possible for humans today. But for others, particularly the gold and diamonds for which South Africa is best known, the answer is difficult. Precious stones like diamonds, emeralds and tanzanite are luxury products with very little use-value. Gold does have industrial uses, but a lot is used for jewellery and a great deal more is compressed into bars and reburied in places like Fort Knox.[2] There is no real practical point to this mining – only the business-related one, that someone will pay for it.

TOUGH QUESTIONS

The effort to achieve the three aims through negotiation and through the Mining Charter has failed. It seems there is no option but nationalisation. How do we bring this about?

The Constitution will require the state to pay "market price" for mining shares, and there may be problems should any shareholders choose not to accept the state's offer.

How will the state raise the money? It will be a lot. It will take many years to re-coup the investment, during which time funds are still needed to develop the mines and expand reserves of ore that potentially can be mined. The state can buy all the mines, but it will still need to raise substantial additional funds to invest in the mining operations. The cost of providing proper benefits to workers and of protecting the environment will also be high. These would likely absorb most of the income from mineral sales – if even this income were enough, given other mining operations coming on-stream in Africa and elsewhere.

Who will manage the mines? The present management will be willing to stay on, provided they are well paid. The newly nationalised mines can fund bursaries for mining students, but there will be quite a lag before these newly trained miners become mine managers.

The government is also pressing for increased employment. One solution here would be to set special conditions of work for underground miners. These provisions would approximately double the present number of workers:

- a 35-hour work-week for a full wage. As the number of shifts per worker falls, more workers would be needed to cover all shifts
- retirement on full pay after 15 years of service. Average service is not much longer than this, but some jobs will be created by these means. One drawback would be the loss of available skills as many current workers would be due for retirement immediately
- continuous mine operations. Many mines at present are shut down for 78 days each year. The workforce could be increased by 25 percent by moving to 364-day-a-year operation.

The problems of actually implementing nationalisation look daunting. Even once we are clear about *why* we want to nationalise the mines, and we are clear that the *way* this is achieved is critical, much careful thought is needed.

NOTES

1. There was a special law passed to allow *all* mineworkers in South Africa, whatever their country of citizenship, to vote in the election, in recognition of the pivotal role played by the organised working class on the mines in the overthrow of apartheid.
2. The US Mint says that there are 147.3 million troy ounces (4 582 metric tons) of gold in Fort Knox (*The Times*, 28 March 2009). China's gold reserves are currently at 1 050 tons (*Mining Weekly*, 99 February 2011).

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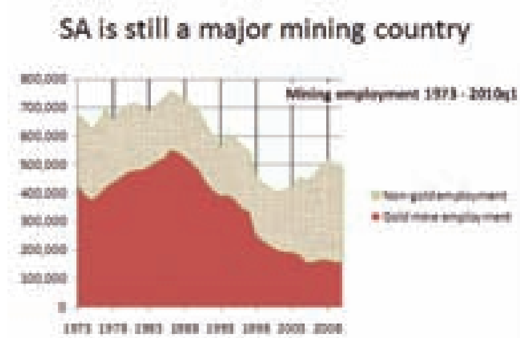

Mining employment 1973–2008

SASSETA CEO: Zongezile Baloyi

LOOKING AHEAD TO THE NEW DISPENSATION

In February and March 2011 SASSETA's Senior Management and operational staff crisscrossed the nine provinces of South Africa to meet, inform and generally converse with stakeholders on topics ranging from the new NSDS III to the state of the safety and security landscape in which they operate. SASSETA serves seven Government sub-sectors and two private sector markets and sets out to create skills improvement partnerships across the spectrum.

SASSETA CEO Zongezile Baloyi was encouraged to see the robust engagement that prevailed throughout the sessions, with most of the key stakeholders taking a lead in sharing critical information and analysing the trends that drive skills needs in their respective sub-sectors.

The sessions provided a wonderful opportunity to gain a comprehensive quantitative and qualitative perspective on the demand and supply for skills development. It created an environment of information sharing that created a better understanding between SASSETA and its stakeholders. What was evident from one-on-one feedback and public discussion was that we need to re-position ourselves as the definitive knowledge and education needs base for all players in the safety and security sector. To become demand driven we must have an accurate and comprehensive understanding of the learning and skills needs of our sectors, and our strategy and plans must be based on reliable data and realistic assumptions and predictions of the future.

Our stakeholders across the public and private sub-sectors have welcomed the recertification of our SETA and the SIC code transfers that involve the incorporation of Metro Police and Traffic Law Enforcement into SASSETA. We have long anticipated this transfer for the primary reason that skills development and education matters within the entire safety and security sector, would benefit from being consolidated and housed within a single SETA, particularly taking into account the commonalities that exist. Set against the background of other inter-SETA institutional and policy matters still being finalised, this move is regarded as hugely positive for the safety and security sector in its entirety.

The introduction of the National Skills Development Strategy 3 (NSDS III) presents a number of opportunities for our sector. In particular we look forward to addressing key issues that relate to youth empowerment, enhancing foundational learning, creating strong partnerships with FETs, and repositioning our sector workplaces as platforms for hosting incremental learning programmes. Gratifying to us is the willingness of our stakeholders to put their weight behind the NSDS III goals tthrough the commitments they have formalised in our new five year strategic plan.

Finally, as part of the handover to the new board, the outgoing board would like to express its appreciation of the progress that has been made since SASSETA was formed in 2005, as well as the successes that have been evident in each of the financial years that saw SASSETA performing above expectations. This is a legacy that must be sustained for the next five years of the new dispensation.

Zongezile Baloyi, SASSETA Chief Executive Officer

ON THE ROAD TO NATIONAL AWARENESS

Kabelo Masilo: Head of Department, Skills Administration

With efficiency and great aplomb, SASSETA kicked off its third annual Skills Development Roadshow that ran from 22 February 2011 to 24 March 2011, and covered 18 venues countrywide and created a deeper understanding of the multi-faceted safety and security sector career development and growth opportunities for both existing and potential future employees. The sessions discussed the ways in which SASSETA assists stakeholders through its many and varied training facilitation options for employers and employees.

What the stakeholders said

Comments from the delegates proved that SASSETA is on the right communications track and that the efforts of the management team and their operational staff were appreciated and welcomed. One on one sessions where queries or problems experienced by delegates could be immediately addressed by SASSETA representative on open communication and information sharing was seen as fundamental to maintaining productive relationships between SASSETA and its external skills development training and facilitation providers.

Dr Wilma Guest-Mouton, CEO of Gauteng-based training providers,Guest Resource Services: Dr Guest-Mouton endorsed SASSETA by saying: "Guest Resource Services has acted as an external Skills Development Facilitator for SASSETA since the old POSLEC days, and we have witnessed the commitment and the drive of this SETA to continuously improve its service to the sector and to improving needed skills development in our country."
Victor Mogane, Bonga and Praise in Mpumalanga told that: "SASSETA has assisted my company in achieving recognition in training and skills development within security services in Mpumalanga. Bonga and Praise has received recognition from the South African Qualifications Authority, various service providers and government departments. We appreciate SASSETA's services which have helped us grow and compete in the business world."Hennie Pieters, HR Solutions, Gauteng: "As a member of the executive Skills Development Forum, HR Solutions, with the support of SASSETA has been striving to professionalise the Sector by creating a thorough understanding of the importance and implementation of Skills Development initiatives".

Marius Orlandini from Special Asset Protection Services: "The workshop was so informative and helpful, we wish SASSETA would have more workshops of this kind. There was a sense of professionalism from presenters and the organising team"

The Casner Brothers from CWC Heldernberg Protection: "SASSETA thank you for the informative workshop, hope that the roadshow will be carried through the year, may we have another roadshow in the middle of the year. We want some more!"
Lunga Michau from Firearm Competence Assessment: "Thank you very much for wonderful presentations, they really empowered me as a new Skills Depeloper in my organisation."

Highlights, attendance growth and going electronic
The roadshows were very well received by delegates with 2011 experiencing evident levels of increased attendance, interest and discussion participation. We were thus able to draw more delegates - 1 422 as compared to 840 in 2010.

The high level of participation and the positive feedback that we received showed that everyone is focused on ensuring the success of the third phase of the skills development strategy and, moving into the world of electronic on-line filing, the demonstration of this new on-line tool was met with enthusiasm at both urban and rural venues. To access the SETA Management System (SMS), go to the SASSETA website www.sasseta.org.za where you will find a link to the SMS.

SASSETA

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south africa

What would Chris Hani say today?

By **Zwelinzima Vavi**


Chris Hani.
Cobus Bodenstein

The author is the general-secretary of the Congress of South African Trade Unions (COSATU). He delivered this Chris Hani Memorial Lecture in Queenstown on 23 October 2010. It has been edited

It was over fifteen years ago, on 10 April 1993, that "Chris" (Tshonyane) Martin Thembisile Hani was cruelly taken from us by an assassin's bullet. He remains a shining example of what we mean when we talk about an authentic revolutionary leader. He is the embodiment of the finest traditions and principles of our liberation movement. To those who planned and executed this cruel deed, we can only say to you: we won't allow Chris Hani to die. We all aspire to be like him! We will follow his teachings! He lives on within each one of us!

There are indeed many ways to remember and honour comrade Chris Hani. We could simply recount the exemplary character that he was, and urge all of us to live by his teachings and his courage. We could also quote some of the powerful words he uttered – only to forget the message these words contained the minute we walk out of this hall.

Hani's life symbolises the trials and tribulations of the black majority and the working class. He was born into grinding poverty in Sabalele village in the Cofimvaba district, to Gilbert, a migrant labourer, and his wife, Mary. His life from the beginning was to be a sign of the battles that lay ahead. The first three children of his parents did not survive infancy. He was among the last three who did.

A natural genius, he matriculated at 16 and graduated in law from Fort Hare University at only 19. He then moved to work as an articled clerk in Cape Town. Soon he joined Umkhonto weSizwe (MK) and went into exile to pursue the revolutionary programme of the African National Congress (ANC).

REVOLUTIONARY CHARACTER

In exile, he was frustrated by a movement that was not active on the military front. Together with a group of comrades, he wrote what became known as the "Hani memorandum", decrying the lack of accountability of the leadership, draconian discipline, nepotism, corruption, favouritism, etc. For this, he was detained by his own movement. Many older and physically stronger comrades had chosen to shrug their shoulders – or worse, joined in these activities that, if they had been allowed to fester, would have destroyed the movement from within. Not Tshonyane!

He was the voice of ordinary people. He used the advantage of his legal education to represent those who shared the trenches with him. For him, the motto of the South African Communist Party (SACP), "For the workers and the poor", was not just a slogan. He was not one who was excited by "shouting hurrahs and proclaiming solidarity" (Amilcar Cabral) with the working class and the poor. Instead, Chris Hani demonstrated his class position through practical action.

We speak here not of a troublemaker but of a brave and courageous commissar who led the joint MK–Zipra (Zimbabwe People's Revolutionary Army) group in the 1967 Wankie campaign, an incursion into northern Zimbabwe (then Rhodesia). After nearly two months of skirmishes, Hani successfully led the survivors of his group into Botswana. In the 1970s and '80s, Hani infiltrated South Africa many times. He became the first member of the ANC national executive committee to cross the border into South

Africa from exile in the course of struggle. He became a key target of the apartheid security forces and survived several assassination attempts.

When he returned to South Africa following the unbanning of the ANC and the SACP in 1990, he criss-crossed the country, addressing a multitude of rallies and inspiring millions to continue with the finest traditions of our struggle. He was a natural orator and one of the best articulators of the aspirations of the working class. Second only to Nelson Mandela in popularity, he was loved and admired by all freedom-loving South Africans, and the working class in particular.

PRINCIPLED LEADERSHIP

When the Soviet Union collapsed and the Berlin Wall was destroyed, many who served with him served in the central committee and politburo of the SACP did not want their names mentioned in public as communists. Hani disagreed. His hatred of the exploitation of the majority by a small powerful class of property owners was genuine. It was not a tactical ploy to gain influence at the time when only the Soviet Union was prepared to help our people gain their freedom. He was proud to be known as a communist! At a time when many were buying suits in anticipation of being appointed government ministers, Chris Hani agreed to become the general-secretary of the SACP – a position that ruled him out of a cushy job.

This is what we must celebrate today: a leader who, gun in hand, commanded revolutionary forces in the battlefield. While others were theorising, he infiltrated South Africa and led from the front, exposing himself to danger. When he faced the prospect of luxury – which others think of as a reward for their personal suffering – he chose to build the Party. All this demonstrates the long-held political practice and principle of the ANC: selflessness. *I-ANC iyasetyenzelwa akungenwa ngetender!*

For Chris Hani, it was never about himself. He was not self-centred, big-headed and elitist. He was not preoccupied with material things. Reacting to those who were shocked at his decision to accept the position of SACP general-secretary instead of angling to be a minister, he had this to say:

> The perks of a new government are not really appealing to me. Everybody would like to have a good job, a good salary... but for me that is not the all of struggle. What is important is the continuation of the struggle... The real problems of the country are not whether one is in cabinet... but what we do for social upliftment of the working masses of our country.

How I wish that those who carry knives and guns to fight for leadership positions in all our organisations could have learnt something from Chris Hani's exemplary modesty, honesty and integrity. After reading his letter to the leadership I really wonder how he would react to the ANC infighting in Mpumalanga and elsewhere, which killed at least ten comrades in the past two years. He would not be shocked though. This is, after all, what he fought against all his life in the movement. We know some cases of disappearances where the prime suspects are not the regime but people we continue to call comrades today.

But he would be concerned at the scale of careerism. During his lifetime he did not have to witness, as we do every day, the reality that some regard access to political office as a means to be super-rich, without making any effort to be an entrepreneur.

I suspect that Chris Hani would been worried that Party leaders have left SACP offices to be MPs, MPLs (members of the provincial legislature) and ministers. He would mobilise workers to provide resources to ensure that the SACP is able to play its vanguard role.

CLASS STRUGGLE

I doubt very much that, if he were around, we would have experienced the full-scale crisis we witnessed in the run-up to the ANC 52nd National Congress. I honestly believe that he would have managed to pull the plug on the "1996 class project" which continues to seek to impose the Washington Consensus on the democratic movement.

The strategy of the counter-revolution is now to create multiple centres from which anti-working class policy positions emerge. The working class, so to speak, has to quickly awaken to the fact that it may be politically out-manoeuvred, surrounded by enemy forces and vulnerable to the strategy of "encirclement and suppression" (Mao Zedong). As we speak, no qualitative shift in policy has taken place, particularly economic policy.

The ANC–SACP–COSATU Alliance is battling a state of paralysis and attempts to marginalise some viewpoints in policy discourse, even after Polokwane. Reactionary pre-Polokwane policies continue to be imposed simply because some people occupy the positions of power to do so. Even when ANC branches articulate clearly and succinctly the direction that must be taken on key policy questions, underhanded sophistry takes root and resolutions are crafted that make a mockery of branch interventions.

What would Chris Hani have done in this situation? His response would be our profound slogan: “All power to the people!” He would castigate the practice that places all power with the government bureaucrats! After saying this, Chris Hani would have travelled the country, mobilising branches of the ANC, SACP and COSATU locals, alerting them to the looming strategy of “encirclement and suppression” and the hardening of a political culture that neglects ANC resolutions and patently resists any accountability to the Alliance.

He would have resisted with all his might attempts to use the state apparatus to advance factional interests in the movement. He would have been at the forefront of the battles against those using the media to assassinate the character of other comrades. He would not have allowed corruption to run so deep that today it threatens to be the primary means of capital accumulation, threatening the very fabric of our national democratic revolution.

He would have told those running around demanding to be elected at the next congress because they are young, that Walter Sisulu became the youngest ever secretary-general not because he was young but because he was the finest leader of our movement.

WEIGHING UP STATE PERFORMANCE

Being a person who was never shy to give credit where it is due, Hani would be impressed with our constitution that guarantees to all the right to food, water, electricity, shelter, education and health.

He would be proud of the achievements made by the state in building 1 600 clinics and refurbishing 400 public hospitals. He would be humbled by the changed attitude of our government regarding the provision of HIV/AIDS treatment to the infected. As a true believer that the masses are their own liberators, Hani would attribute the government’s move from denialism to pragmatism regarding HIV/AIDS to the relentless struggle of those who are infected and affected by the virus.

However, having grown up in the harsh conditions of Cofimvaba in the Eastern Cape, Hani would be unimpressed by the state of education in this province and nationally. He would ask why black children are still the victims of dysfunctional, unsafe and under-resourced schools. It would never be acceptable to Hani that 42 percent of our schools depend on boreholes, rainwater or have no access to water on-site or nearby, 88 percent have no laboratories, 21 percent have no toilets, and 62 percent have a learner/educator ratio that exceeds 30 to 1.

He would be thrilled to know that we have not wasted time in embarking on campaigns to liberate South Africans from want and hunger. He would be happy that 74 percent of South African households live in brick structures, flats and townhouses. But he would be marching in the streets, as he used to do, decrying that 1.875 million households still live in shacks. He would be angry at the quality of houses we have built. He would be angry that we have entrenched the apartheid spatial development planning and that houses are built far away from places of work.

Chris Hani would celebrate with us that in such a short period of time we have improved access to water from just 66 percent in 1994 to 96 percent in 2009. He would be happy to be told that access to sanitation also improved from 50 percent to 77 percent and that 73 percent of our people have electricity today, up from 51 percent in 1994.

From his ideological standpoint, he would feel vindicated by the overwhelming evidence of the need to build an active developmental state that intervenes in the economy. He would be amazed at the level of intransigence shown by bureaucrats and their political principals who refuse to build state capacity and continue to make the state an issuer of tenders and an administrator of regulations – leaving the actual delivery of services to market forces that are dominated by monopolies.

There is truth in what Karl Marx wrote in a letter to his father: “At such moments of transition we feel compelled to view the past and the present with the eagle eye of thought in order to become conscious of our real position.”

Chris Hani would have been in the front row of protests against the commodification of basic services. We deliver services, only to allow market rules such as “cost recovery” to steal these victories. In South Africa 1.3 million households, which account for almost 5 million people, are experiencing water cut-offs due to non-payment. The democratic government gives on one side, and capital takes on the other.

Chris Hani would have been very disappointed to note that many today have forgotten the warnings of the ANC’s 1969 Morogoro Conference. We recall that the “Hani Memorandum” ensured that the conference took place. The Morogoro Conference made this everlasting declaration, which we must repeat over and over again:

> Our nationalism must not be confused with chauvinism or narrow nationalism of a previous epoch. It 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... In our country – more than in any other part of the oppressed world – it is inconceivable for liberation to have meaning without a return of the wealth of the land to the people as a whole. It is therefore a fundamental feature of our strategy that victory must embrace more than formal political democracy. To allow the existing economic forces to retain their interests intact is to feed the root of racial supremacy and does not represent even the shadow of liberation...

[Our struggle] is also happening in a new kind of South Africa; a South Africa in which there is a large and well-developed working class... and in which the independent expressions of the working people – their political organs and trade unions – are very much part of the liberation front.' (*Strategy and Tactics*, 1969)

SCATHING CRITICISM

Tshonyane would be scathing in his criticism of us – that we, the new rulers of South Africa, have been joining the masses in complaining, "We have political freedom but must still gain our economic liberation." He would agree with COSATU's comment that we have political medals without economic jewellery. He would ask why, when we've had so many possibilities to change this situation, we join the masses crying out for leadership that would inspire them to liberation. Chris Hani would recognise that some of the failures to deal with the legacy of colonial capitalism are of our own making.

In particular, he would have been very angry that, in the face of global pressure, instead of uncompromisingly taking forward all ten demands of the Freedom Charter, we chose to beat ourselves before the bully arrived. We simply capitulated, uncritically embracing neo-liberalism through the dictates of the Washington Consensus in 1996.

We changed the white driver for a black driver, but the train did not shift from the white driver's predetermined direction. This route, which we are still travelling, is going towards more inequality, structural unemployment and poverty – and it is politically unsustainable.

Indeed today, after just 16 short years of political freedom, we have become the number one country in the world for inequality. In 1995, the Gini co-efficient stood at 0.64. It increased to 0.68 in 2008. Income inequalities in particular are much more pronounced: 20 top-paid directors in Johannesburg Securities Exchange-listed companies earned 1 728 times the average income of a South African worker in 2008, while directors of state-owned enterprises were paid 194 times the average worker's income.

LACK OF DEVELOPMENT

One of the reasons that Chris Hani did not go on to become a lawyer was his hatred of apartheid in the workplace. Regrettably, this workplace and economic apartheid is worsening. In 1964, the manufacturing sector paid white workers 5 times the wage paid to Africans: whites earned an average of R2 169, while Africans earned R414. In 2007, whites were earning 8 times more than Africans. These inequalities also find expression in access to quality healthcare, housing and education facilities.

Chris Hani would recognise that some of the failures to deal with the legacy of colonial capitalism are of our own making.

These patterns of distribution determine people's future chances of having better life. Hani would be shocked to know that unemployment among Africans, which was estimated at 38 percent in 1995, increased to 45 percent in 2005 – and that a staggering 48 percent of South Africans live below R322 a month, with 25 percent of the population depending on state grants to survive.

He would ask us: What was the point of passing the Employment Equity Act if we cannot use it to enforce the transformation of the workplace? He would be surprised to learn that top managers continue to be predominantly drawn from the white population and that 62 percent of all promotions and recruitments were drawn from 12 percent of the South African population. Almost all of the 20 highest-paid directors in JSE-listed companies remain white males.

Chris Hani would ask why, after 16 years, the country does not have an overarching comprehensive development strategy, underpinned by an industrial policy that will transform our economy while meeting the basic needs of our people. He would have found it scandalous that our country has developed no growth path 16 years after democracy and that it only recently produced an industrial policy.

He would have been angry that our government leaders, right from the beginning, signed away our right to develop, by agreeing to tariff reductions that haemorrhaged our industries – to the amusement of the multinational corporations that demand free movement of their goods and money.

Crucial sectors in the economy continue to be dominated by a few large conglomerates. Past policies have failed to break the dominance of the core minerals-energy complex (MEC), while we continue to import sophisticated manufactured items such as machinery and equipment, watches and even door handles!

> As long as the economy is dominated by an unelected privileged few, the case for socialism will exist.

Faced by this unfolding disaster, our leaders are increasingly calling on the working class to sign a social accord and enter into "a chicken and a pig partnership". In this infamous scenario, the chicken and the pig agree to contribute towards a breakfast. But the chicken volunteers to contribute eggs, produced after some pleasurable activity, while asking the pig to donate bacon, which can only happen when the pig has been slaughtered.

Socialism is not about big concepts and heavy theory. Socialism is about decent shelter for those who are homeless. It is about access to safe drinking water for those who have none. It is about healthcare; it is about a life of dignity for the old. It is about overcoming the huge divide between urban and rural areas. It is about a decent education for all our people. Socialism is about rolling back the tyranny of the market. As long as the economy is dominated by an unelected privileged few, the case for socialism will exist.

COSATU: NO MORE BLANK CHEQUES

Comrades and friends, we have no doubt that Chris Hani would have been at the forefront of the campaign against corruption. He would challenge vociferously those who have grown accustomed to the notion that holding public office means getting the "perks", driving expensive cars and stealing public resources. He would concur with COSATU that relegating the arms deal investigation to the dustbin of history is an aberration to what we stand for as a movement. Hani would share our astonishment at the fact that billions were wasted in procuring arms instead of investing in better quality houses, education and clinics for the poor, increasing the percentage of people who can access clean water and electricity.

COSATU knows that it would have the full support of comrades such as Chris Hani in arguing that the working class should give no more blank cheques to those in power, that the poor will no more be used as voting cattle. No more will the working class be emotionally and ideologically blackmailed into becoming lapdogs, while no economic benefit accrues to it. He would agree with us that we need to ensure that the most committed, honest and hard-working servants of the people are elected as ANC public representatives in the local government elections.

We are certain that Chris Hani would share our interpretation of last year's ANC National General Council as a success. He would be jubilant that this gathering defended the Polokwane resolutions with vigour and made serious inroads against the tendencies he referred to in the 1969 memorandum. He would also be very happy that ANC branches warned in no uncertain terms that ill-discipline should no longer be tolerated. This should not be interpreted to mean that the ANC has a right to discipline leaders of other organisations when they speak on policy directives mandated by their own organisations.

As we celebrate the 25th anniversary of COSATU, we need to ask what Hani would think of the workers' movement today.

We can all learn from Hani's passion to ensure maximum unity of the progressive forces. This is the thinking that lies behind the civil society conference in October 2010. This conference is inspired by Hani's words to civil society organisations during the CODESA (Convention for a Democratic South Africa) negotiations:

> This is not the time to emphasise our differences. It is our job to build on the highest level of unity we can develop to take ourselves forward, not to narrow sectarian goals but to the broad democratic system that is in all of our interests.

The struggle against social injustice, poverty and deprivation can only be won through a united front, dedicated to ending the capitalist honeymoon we have experienced since 1994.

Being a staunch believer in the dictum that the masses are the makers of history, Chris Hani would urge all of us to push the workers' wagon forward. He would warn that without mass power, we must all forget about liberating ourselves from the shackles of capitalism and apartheid

I want to be like Chris Hani! Let all of us be inspired by his examples and emulate his deeds.

agriculture, forestry & fisheries

Department: Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Excerpts of the Budget Vote Speech presented

By
The Honourable Ms Tina Joemat-Pettersson, MP
Minister of Agriculture, Forestry and Fisheries

While the world economy has grown exponentially during the past 50 years, it is clear that designing appropriate poverty alleviation tools remains a challenge. Our Government has heeded the call and is paying particular attention on poverty alleviation. The Department of Agriculture, Forestry and Fisheries has been mandated by the Honourable President Jacob Zuma to deliver on a number of government priorities, in line with the New Growth Path.

The Department's over-arching responsibility is the achievement of "vibrant, equitable and sustainable rural communities, with food security for all". Alleviating poverty by increasing the productive capacity of some of the poorest parts of the country is one of the most effective ways of mitigating the effects of high global food prices, and this is the main crux of the responsibility above.

Job Creation

The New Growth Path targets 300 000 households where opportunities in agricultural smallholder schemes lie, and 145 000 jobs in agro-processing by 2020. In the medium-term, we have committed to creating 130 000 jobs in agriculture, forestry and fisheries by 2014, and to establish 50 000 commercially-oriented smallholder farmers.

A plan is being launched by the Department which will encompass benefits such as land, finance, market, water resources, mechanised services and technical support within the context of a sustainable agro-ecological approach.

The Zero Hunger plan, based on a Brazilian programme, uses the government's procurement systems to purchase food from smallholders, which is then sold at subsidized rates or given at no cost to poor communities.

The Department is committed to the goal of a socially-transformed and equitable sector that increases production viability that ensures profit whilst sustaining natural resources.

Partnerships

The agriculture sector's job creation plans require the active involvement of the private sector. This would enable the government to address logistical challenges that are incurred as the opportunities for smallholders are realized.

Major supermarket chains will be encouraged to accommodate smallholder suppliers to a greater extent than they currently do.

The Department will, with the aid of commodity organizations support smallholders and link them to relevant markets. Appropriate financial services will also be on offer with the support of the banking sector.

The private sector will be approached for assistance with the logistical challenges of supplying smallholder farm products to urban markets.

Marketing infrastructure will be renewed to serve the needs of smallholders, (the private sector will be depended on for its expertise in this area.) The private sector will also be approached in improving access to affordable agricultural inputs to serve the needs of the full spectrum of subsistence, smallholder, and large-scale commercial farmers.

Most importantly, the flow of information between government and the private sector must be strengthened.

Flood Relief

The Department has been allocated just over R200 million rand over the next three years for flood relief.

Agriculture Sector

South Africa's dualistic agricultural production environment has the following primary features:

- Commercial Agriculture is made up of less than 40 000 farming units. Most (if not all) commercial farms are already farmed to capacity, and these farms generally seek to employ 'best practices', including the optimal utilization of fertilizers,

Minister Tina Joemat-Pettersson

pesticide, crop rotation, grazing rotation and inoculations.

- According to the Labour Force Survey, the number of black people practicing agriculture at some scale increased from 3.5 million to 4.5 million, mostly within the former homelands. Most of these are subsistence or small-scale farmers, and farming methods are well below optimal.

The sector continues to wrestle with entrenched inequalities. Since the concept of traceability of products has become more stringent in many international markets, commercial farmers should be assisted to adhere to strict regulations regarding the breeding and certifying of parentage.

The only way that the production potential on some commercial livestock farms can be improved is to make use of superior genetic material.

Furthermore, our compliance as a country with strict sanitary and phyto-sanitary regulations must be safeguarded. Government policies should seek to enhance the export status of commodities and eventually the export earnings of the country.

The Forestry Sector

South Africa is a signatory to the international protocols and agreements on global climate change and natural resource protection such as the Kyoto Protocol and the Copenhagen Convention on Biological Diversity.

South Africa is privileged to be the host country for the Conference of Parties 17 (COP 17) of the UN Framework Convention on Climate Change later this year, although this compels us to invest more resources and efforts towards the effective and sustainable management of our natural resources.

The Forestry Sector's goal is to improve and capitalize on new opportunities, whilst contributing to prosperity and the quality of life in rural South Africa.

Ownership in the forestry industry remains highly skewed, with the majority of forestry plantations owned by a handful of grower-processor multinational corporations. There is a rapid development of black ownership and management in the form of out-grower timber schemes, but the percentage of plantation land owned by independent small and medium growers is one of the lowest in the world. However, certain companies have established projects to support small growers, such as SAPPI's Project Grow and MONDI's Khulanathi.

In the next financial year, there is an allocation of some R300 million to support sustainability measures, and a budget of R550 million has been allocated for sustainable management of the country's forestry resources.

The Department will also enhance job creation efforts by pursuing re-afforestation, confirming small-scale forestry grants, and conducting resource assessments, all within a value-chain approach. The current use of 10% of land by commercial forestry should be maintained and production enhanced by research and technological advancements.

Fisheries Management

The main challenge in Fisheries is to create a balance between maximising the social and economic potential of the fisheries sector while protecting the integrity of the country's marine and coastal ecosystem.

South Africa has a well-established fishery sector, comprising two components: wild capture fisheries and an aquaculture component, which is under development. Each of these requires specific research and management interventions.

South Africa's increasingly

scarce sea resources, under huge international threat, will be better protected by having declared 9% of our coastline as prohibited zones, and up to 3% of our offshore zone as no-fishing areas. The Department will soon finalise and implement the Small-Scale Fisheries Policy, which will include extension services being implemented in the small-scale fisheries sector.

The Department will also support investment in community entities to jointly take responsibility for sustainably managing the fisheries resources and to address the depletion of critical fisheries stocks.

The Department has launched an anti-poaching project in the Western Cape, funded through the Working for Fisheries Programme. This has enabled us to deploy 60 military veterans in the Overberg region to assist in curbing illegal activities.

Sector Security

Crime on farms and in the fishing and forestry industries is a threat to food security, and to long-term economic growth and stability.

Noteworthy, is the conditions of service on the farms. We are convinced that, at the centre of some of the crimes committed on the farms, the trigger was dissatisfaction around conditions of service. The Department will continue to work with organised agriculture to foster good relations between farm owners and their workers.

In the fishing industry poaching is a major global concern, and the invasion of forest land, and ensuing hostilities coupled with the theft of timber and non-timber forest products, continue to plague the forestry subsector. The Department is making a concerted effort to curb these criminal activities in the fisheries and forestry subsectors.

Veterinary and Para-Veterinary Professions Bill

There is a need for additional professionals in the veterinary field to address national animal sicknesses. The Department intends to request amendments to the Veterinary and Para-Veterinary Professions Act of 1982, with a view to introducing a period of compulsory community service for veterinarians. Early indications are that the profession will support this, and the legislation will help considerably in offsetting the current shortage of state veterinarians. Community service will provide a minimum of 100 jobs each year.

Extension and Advisory Support Services

In terms of extension and advisory support to our farmers, including the beneficiaries of land and agrarian reform, the Department has over the past three years implemented an extension and advisory service revitalisation programme to the value of R555 million.

During this year, the Department will also conduct a comprehensive audit of the Extension Recovery Plan to establish the extent to which the targets were met and the outcomes achieved.

The collaboration of Agri SA, NAFU and TAU SA - the three key agricultural unions - has helped to unlock the potential of the agricultural sector, and provided evidence that working together we can do more!

Transformation Charters

The Forestry Charter Council has made progress, and the Forestry Charter has been gazetted as a section 9 code, meaning that it is legally binding to all forestry sector players.

The Fisheries Sector Charter is being developed and will be implemented in the medium term to ensure the achievement of transformation imperatives within the fishing sector. The Agriculture Charter will be gazetted shortly.

Aquaculture

South Africa needs to look to alternatives such as aquaculture, to relieve the pressure on wild fish stocks while taking advantage of the growing demand for fish. Obviously, promoting aquaculture increases the economic opportunities related to meeting this demand to areas not traditionally associated with the fishing industry. The Department has finalised the National Aquaculture Strategy and will soon be sending it to Cabinet for approval.

BRICS

South Africa is privileged and excited to be associating with Brazil, Russia, India and China. From a South African agriculture, forestry and fisheries perspective, the significance of joining the BRICS is the improved access for our exports that it potentially represents to the massive and growing domestic markets of our BRICS partners.

Moreover, South Africa shares a common aggravation with the unbalanced trade environment created by the enormous farmer subsidy systems that remain in place in Europe and North America, thus joining BRICS helps us add our voice to this urgent call for an international trade system that is fairer to all of our farmers.

Expanding trade and development co-operation with Africa

Together with the Trade and Industry, the Department is in the process of introducing an Export Expansion Programme whose purpose will be to boost South African exports to regional and international markets. The Programme will pay particular attention to boosting export markets for beneficiated agro-based products.

Simultaneously, South Africa renews its commitment to playing its part in development co-operation activities with our African brothers and sisters, not least through active participation in promoting trade and investment processes led by the African Union and NEPAD.

MAYOR MASOGA BIDS FAREWELL TO HIS COMMUNITY WITH CELEBRATION OF SERVICE DELIVERY SUCCESSES.

Mayor, Hon. Cllr. Masoga

Hon Cllr Matome Masoga presented a Five Years Report to a jubilant audience at Matome village to account on work done from 2006 to 2011. Here below is an abridged version of his citizens' report.

'When we got into office in 2006, work had already begun through collective efforts of our predecessors in council to give you a better life. We adopted political mandates from the ANC Manifesto, ongoing inputs from you during consultative meetings and the Local Government Strategic Development Agenda to influence our IDPs.

We got into office at the time to find that there were:

- 70% of our households with access to electricity
- 27% with proper and safe toilets facilities
- 44% with access to potable water at RDP standard and above
- 15% with access to weekly refuse removal services
- 76 % vacancy rate with no senior management
- Poor roads conditions that were not maintained
- Municipality operated with R69m total budget at the rate of 20% revenue collection

And as such we still had to intervene to improve things. And these are the highlights of our council term:

1. BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT

Our achievements during our five years are:

- Electrification of 10 618 houses
- Refuse removal services to 6 423 new houses
- Provision of sanitation to 4 460 houses
- Water to1 4621 houses and increase of purification plant's capacity from 30 to 60 Ml per hour
- Construction of 150km of roads

The Department of Housing has constructed 1 570 low-cost houses. We have worked with traditional leaders to provide settlement plans to our villages for proper land uses.

The municipality has provided the following social facilities:

- Four community halls that are currently under construction.
- Four parks in Lebowakgomo
- Lebowakgomo Library which is now partially functional
- Refurbishment of cultural centre, showground and civic hall
- Refurbishment of Lebowakgomo Stadium
- Six taxi ranks
- We have started with designs to construct a softball diamond at Seleteng
- Traffic station
- We have seen construction of eight new clinics and the upgrading of two hospitals by Health Department.We have provided 6 423 new households with the refuse removal services and undertook numerous greening and cleaning activities with our social partners.
- We were recognized with awards for:
- Greenest Municipality: District Most Improved and Overall District 2nd Position
- Ka Moso EPWP: Provincial Best Implementing Body: Environment and Culture Category and Provincial Best Project: Environment and Culture Category

We have seen huge progress in sports among various sporting codes. Softball: Giant Killers became Provincial league champions. Our municipality remains the provincial hub of softball. Soccer: Baroka F.C reached the Nedbank Cup semi-finals and won the Vodacom League. We congratulate Mr. Mogaladi for having bought Bay United and Winnerspark. Mphahlele Ladies are Provincial Champions and produced Banyana star Mary Ntshweng. Athletics: Hellen Thanyane, Themane, Bridget Baloi, Sharlin Mathaola, Thabang Nkuna did well at National Championships.Table Tennis: Our municipal team received two trophies from World Championships in Europe. Indigenous Games: Each year our teams competed nationally and twice represented the country at International Championships.

2. HUMAN RESOURCE

- All critical posts have been filled and key units established.
- We are a Grade 3 municipality after we moved from Grade 1
- We have appointed 112 people to bring our total staff to 187 and reduced the vacancy rate from 70 to 22 percent.
- We developed 14 by-laws that are promulgated and 16 policies

3. LOCAL ECONOMIC DEVELOMENT

In line with our LED strategy, we have directly supported small-scale mining activities by community cooperatives .The following projects were supported; Rietvalley Stone Crusher, Mafefe Slate Slabs, Komantjaas.

Mayor addressing magnitude of people during Five Years Citizen report.

Municipal Manager, Mr. Ramaphakela,the Mayor, Hon. Cllr. Masoga, The Chief Whip Mohlatlole M.C and ExcoMember Cllr. Sehlapelo M

We saw fast economic growth between 2006 and 2008 but we were unlucky to be affected by the global economic downturn in 2009 that resulted in job shedding from local mines. However, we recognise the abundance of platinum and chrome minerals and the presence of diamonds in our area which attracted six mining companies who are all readying themselves to start operation .

Together with our partners, notably CDM, LIBSA, SEDA and LONMIN, we provided support to community agricultural cooperatives. The following cooperatives were supported:

- Hunadi a Modipadi Goat Farming
- Dinose Bee-Hive
- Grootfontein Irrigation
- Fertilies, Germini and Success

4. FINANCIAL VIABILITY

When we came into council we were one of the poorest municipalities in terms of the size of our budget. We grew quite rapidly from a total budget of R69m in 2006/7 to what we have today at R253m. We have moved from GAMAP to GRAP and introduced the Venus System for proper financial management.

We received negative audit opinions all these years and hope our successors will build on our foundation to take this municipality out of such a bad situation and get an unqualified report by 2014 or earlier. In 2006 we appointed an internal audit committee to advise us.

5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION.

WARD COMMITTEES

The role played by ward committees in assisting us to provide service delivery to our people can never be described in words. All our ward committees have been stable.

6. SPECIAL PROGRAMMES

The five years of our term saw the acceleration of activism for promotion and protection of the rights and interests of special groups in our municipality. We started with establishment of the Special Programmes unit and further implemented programmes on:

- women
- youth
- children
- moral Regeneration
- HIV/AIDS
- rural development

In 2009 the Premier's Office and DLGH helped us develop a Municipal Turn-Around Strategy that looked at areas requiring immediate attention and support by other spheres of government. We used this chance to mobilise more resources for our municipality and jerk up the pace of service provision that helped speed up service delivery.

In 2006 when we got into office our municipality was under Project Consolidate because we had serious incapacity problems. But this year, 2011, we are one of the 10 Provincial Growth Points municipalities.'

The revolution has been televised!

The challenge to increase digital access in South Africa.

By **Z Pallo Jordan**

The author is a member of the ANC national executive. This article first appeared in *ANC Today*, 25 February 2011

During the early 1970s, the radical jazz-poet, Gil Scott-Heron wrote "The revolution will not be televised", which soon became a slogan among the left-leaning movements of the time. Plagiarising a few words from a well-known commercial jingle, Scott-Heron ended his poem with telling lines: "It will put you in the driver's seat! The Revolution will be LIVE!"

During the past weeks, it seems that Gil Scott-Heron has been proved both right and wrong. The political revolutions we have witnessed in Tunisia and Egypt were indeed televised, and they put ordinary people – Scott-Heron's virtual audience – in the driver's seat. And they were LIVE!

The extraordinary outpouring of decades of pent-up frustrations and rage against authoritarian governments by the mass of ordinary citizens was led by a generation of people who take modern information and communications technology (ICT) for granted. These events brought home to the world the astonishing power that this technology has placed in the hands of the citizen, and the transformative capacity of what Alvin Toffler called the "Third Wave".

One needs to underscore the role played by both social networks, such as Twitter, YouTube, Facebook, Google and the international television networks, not merely in communicating these events to an international audience, but also to mobilise thousands of young Tunisians and Egyptians onto the streets. Word of mouth and other conventional means of communication invariably supplemented these technologies, bringing together Muslims, Coptic Christians, liberals, socialists, nationalists and communists in an impressive anti-authoritarian united front reminiscent of South Africa in the 1980s.

FOR BETTER OR WORSE

What we see unfolding in the north of Africa, in Yemen, Bahrain, Libya, Iran – and who knows where else – may be the best communicated, documented, media-ready and media-driven political upheaval of modern times.

The governments could not contain, let alone suppress, these movements because ICT development has outstripped conventional methods of controlling information and the capacity of governments to censor it. It has placed in the hands of common citizens the means to record and communicate their own experience, employing electronic equipment that is affordable and accessible to thousands.

Information flowed unimpeded and unmediated among people who had access to this technology. They in turn could pass it on to others. Any bit of information that could be digitised – from the human voice to moving images – flooded the airwaves. We had, it seemed, arrived in Marshall McLuhan's "global village". ICT shrank the size of our planet so that people in Cape Town could not only witness, in real-time, what was happening at the other end of our continent, but could become virtual active participants if they spoke, read and wrote Arabic.

The information highway came into its own! Its capacity to empower both the individual and the collective was incontrovertibly demonstrated.

Earlier this year, we saw the other side of this coin. On Sunday, January 16, I was awakened by anxious citizens, alarmed by a rumour that Nelson Mandela had passed away. That rumour was being "tweeted" around the country by unknown persons, either motivated by a macabre sense of humour or by plain mischief.

Elizabeth Sejake/*The Times*

Pallo Jordan.

Though I was absolutely certain the information was incorrect, I nonetheless found myself apprehensively calling members of the Mandela family, colleagues in the ANC leadership and even the head of VIP protection in the SAPS to reassure myself that the rumour was unfounded.

Modern communications technology is evidently a two-edged instrument that can be harnessed for social good, but also for terrible mischief. In 1938, when radio was the most revolutionary communications tool, the citizens of New York had experience of both these dimensions when Orson Welles and his colleagues broadcast a radio play based on HG Wells' *The War of the Worlds* as if it were unfolding in real life. Hundreds of people who heard that broadcast believed that Earth was under attack by Martians and took flight from their homes. Only later did they discover that it was merely a radio play performed by a group of zealous artists whose creativity got the better of them!

A similar scenario unfolded in Gauteng four years ago. On that occasion some mischief-makers called in warnings of a tornado heading towards Johannesburg to a number of radio stations. Had the Weather Bureau not intervened timeously, the highways – already clogged with motorists heading home or away from the city – might have become unusable. Had a major panic ensued, the consequences could have been disastrous.

Those who have seen the movie *Hotel Rwanda* will also be aware of the genocidal role played by unregulated commercial radio in the terrible events that took place in that country. When discussing the significance of the Cairo events, we should bear both dimensions of the power of modern ICT in mind. ICT itself, like any other tool – be it a knife, a stick or a gun – is neutral. What makes the difference is the person who wields it.

UNEQUAL ACCESS

Last year, in a polemic against a columnist in a local daily newspaper, I had occasion to write:

> South African youth who have the discretionary funds, like their counterparts in the rest of the world, surf and ride the information highway... Today any South African who has access to an information and communications network can download and read a daily newspaper from as far afield as Omea, in Sweden's Arctic Circle, if he or she wants to. Those who wish to can enter into interactive conversations with virtual friends in Hokkaido, Japan or exchange music, videos, films and anything else that can be digitised with others in Tahiti, Shanghai, Anchorage or London." (*The Times* 27 September 2010)

Can the same thing be said of other young people, especially those living in sub-Saharan Africa?

The digital gap between the information “haves” and “have-nots” is perhaps most profound in these regions of our continent. This Third Wave differs from the previous agrarian and industrial revolutions because of its reliance on the technological innovations of the 20th century. Telecommunications is the backbone of the digitised information revolution and the key infrastructure for its development and efficacy.

Though there have been impressive improvements, especially with respect to access to the cellphone, Africa still lags far behind the rest of the world in this regard. A single statistic illustrates my point: there are more fixed lines on the little island of Manhattan than on the entire African continent.

With the increase in the intelligence of networks and devices, as well as mobile bandwidth, the capacity to communicate seamlessly has grown by leaps and bounds, as the events unfolding in North Africa and other parts of the Middle East demonstrate.

As we have seen, information of every stripe has become available to ordinary people thanks to modern ICT. But the ability to access and employ it is still highly constrained and very uneven. In general terms, people in the developed countries enjoy far greater access to ICT, while a privileged stratum – mostly young people – in the developing countries can use it. In South Africa, that divide also has regional, racial, gender and class dimensions. Non-English-speaking rural communities are the worst affected; English-speaking urban communities are the best endowed.

Closing that digital gap requires intelligent interventions. The growth, development and the sophistication of our telecommunications infrastructure must be our starting point. That will not only enhance the capacity of our citizens to communicate among themselves and the rest of the world, but will also have an immediate impact on economic growth.

POLITICAL IMPACT

We have already witnessed the social and political impact of cellphones in South Africa. They have been used extensively as the principal communications tool among delegates at ANC elective conferences, with Polokwane being a case in point.

During the last general elections in Zimbabwe, the MDC used cellphones to collect and collate election results from polling stations across the country, parallel with the official electoral commission. Reports indicate that an ICT company in Nigeria has developed the software needed to prepare that county’s electoral register, while another has developed the hardware that will make Nigeria less dependent on imported equipment.

If sub-Saharan Africa is not to be left behind, should South Africa not establish itself as the telecommunications port for international traffic to and from the continent? Given the relative sophistication of our existing telecommunications infrastructure, this could be the platform for the digitisation of sub-Saharan Africa.

The events in North Africa have shown us that such development will empower the people of the continent and could catalyse both political and social change of profound significance. In my article in *The Times*, I also stated:

> Today, South Africa’s airwaves are shared by literally hundreds of new commercial and community radio stations. Free-to-air television is no longer an SABC monopoly. All owe their existence to the policies of the ANC-led government.

Even our harshest critics cannot deny that South Africa owes its access to the information highway to the ANC-led government and the telecommunications policies it has pursued since 1994. We created the enabling environment for ICT in this country to blossom. It is our policies that have led to the proliferation of social networks, blogs, YouTube videos, tweeting and the new forms of citizen journalism.

It is a matter of historical record that the ANC-led alliance has struggled for and defended media freedom. Is it not time for our movement to consider in earnest the dilemma we created by giving the impression that we wish to control and constrain the free flow of information in our society? The harsh reality is that any action that compromises our proud record as advocates and defenders of media freedom will hand our standard to those who have been equivocal, at best, about these freedoms – when they have not actively suppressed them.

The challenge today is to develop and secure truly diverse media in a digitised age where print might well be on its way out and where engaged citizens, unmediated by corporations or governments, will use the infrastructure we set in place to communicate and disseminate information among themselves.

As Gil Scott-Heron predicted: the revolution will be live!

Pallo Jordan on Press freedom

By **Z PALLO JORDAN**

Extracts from a panel discussion hosted by the National Association of Democratic Lawyers (Nadel), 20 November 2010

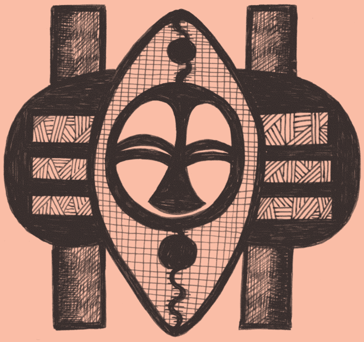
The overwhelming majority of South Africans rely on the radio and TV for news and other information. A minority read newspapers. An even smaller minority, but one that's growing – one that is also younger, and therefore represents the future – has access to the information highway, thanks to the policies of the ANC-led government. These policies have led to a proliferation of commercial and community radio stations, and online citizen journalism and social networking.

Media diversity is the reality, except in the area of print! Here the market is dominated by four large conglomerates (two of which, through vertical integration, also have a significant hand in the production of paper). Despite the meagre numbers of its consumers, print media in every literate society enjoy more prestige, due both to tradition and the segments of society that consume it. The real challenge is to develop and secure truly diverse and free media in an electronic age where print might be on its way out.

Democratic lawyers, their networks and organised bodies were a significant resource that the democratic movement harnessed in the political revolution. Democratic lawyers should have been the first into the breach on these matters – not as critics or opponents of the ANC-led government, but as its concerned allies and supporters, providing critical and constructive comments. Instead: silence. The gap has been taken by the "born-again democrats" of the DA and even erstwhile apartheid apologists and supporters!

In an earlier, lengthier piece I wrote: "I cannot imagine an ANC government that is fearful of criticism. The ANC has not and shall not wilt under criticism or close scrutiny. Robust debate can only help us to deepen our democracy. But debate is a two-way street that contributes to the health of a democracy by calling attention to actions and omissions which do not measure up to our people's expectations."

Even if our purpose was to repress the free flow of information, there is no way that can be effected, given the policies we have pursued! Think of how Wikileaks has blown the secrets of the NATO coalition in Afghanistan and Iraq. That being the case, the hard reality is that the course of action the movement has chosen to pursue can only result in a lose-lose situation. We will irreparably compromise our record as defenders of media freedom, while at the same time inciting our critics to use the new ICTs to publish story after story – whether true, false, half-true, or indifferent – in an environment in which any defence we might marshal will be treated with extreme scepticism or outright disbelief!



MEC for Education
Ms Grizelda Cjiekella

Northern Cape Department of Education

Successfully launches the HeyMath! and 'Wheels in Motion' Projects

The government has identified education as a top priority and, accordingly, our plans as the Northern Cape Department of Education (NCDOE) over the next five years will be derived in particular from and directed according to the elements of strategic priority 4. This refers to the government's commitment to strengthen the skills and human resource base of South Africa.

To this end, the NCDOE launched the Heymath! strategy and the 'Wheels in Motion' project, at an event where the honourable MEC for education in the NC, MS G Cjiekella, addressed hundreds of community members, business and labour representatives, as well as learners, educators and principals from various schools.

The aims of the Heymath! strategy and 'Wheels in Motion' project are, amongst others:

- To facilitate conditions under which children can realise their potential in Mathematics and Science;
- To rekindle learners' interest in Science, Mathematics and Technology;
- To ensure that more learners in the FET grade pass Mathematics, Science and Technology;
- To empower more learners to leave our schools with meaningful and valuable qualifications so they are able to repair and maintain motor vehicles;
- To facilitate opportunities for skills in radio and TV production;

- To adequately prepare learners for further tertiary studies, future employment and self-employment.

The ‘Wheels in Motion’ project will also provide learners with a structured and well-resourced environment to build a car, whereby:

- The process will be filmed and recorded for TV and radio by unemployed matriculants, who will be trained by the relevant SETAs; and
- Facebook, twitter and mixit will enable communities to interact with the school and relevant stakeholders on the project.

The ‘Wheels in Motion’ project is intricately linked to the Bloodhound project, which:

- Has as its aim to confront and attempt to overcome challenges using scientific innovation; and
- Encourages learners and young people to uncover their true potential and become motivated to study these gateway subjects.

Next year, 2012, Andy Green will attempt to set a record for land speed in our own province at Haaksteen Pan, Mier. (Watch the press for details!) Science and mathematics remain an all-pervading influence, permeating our daily lives in:

- Our food, travel and transport;
- Every form of communication, from computers to cell phones;
- Building and construction; and
- How sports scientists are designing our running shoes.

There is an urgent need for more scientists, and, with that, an increase in the number of young people – particularly blacks and women – who are able to successfully complete Mathematics and Science in grade 12, and these courses at university. Nothing is left untouched by science!

‘Heymath!’ and ‘Wheels in Motion’ are designed to unleash the potential of all learners, and to dispel the myth that one is either born with or without this. The significant developments in astronomy, for example, listed below, offer windows of opportunity in the Northern Cape:

- The Southern African Large Telescope (SALT);
- The Square Kilometre Array (SKA); and
- The MeerKAT.

Science is thus ‘opening doors to infinite wisdom’, while ‘limiting infinite error’.

Brazil's industrial policy:
Lessons for South Africa

By **Nicolas Pons-Vignon**

The author is with the Corporate Strategy and Industrial Development research programme of the School of Economic and Business Sciences at the University of the Witwatersrand. He is the founder and course director of the annual African Programme on Rethinking Development Economics (APORDE) and editor of the Global Labour Column

This paper attempts to draw lessons from Brazil's recent efforts to promote economic development through state intervention. It draws on a fact-finding trip to Rio de Janeiro and Brasilia in February 2009, made with the support of the South African Department of Trade and Industry (DTI) and Brazil's National Economic and Social Development Bank (BNDES). While there is no "recipe for success", it is possible to identify a number of historically-important features of late industrialising economies such as Brazil, which could provide valuable insights for South African policymakers.

As noted by Maia et al (2005), Brazil and South Africa share a number of key characteristics:
Both have very unequal income distributions, both have a strong resource orientation underpinning their industrial development trajectory and both have undergone a sharp liberalisation and opening-up of their economies in the past decade. At the same time, both countries are attempting to chart a progressive domestic economic path while being important role players in the global economy.

More debatable is their claim that "military regimes in Brazil pursued heavily state-influenced industrial development strategies which had similar objectives of self-sufficiency and import substitution as did those of the apartheid regime in South Africa". Fine and Rustomjee (1996) argue convincingly that apartheid South Africa did not pursue a coherent strategy of import substitution industrialisation (ISI). Tariffs were allocated to industries on an ad hoc basis and no coherent industrial policy was crafted. However, ISI in Brazil allowed for the creation of a series of strong industries, which favoured the growth of domestic downstream suppliers.

In both countries, the liberalisation of the 1990s resulted in de-industrialisation linked to a rapid inflow of cheaper imports. Reinert (2007) warns of the danger of "primitivisation" when countries revert to diminishing return activities such as labour-intensive agriculture or mineral extraction. In South Africa, the National Industrial Policy Framework (NIPF) and the Industrial Policy Action Plans (IPAP) represent first steps towards building a diverse industrial base – but the task ahead seems challenging.

BRAZIL'S INDUSTRIALISATION

BNDES, Brazil's development bank, was created in 1952 to administer a post-war inflow of US loans, hoped to be equivalent to the Marshall Plan, but which never came. The Bank nevertheless became a cornerstone of Brazilian industrialisation and development. Without receiving much concessional finance from outside, it helped create a large and diverse industrial base through ISI policies that disciplined both domestic capital and foreign direct investment (FDI). The outward orientation of the 1980s and the liberalisation of the 1990s dealt with some of the alleged inefficiencies associated with ISI, but also weakened Brazil's industrial base.

ISI, which started in the 1930s and accelerated after the World War II, aimed to diversify the structure of production in order to reduce the weight of primary commodities and increase that of manufactures. Saad Filho (2010) notes that there were three phases of ISI, starting with non-durable consumer goods, such as processed foods; then durable consumer goods, such as cars, chemical products and cement; and then steel, capital goods and high-technology goods. including aircraft design and assembly. The approach was initially pragmatic and demand-driven. ISI also had the related objective of building domestic demand. Economic development that merely increased imports would have a negative impact on the trade balance. As Alice Amsden (2007: 12) remarked: "If something was imported, obviously locals were willing to pay for it; so the demand was there."

(This "dilemma of development" is faced by many countries – including South Africa today. If the required capital goods have to be imported, large state-supported programmes for infrastructure investment seem likely to send the economy into "stop and go" cycles. The tension may be even harder to overcome where industrial policies for leveraging demand have been systematically weakened.)

In the 1950s and '60s, with some manufacturing experience but a narrow industrial base, Brazil built on its strengths and focused on steel. Although other sectors were progressively added, BNDES started with building capacity in Brazilian-owned heavy industry. Unlike South Africa, the development of the steel industry was conceived from the start as a vehicle for further diversification into capital- and consumer-goods production. Cheap steel, combined with trade restrictions and a large domestic market, made Brazil a very attractive place for FDI. A number of large multinationals, especially in the automotive sector, located plants there to sell to the domestic market and later throughout Latin America.

ISI successfully developed a base of domestic large-scale industries, which BNDES monitored to ensure that its protection would not lead to the creation of "rents". Amsden (2001) emphasises BNDES's high standards and control mechanisms for industrial loans: "The conditions were often specific, intrusive, and formulated in such a way that a client had to comply before it received a loan." Attention to local content at every level of every loan continues to be the cornerstone of BNDES financing. The Bank has thus maximised the leveraging effects of its investment and in so doing acquired unparalleled micro-level knowledge of the Brazilian economy: a key asset for creating effective policies.

ISI has been effective in Brazil thanks to the conditions imposed by BNDES – and BNDES is able to impose those conditions because it has historically been central to industrial financing. But, in order to provide this industrial financing on a large scale, it had to borrow in international markets. This reliance on foreign capital precipitated the end of ISI in Brazil. "The onset of record-high real international interest rates after 1980... brought this model of debt-driven development to an abrupt end" (Rocha, 2002: 6). It also precipitated the end of the military regime, with which ISI policies were associated, and the New Republic was proclaimed in 1985.

LIBERALISATION AND NEO-LIBERAL POLICIES

Far-reaching neo-liberal reforms were paradoxically adopted during the presidency of one of the country's most prestigious "developmentalist" sociologists, Fernando Henrique Cardoso (1995-2003). Primarily aimed at taming the hyperinflation that peaked at 2000 percent in 1994, his Plano Real was part of an ideological shift that blamed the 1980s debt crisis on "irresponsible" state-driven economic policies. The Brazilian economy was abruptly opened to imports and capital inflows, while an orthodox monetary policy maintained high interest rates to attract FDI. There was also a large programme of privatisation (in which BNDES took an active part):

From the outset, [the Plano Real's] central premise was that only by slashing inflation could an attractive investment climate be created for foreign investment... and only massive inflows of such productive capital from abroad could provide a new and sound basis for long-term domestic growth. Technocratic doctrine held that FDI would perform multiple services to the country: it would help finance balance-of-payments deficits, modernise industrial structures, develop advanced technology, promote productivity and boost the international competitiveness of Brazilian exports... It therefore encouraged the entry of short-term speculative funds into Brazil by an unprecedented liberalisation of the capital account and huge interest rate differentials with the rest of the world, with the aim of rapidly increasing foreign-exchange reserves to clinch the success of monetary stabilisation (Rocha, 2002: 7, emphasis added).

The similarities with South Africa are striking, both in the chronology – Plano Real in 1994, GEAR in 1996 – and the content. In both countries, the dogmatic belief that liberalising would attract foreign investment and spur growth and development has proved to be ill-founded.

RETURN TO INDUSTRIAL POLICY UNDER LULA

It soon became clear in Brazil that accelerated liberalisation would result in deindustrialisation. The investment collapse that started in the 1980s caused a drop in manufacturing and productivity growth: manufacturing output actually contracted in the 1990s.

After winning the 2002 election, President Luiz Inacio Lula da Silva refused to depart from his predecessor's conservative macro-economic policies, but he soon initiated the first sectoral industrial policy since the 1980s. Launched in November 2003, the Guidelines for an Industrial, Technology and Foreign Trade Policy (PITCE) focussed on four knowledge-intensive sectors: semiconductors, software, pharmaceuticals, and capital goods. According to the ministry of development, industry and foreign trade (MDIC), these were seen to

- display sustained and increasing dynamism
- account for significant proportions of international investment in research and development
- open up new business opportunities
- be directly related to innovations in processes, products and usage
- increase the density of the manufacturing sector
- be important for the future of the country and have potential for the development of dynamic comparative advantages (quoted in Peres, 2008).

The Brazilian Industrial Development Agency (ABDI) was created to co-ordinate and implement the PITCE – indicating the institutional pragmatism that is an important part of the Brazilian success.

The 2008 Productive Development Policy (PDP) confirmed the return to sectoral focus. Building on the experience of the PITCE, the PDP is the sectoral counterpart of the Growth Acceleration Programme (PAC), which relies on fiscal spending and BNDES financing to boost investment in three main areas: energy, social infrastructure and logistics.

With US$258.64 billion spending for 2007–2010, this strategy seeks to leverage investment for local industrial development, thus preventing the "development dilemma" caused by a deterioration of the balance of payments due to a sharp rise in imports. This logic is the same as the one that was at the core of ISI philosophy and more broadly of successful "developmental states" with sufficient domestic markets.[1] It seems to be all the more justified in Brazil (and South Africa) because of the massive increase in imports that followed trade liberalisation in the 1990s.

The sectoral structure of the PDP is presented in Figure 1. The first row of programmes is under the control of the ministry of science and technology (MCT); the second under BNDES; the third under the MDIC.

The implementation of the PDP is guided by a tight set of quantified and realistic objectives. Core objectives for 2007–2010 included:

- increasing investment from 17.6 percent of GDP to 21 percent (an average annual growth rate (AAGR) of 11.3 percent)
- increasing exports from a share in world trade of 1.18 percent to 1.25 percent (AAGR = 9.1 percent)
- increasing private research and development (R&D) spending from a ratio to GDP of 0.51 percent to 0.65 percent (AAGR = 9.8 percent)
- fostering small and medium enterprises (SMEs), to increase the number of exporting SMEs by 10 percent.

Figure 1: The sectoral structure of the PDP
Source: BNDES

A series of co-ordination and enforcement mechanisms have been designed to ensure that these objectives are reached.

EMBEDDED AUTONOMY: IP AND THE PRIVATE SECTOR

In his classical study on states and industrial transformation, Peter Evans (1995) describes the "embedded autonomy" that existed between the state and the private sector in countries that industrialised successfully: the relationship between the two was close (embedded), while the state kept sufficient autonomy to advance national interests.

The degrees of autonomy and embeddedness vary in every country. In Brazil, the political and business elites clearly share a class homogeneity. However, the formation of a state apparatus with its own esprit de corps has ensured that the lines between the public and private interests were not blurred. The direct involvement of the state in the economy (through finance provision, public investment and strategic SOEs) also provides a direct and large-scale pull effect.

Brazilian industrial policy explicitly takes account of the performance of national private enterprises. To benefit from globalisation, a country must reach out through its own companies, rather than merely open up and expect benefits to materialise. Brazil is breaking with its recent history of neo-liberal policies (adopted in the 1990s) and embarking on an ambitious industrial policy, which involves building productive linkages with the sub-continent and beyond, in particular with Africa.

The promotion of these "national champions" is accompanied by a reciprocal demand that their success benefit the rest of the industrial sector through backward, forward and horizontal linkages. Loans allocated by BNDES systematically encourage the local sourcing of inputs. The Bank maintains a register of Brazilian capital goods and provides companies access to these inputs at lower interest rates. The development of competitive and export-capable SMEs is also supported through sector-specific programmes.

The MDIC's "competitiveness forums" are one of the manifestations of the embeddedness of Brazilian policy. These bring together government agencies and all stakeholders in a given sector. Sectoral issues are discussed and policy measures debated and explained here, but no policy decisions are made. BNDES and other government agencies retain their full autonomy – but their decisions are well understood by the private sector and directly respond to its needs.

Crucially, the PDP mobilises the government around one clear objective: to develop the competitive productive sector, even at the expense of other goals. For example, the promotion of historically disadvantaged groups – a key objective in South African economic policy – is absent in Brazil.

In both countries, the preoccupation with the environmental impact of industrial development is largely rhetoric. Brazil has launched an offensive to defend the legitimacy of ethanol as an alternative source of energy: given their dominance in cane production, this is both a strategic issue and an immense industrial opportunity. On other issues, the government has always privileged economic development over environmental concerns, prompting the resignation of Minister of Environment Marina Silva in 2008 after approving a host of infrastructure projects in the Amazon region. Brazil's stance on environmental issues signals a strong and unambiguous conception of the country's national interest. Although it can be criticised, this constitutes a solid pillar from which to conceive and roll out policies.

Even when it comes to the universal neo-liberal principle that "uncompetitive" industries should not be promoted if cheaper products can be imported, the Brazilians take a pragmatic approach. While claiming that they would not create industries from scratch if it appeared that imports would make more economic sense, they are putting a lot of human and financial resources into developing as many industries as possible.

The Lula government's decision that industrial policy should not be diluted by other objectives was certainly a reflection of underlying class alliances in Brazil, but a successful result would outweigh any criticism. Its sustainability would confirm the claim that industrial policy in Brazil is embedded with the industrial private sector.

At the same time as he was developing a new industrial policy, President Lula launched the Bolsa Familia (family grant), the largest conditional cash-transfer policy in the world. Its results have been remarkable, making an important contribution to poverty reduction (Baltar et al, 2010). It is also a reminder that middle-income countries can pursue ambitious poverty-reduction strategies while supporting the development of their productive sector. Middle-income countries can pursue ambitious poverty-reduction strategies while supporting the development of their productive sector. In fact, supporting internal demand growth while expanding productive capacities are mutually beneficial strategies.

The other important policy through which poverty reduction was achieved (and, according to Baltar et al (2010), the most important one) was job creation in a context where the quality of jobs was supported by legislation, in stark contrast to the neo-liberal policies of the 1990s. In fact, supporting internal demand growth while expanding productive capacities have proved to be mutually-beneficial strategies: increases in domestic demand should come from wages rather than credit.

LEVERAGING PUBLIC DEMAND

At the heart of Brazil's focus on production lies a systematic attention to leveraging demand for the development of local industries. Instruments include cross-cutting programmes for financing and referencing domestic capital goods and a number of large-scale sectoral projects.

BNDES has developed and continuously updates a national supplier database of products whose content is at least 60 percent Brazilian, and thus eligible for low interest rates. This unique tool is widely available to industrialists and public corporations. While they may still decide to buy imported goods, the database offers easy access to information on local products. In conjunction with this, BNDES has developed a credit card facility for SMMEs to purchase Brazilian capital goods listed on the database. This ensures a "trickle down" maximisation of the incentive structure.

The effectiveness of the database is assured by two factors: it is articulated with preferential financing and it is closely monitored and frequently updated by BNDES – the institution with the most extensive knowledge of Brazil's industrial sector.

Another complementary strategy for leveraging public procurement is to integrate the development of suppliers in large national investment programmes. This has been implemented on a very ambitious scale for the state-owned petrochemical company Petrobras after the discovery of deep undersea oil reserves in the Atlantic. To access the oil, Petrobras is developing a cutting edge programme for deep-sea drilling and extracting, including the construction of several platforms.

The ministry of mines and energy and Petrobras have set up the Programme for the Mobilisation of the National Petroleum and Natural Gas Industry (Prominp) to maximise the participation of national industries in this. Its aim is to develop national suppliers, in a competitive and sustainable way, to produce equipment and material that are currently only available by import. A strong but flexible policy on local content sets minimum thresholds after the existing industrial capacity and potential for development or creation have been reviewed. Prominp includes an ambitious skills-development programme that will train over 110 000 people across 175 professional categories, which were determined by gap analyses and forecasting. In line with the aims of the PDP, Prominp actively promotes SMMEs and facilitates access to concessional finance.

The management team, based at Petrobras and co-ordinated by the international consulting firm Accenture, is made up of experienced civil servants and consultants, and works in close relation with the government, Petrobras and the suppliers.

ARTICULATING FINANCING AND POLICY OBJECTIVES

Despite higher real interest rates, Brazil has maintained better rates of investment than South Africa. This is partly due to the role BNDES plays in the economy, where "natural" conditions are far worse than in South Africa. High short-term interest rates there offer little incentive for commercial banks to undertake long-term lending for fixed capital projects. BNDES, by offering favourable terms (i.e. lower interest rates, lower collateral requirements, longer repayment terms), is thus the major provider of long-term lending in Brazil. In addition, it has developed specific programmes linked to the overall needs of the economy, such as a fixed interest loan for small and medium businesses and a low interest loan for projects linked to employment creation targets.

BNDES financing is closely linked to a wider objective of industrial development, with a strong emphasis on the building of linkages. This has been key to the development of the capital equipment sector, which is crucial to a strong industrial base. By lowering the cost of finance, an increased number of projects become viable and investment is stimulated. Export finance, which plays a large, and growing, role for BNDES, links the financing of major South American infrastructure projects with the development of Brazilian industry. BNDES is also collecting detailed information on the development status of different municipalities, and designing appropriate interventions.

BNDES gets part of its funding from treasury bonds, which it has to repay normally, and from its own income from lending activities. But it is able to offer extremely competitive interest rates – close to zero in real terms – because it also has access to a large part of the national unemployment fund (FAT). The Bank has to repay interest on funds borrowed from FAT, but it is not expected to repay capital. The rationale is that its investments support employment creation and are key to keeping unemployment rates down. Being the predominant provider of industrial finance, this source of effectively free money gives the Bank a strong hand to influence its clients' behaviour.

Innovative activities are the prime recipient of cheap loans, but BNDES developed an elaborate policy which encourages local sourcing: each loan is split into compartments to which different rates are applied depending on whether the money is used to purchase locally manufactured or imported goods. Without resorting to plain constraint (as in South Korea in the 1960s), the Bank is therefore able to build the promotion of local industries into its relationship with its clients, providing decisive support to national industrial policy goals. This certainly appears to be an approach worth emulating.

IMPLEMENTATION FACTORS

Academic embeddedness

The previous section highlighted the core characteristics of Brazilian industrial policy. But how can such an ambitious policy be designed and implemented? The short answer has to do with the strength (autonomy) of the state. Three important determinants of its effectiveness are:

- links with national academia
- institutional pragmatism to ensure successful policy implementation
- the related creation of administrative "islands of excellence", with extremely well-trained civil servants in key ministries and institutions.

As obvious as this may seem, it is an important lesson for South Africa.

The relationship between the government and academic institutions may seem a surprising element in Brazil's successful industrial policy design and implementation. However, those links make a decisive contribution to the quality of policy and leadership.

Indeed, the embedded autonomy of the state in relation to its national academia is perhaps as important as that with the private sector. Current research suggests that countries that have effective economic policies have been able to develop highly-efficient and dedicated sections within their state apparatus (Amsden, private communication). Two important features of this are officials who were trained in national universities, and competitive examination-based recruitment into the civil service. This allows public servants to see their employment as part of a lifelong career and strengthens the esprit de corps.

In Brazil, there is a high mobility between the current government and leading academic departments. The government very commonly calls on the expertise of domestic academics to inform policy decisions and define policy orientations, and junior government professionals are recruited largely from the pool of students trained in Brazilian universities.

Despite the mobility between academia and the state, they do not seem to be in competition for human resources, as is the case in South Africa. Indeed, skills are much less scarce in Brazil – an advantage of a well-developed and well-funded tertiary education system. Brazilian universities have the critical size and substance to ensure that leading economists can also decide to remain in academia to pursue their teaching activities and independent research.

Institutional pragmatism

The institutional structure of the PDP (Figure 3) reveals a preoccupation with inclusiveness and efficiency. All the major ministries are represented: MDIC, MF (ministry of finance or Treasury) and Civil House (Presidency). The two programmes on the left are co-ordinated by a very efficient finance ministry (which ensures the link with the investment programme) and by ABDI, the ad hoc institution created to oversee industrial development. The sectoral programmes are co-ordinated by MCT and MDIC, with the co-ordination of support for leading sectors entrusted to BNDES.

The Executive Secretary carries out the crucial task of monitoring the implementation of the PDP. Representatives from the three institutions meet weekly to follow a series of progress indicators. The Secretary reports regularly to the Presidency. Should a bottleneck be identified, the Presidency does not hesitate to call the minister in question to enquire about the issue and urge that it be addressed.

A number of factors lead to the apparent effectiveness of this top-down monitoring system. The first is the very good working relationship of members who know each other well, occupy high-level positions

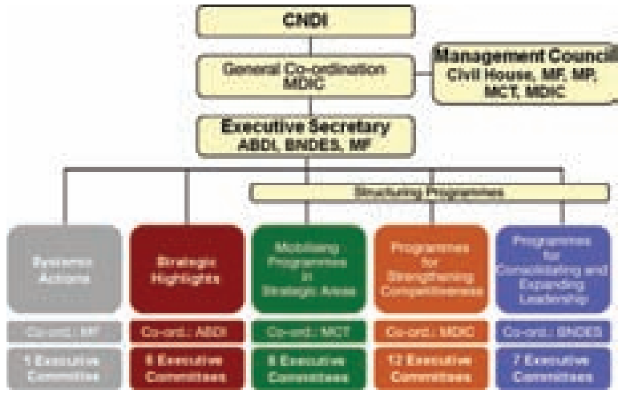


Figure 2: Management and Co-ordination of the PDP
Source: BNDES

in their institutions and are motivated by a similar desire to see the policy (which they helped design) succeed. The second is the very pragmatic way in which the policy objectives have been set: ambitious but realistic, and set out with a series of intermediary objectives to facilitate day-to-day monitoring. Last, but certainly not least, is the steadfastness shown by the political leadership.

Administrative excellence

In Brazil, the civil service is an enormous employer, split between federal and state levels. Federalism is an essential feature of Brazil's identity, reflecting its different regions and complex history and identity. The state is also determined to implement certain policies nationally, and to work towards integrating the more isolated northern and western regions.

The state has a very mixed range of professionalism, if only because of the sheer size of the country it has to rule. As in most countries, state employment is key to the reproduction of the middle class and is utilised to sustain client-patron networks. While such networks are not in themselves an obstacle to development, they often defeat the Weberian ideal of an administration driven by rationality (for insights from the South African experience, see Von Holdt, 2010).

Even at the highest level, performance across ministries is highly uneven. The Brazilians have taken a pragmatic approach to ensure that this would not hamper the implementation of industrial policy. Rooted in an understanding of their strengths and weaknesses, key implementation and monitoring tasks have been allocated to the most effective departments, namely the MF, ABDI and BNDES. ABDI, for example, has been granted a more flexible status for recruiting staff and operates in a more responsive way than regular ministries.

The BNDES staff is limited in size (2200 in 2009) but with a high level of expertise and a remarkable commitment to the organisation and its objectives. With its prestigious image, and pay levels substantially higher than government or academia, Brazil's best economists and lawyers compete every year in its tough recruitment exams. Visiting South Africans were surprised when one of our hosts shyly declared that he could not know the Bank very well yet – he had only been working there for nine years! The concentration of knowledge and efficiency made BNDES an ideal institution to be closely involved with the design and the implementation of industrial policy.

INDUSTRIAL POLICY IN TURMOIL?

The 2008–09 economic crisis has hit several emerging countries very hard. Its real effects may seriously endanger the positive effects of the Brazilian industrial policy by prompting a drop in manufacturing output and slowing industrial diversification. However, observers concur that BNDES's lending capacity offers Brazil an important advantage.

China's economy appears to be the most able to overcome the crisis – largely by reorienting its production towards the rising demand of its 300-million-strong middle class. For Brazil and most other Latin American countries, persistently high levels of inequality automatically constrain the potential for domestic demand growth. Moreover, the increased reliance on exports as a result of liberalisation means that an expansive fiscal policy is unlikely to create much pull effect on household demand. As in South Africa, the co-existence of high poverty levels and an elite hungry for imported luxury goods is a significant weakness in an international context where demand from rich countries has fallen. Salama (2009) argues that a fiscal revolution – away from the current regressive tax structure – is necessary to reduce inequality and lay the foundation for a more inward-looking growth regime, but this would require a shift in class alliances.

An "ambiguous" relationship between fiscal policy (managed by the developmental finance ministry) and monetary and exchange rate policy (managed by the orthodox central bank) may prove another major obstacle to effective recovery. The temptation to leave orthodox economists in charge of monetary policy seems almost unavoidable in countries that have experienced hyperinflation. But this may well prove counter-productive, as it can defeat the use of leveraging policy instruments – especially where the key drivers of demand for Brazilian goods are depressed (Gala, 2008).

KEY LESSONS

Brazil's success in "bringing industrial policy back in" (to paraphrase Amsden) has to do with a tightly-knit set of factors. It is unlikely that these can be reproduced directly in South Africa, but they can certainly point to a few promising directions. The first and most significant lesson is that the state's retreat from economic policy had a very negative effect on development outcomes.

The key institutional and political features of the Brazilian industrial policy include:

- a strong link between the public and private sectors: i.e. an embedded autonomy that allows the state to co-ordinate investment
- a strong corps of high-level technocrats in key areas of administration (e.g. BNDES)
- an unambiguous policy focus on productive development, undiluted by other objectives, however legitimate these may be
- a pragmatic policy architecture focused on outcomes and characterised by realistic targets
- a powerful development bank, with in-depth (micro) knowledge of the economy and methods of financing that support policy objectives and promote linkages
- a strong relationship with high-quality academic institutions, providing key technocratic leaders and developing a domestic source of expertise and reflection on development challenges.

The new Brazilian industrial policy is a strong response to the deindustrialisation experienced in the previous decade, which is rightly perceived to be a major threat to economic development. Unlike the long and difficult process of industrialisation, deindustrialisation can happen very quickly. According to Reinert (2007), it took just two years of World Bank-induced liberalisation to destroy the industrial sector of Mongolia and send most of its former workers back to cattle farming.

South Africa is not Mongolia, but its deindustrialisation began when public investment was almost stalled in the 1980s. An industrial policy is essential to put South Africa back on a path of economic development.

NOTE

1. For a critical discussion of economic policy in Brazil in the second part of the 20th century, including a political economy analysis of the failure of ISI, see Saad Filho, 2010.

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Available on our website: www.newagenda.org.za

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WESTERN CAPE COMMUNITY CHEST

higher education & training

Department: Higher Education and Training REPUBLIC OF SOUTH AFRICA

Building the Leaders of Tomorrow

Addressing the massive skills shortage and training young people to be adequately prepared for the workplace are two of the top priorities of the Department of Higher Education and Training. But there is a lot of restructuring that needs to happen in order for this to take place.

More than three million young South Africans are currently not in education, employment or training. Almost two million of these have not completed senior secondary education, while 600 000 have a senior secondary education or equivalent. This is an enormous challenge for the Department of Higher Education and Training (DHET), given that resources have been wasted and these unemployed young people pose a social risk for the country.

In addition, Further Education and Training (FET) colleges and universities are not adequately preparing students for the workplace. 'The link between academic and practical training is not strong enough,' asserts Percy Moleke, Deputy Director-General of Skills Development at DHET. 'Because the system is inefficient, we are not producing the skills our country needs to flourish economically. Students spend two to three years doing further study after matric, but do not receive another year of practical training which they need to qualify in their chosen field.'

In response to these challenges, the National Skills Development Strategy 2011–2016 (NSDS III) has been formulated in the context of an integration of higher and further education and skills development into a single DHET. It proposes a radical review of the training system to address shortfalls in artisanal and technical skills and to ensure an effective, efficient skills development system.

Five key goals have been identified:

- establishing a credible institutional mechanism for skills planning, which includes providing information on demand and supply for skills, as well as career guidance;
- increasing access to programmes leading to intermediate and high-level learning, including training more people, as millions do not have enough schooling to be able to access mid - and high-level skills;
- increasing access to occupationally-directed programmes, thereby expanding availability of intermediate-level skills, with a special focus on artisan and other mid-level skills;
- increasing access to high-level occupationally-directed programmes such as those for engineers, health professionals, natural and physical sciences, as well as increasing graduate output of teachers; and
- research, development and innovation for a growing knowledge economy, with a particular focus on post-graduate degrees, deepening industry and university partnerships, as well as increasing investment in research and innovation, especially in science, engineering and technology.

The obstacles the DHET faces are staggering. Many pupils are ill-prepared to undertake further learning when they leave school and cannot access post-school education and training. They are neither well prepared to enter the labour market nor are they economically active, and are often unaware of the options available to them.

Restructuring and streamlining the skills development system

Coupled with this problem is the inefficient way in which Sector Education and Training Authorities (SETAs) currently operate. First established 11 years ago, SETAs were tasked with managing the skills development needs of their particular sectors, including banking, construction and manufacturing. Recently, aegis over SETAs was moved away from the Department of Labour to the DHET, and this has resulted in greater scrutiny of their governance.

Comments Moleke, 'We uncovered a lot of inefficiency and corruption in the way SETAs were run. For example, a SETA might have 53 board members whose board fees and travel allowances were too generous. Many lacked strategic direction. A widespread practice was the funding of small private providers to run short courses for workers at huge expense which did not lead to any qualifications.'

Moleke points out that R8 billion is raised every year through the Skills Development Levy, which represents a 1 percent slice of the wage bill. 'Given that our country has such an enormous skills shortage, is that money being used effectively? Think of all the students who drop out every year because they don't have the funds to support themselves. There is no doubt that there is a lot of wastage in the current system.'

To rectify this, the department has implemented a radical review of SETAs. 'Integrating SETAs is a huge task given that some of the functions are entrenched in the system,' says Moleke.

'How do we build a single, simple skills development system? Our intention is to refocus the scope and work of SETAs by improving governance, improving performance management and by improving planning.'

One of the steps that has been taken is to reduce and standardise the SETA board size to a maximum of 15 board members and to limit the number of board meetings and fees as per Treasury regulations. In addition, no board member may have business interests in their respective SETA.

Addressing these problems is just the begining of a long process of transforming the education and training system and building a post-school landscape that will enable this country to produce the kind of skilled professionals it needs to compete globally. The new National Skills Development Strategy is aimed at ensuring improved access to quality learning programmes, increased relevance of skills development interventions and building strong partnerships between stakeholders and social partners.

It seeks to steer investment in education, training and skills development in order to achieve the vision of a capable workforce that will support an inclusive economic growth path and social development. By improving the effectiveness and efficiency of the skills development architecture, the strategy aims to respond to the needs of the labour market while achieving social equity.

Umsobomvu Youth Fund: Providing the right skills to create jobs?

By **Elias Cebekhulu** and **Sizwe Shezi**

Elias Cebekhulu is a senior lecturer at the University of KwaZulu-Natal. Sizwe Shezi is a former overall convener of the community constituency at NEDLAC and a stakeholder relations manager at Ithala Development Finance Corporation

This paper explores the Umsobomvu Youth Fund (UYF)'s performance in enhancing the economic participation of young South Africans along the continuum of support required to enable the youth to start, manage, sustain and grow their businesses. It is based on an analysis of 90 beneficiaries drawn randomly from a database of 4 230 Umsobomvu beneficiaries in KZN.

Three key UYF programmes are assessed:
- *contact, information and counselling (CIC)*
- *skills development and transfer (SDT)*
- *the Youth Entrepreneurship Programme (YEP).*

Traditionally, the responsibility for youth employment was assumed by the state (through provision of education and training and economic policy) and civil society (support from family and non-governmental organisations), while the private sector was largely a passive participant (Waddell, 2001). However, the international consensus on job creation for youth suggests that governments cannot easily solve the issue of youth unemployment.

Abedian (2004) argues that the South African private sector can easily absorb over one million learners if large and small firms fulfil their role, and that the obstacle to this is not money but commitment. This is supported by a baseline review of private sector support for youth development, which identified and quantified a number of gaps in private sector involvement in youth employment, human resource development and economic ownership, as well as procurement and enterprise development (Trialogue, 2007). The empirical findings indicate that, so far, the private sector has played a minimal role in youth development in South Africa.

YOUTH UNEMPLOYMENT

In South Africa, economically active youths in both urban and rural areas are faced with unprecedented challenges. In 2005, 58 percent of young people aged 15 to 19, and 50 percent of those aged 20 to 24, were unemployed (Altman, 2007). While youth unemployment is a historical and contemporary phenomenon in South Africa, these figures are also consistent with global youth unemployment trends. According to the International Labour Organisation, of 88 million young people around the world, nearly 50 percent were struggling to find a job in 2007.

For many youth in KwaZulu-Natal (KZN), access to career information, job opportunities, business development opportunities and economic development services remains a challenge to be addressed by the UYF. Young people require collateral – which they struggle to provide – to access credit from commercial financial institutions. The UYF's first priority was to remove barriers to youth employment related to asset poverty.

The national budget for the UYF's Youth Entrepreneurship Programme (YEP) stood at approximately R400 million in 2007, with each province's slice roughly R44 million. In that year, 7 637 business owners accessed R76 million in YEP loans to start or expand their businesses. The provincial breakdown indicates that the UYF in KZN utilised approximately R8.4 million.

The biggest challenge facing aspiring youth entrepreneurs relates to the predominant paradigm of "institutional economics", which is biased towards funding market offerings rather than youth development. The situation is complicated by apartheid spatial development that resulted in township properties being of no significant value, with most areas redlined in banking practice.

Utilising the proceeds – 855 million rand – from the demutualisation of Old Mutual and Sanlam, the UYF was launched in January 2001 to assist government and the private sector to create jobs and incorporate aspiring youth entrepreneurs into the mainstream economy.

The CIC programme provides career, employment and entrepreneurship guidance through youth lines, advisory centres and an internet portal. It has reached 1.2 million young people. The SDT programme targets unemployed youth with no tertiary education, and facilitates work experience for unemployed matriculants and tertiary graduates through the sector education and training authorities (SETAs) learnership programmes.

Skills include business plans, financial literacy, ICTs, leadership, risk calculation, management, creativity, etc. The YEP is geared towards enterprise support, micro-finance and business development services. Its importance is evident from the UYF's 2003 budget, which allocated R200 million to CIC, R300 million to SDT, and R500 million to YEP.

This paper suggests that, individually and collectively, the three programmes have an uneven impact on the success of the young entrepreneurs, and that the magnitude of access/exposure to each determines the degree of success of the enterprise.

PERFORMANCE OF THE UMSOBOMVU YOUTH FUND

Over the past ten years, the UYF has made remarkable achievements, ranging from business support (e.g. coaching, training and mentorship, access to capital) to job opportunities. For example, the number of loans issued to SMMEs increased from 6 600 in 2005–06 to 21 884 in 2008–09.

National Youth Commission (NYC) chairperson Jabu Mbalula said that the NYC, UYF and the South African Youth Council (SAYC) had been "instrumental in assisting 'many young people' to enter the mainstream economy... whether as businesspeople or qualified employees" (GCIS, 2006).

However, the Young Communist League (YCL) noted that Umsobomvu funding was "streamlined towards specific individuals at the expense of poor youth in rural areas who are in real need of assistance" (ibid.). The YCL also maintained that the UYF consistently promoted individualistic entrepreneurship rather than collective opportunities such as co-operatives and the promotion of sustainable livelihoods (YCL, 2003). There is a growing concern that the few job opportunities created through the UYF are labour-intensive and mostly confined to the Expanded Public Works Programme (EPWP).

A 2007 impact analysis conducted by the department of trade and industry, showed that the demand for UYF assistance is far greater than the allocated funds. Zuckerman (2003) believes that limited resources should be invested in those who make the effort to benefit. But this overlooks the geographical framework that skews resource allocation in favour of urban-dwellers. Marginalised groups must be identified and assisted. Youth comprises the largest proportion of the unemployed, but those with little education, young women and rural youth are the most affected. The situation is worsened by the absence of social networks that are crucial to young people's entry into the labour market. The UYF CIC programme is viewed as the first step towards bridging this social capital deficit (HSRC, 2005).

The challenges facing the SDT programme are also experienced elsewhere. In the United States, a survey of skills development and transfer, specifically within a developmental approach to youth employment, found that training was not long enough to achieve measurable and certifiable competencies. It found, too, that the youth were not able to participate according to their own motivation, interests and abilities, and that programmes were geared towards long-term gains rather than immediate job placements (Zuckerman, 2003).

In South Africa, empirical evidence reveals that most business projects owned by youth tend to collapse because of the lack of market access for their products (Khanya-AICDD, 2007). The Young Entrepreneurs Co-operative, a poultry project located in rural Emalangeni, is a typical example of such a failure. Access to finance without access to markets is an exercise in futility.

Research into economic empowerment initiatives tends to de-link various strategies for enterprise finance, business support, market access, and institutional mechanisms (Everatt, 2000). The dynamic interaction of these variables must ensure that all individually and collectively enhance the initiative.

Mlatsheni and Rospabé (2002) explore the main variables that influence young people's chances of finding waged- or self-employment. The paper questions "whether the age, racial and gender employment gaps reflect heterogeneous 'productive' characteristics between the two groups [youth/adult] (such as education, experience, family background, location etc.) or, alternatively, result from differences

Key Performance Indicators	2001-05	2005-06	2006-07	2007-08	2008-09
Number of loans issued to SMMEs	n/a	6 600	21 383	19 682	21 884
Value of SMME loans issued (R million)	61.6	n/a	101.0	114.0	86.8
Number of business support interventions provided to SMMEs	n/a	n/a	9 470	10 534	12 095
Number of youth assisted through Youth Advisory Centres	281 984	n/a	428 391	485 691	564 508
Number of jobs created and/or sustained	n/a	n/a	19 309	41 002	38 304

Source: UYF Annual Reports, 2004–2009

in the way these characteristics are rewarded on the market."

Erasmus et al (2004) emphasise that young people need practical knowledge and a continuum of support to enable them to advance themselves. Youth development agencies need to rethink institutional goals and strategies to align them with those of their intended beneficiaries. The legislative and policy framework in South Africa provides a solid foundation to support skills development.

PARTICIPANTS' EXPERIENCE

UYF beneficiaries heard about the Fund through various modes of communication, both direct (related institutions, universities, workshops) and indirect (print and electronic media). However, they felt it was "distant", based in major urban centres and difficult for unemployed and poor youth to reach. The majority of beneficiaries received support only after a long waiting period.

In most developing countries, skills development and transfer is usually tied to broader employment creation and SMME development strategies. SDT has not yielded tangible results for beneficiaries. The beneficiaries interviewed ranked the relevance and appropriateness of skills training as the highest deficiency. The training, support and skills provided failed at times to match with market demands. It was also discovered that cumbersome processes – mainly driven by independent consultants – compromises the quality of skills offered. The matching of supply and demand in skills acquisition should be prioritised in the Fund's strategic thrust.

The majority of the interviewed beneficiaries were unemployed. The second-largest group was self-employed, indicating the significant role entrepreneurship support could play. It must be noted that jobs were not assessed in terms of "decent work", etc.

Nevertheless, the beneficiaries expressed a positive view of the Fund's potential to create jobs, and the viability and sustainability of its programmes, provided a relevant strategy is in place. Full and comprehensive support (including mentorship, an appropriate funding model, monitoring and evaluation) would create conditions favourable for enterprise development.

The diversity of unemployed youth is evident in the rural-urban, technological, socio-economic and cultural divides. Thus it is impossible to pursue a one-size-fits-all solution. This study found that the majority of beneficiaries are urban dwellers, which introduced another dynamic of accessibility. The distance between governmental facilities – related development finance agencies, universities, etc. – creates additional burdens. Opportunities must be communicated in different modes, utilising youth clubs, churches, local newspapers and radio stations, stokvels etc.

Stringent funding models and conditionalities increase the cost of doing business for emerging enterprises. In this study, a generally negative perception of young people as a bad investment risk appeared as a key barrier. The unfavourable procurement procedures of both government and the private sector and the unpredictability of payment schedules place a greater burden on youth enterprises.

The highly centralised decision-making structure in the UYF and lack of capacity at regional and provincial offices creates a bureaucracy that defeats its objectives of supporting young entrepreneurs. As Mlatsheni and Rospabé (2002) found, there are micro-economic determinants of specific youth unemployment patterns and their probabilities for finding employment.

CONCLUSION

On the key question of whether the UYF has equipped KwaZulu-Natal youth with necessary skills to establish business and create jobs, the generally low indices across the variables clearly show that a lot needs to be done. The Fund should prioritise a systematic and ongoing review of its progress, identify any bottlenecks in its interventions and make the necessary adjustments to meet its goals.

The positive impact of UYF programmes on youth employment and the personal lives of beneficiaries and their families is commendable. While this research validates the hypothesis that the three key UYF programmes (CIC, SDT and YEP) co-exist in mutually reinforcing interactions, it could be expedient to step up interventions in the YEP.

It further suggests opening UYF advisory centres in all municipalities; alternatively, UYF desks may be established at municipal council offices, in consultation with the municipal authorities. The scope and work of such UYF desks may be agreed between the municipality and UYF.

The notion of entrepreneurial development should be extended to include social entrepreneurship and "intrapreneurship". This is critical: not every youth wants to go into business. Young people who are interested in community-oriented, not-for-profit enterprises that promote social wellbeing and cohesion deserve similar support to that which is provided for those interested in establishing businesses for individual profit.

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CHALLENGES OF THE ENGLISH LANGUAGE IN SOUTH AFRICA

If you ask any adult student who is learning English why they are doing so, the most common answer is usually related to improving job prospects or job performance. This is not a new argument – it is widely known and accepted that English is the language of commerce, trade and industry. According to George Weber, English has an estimated 300 to 500 million speakers worldwide, and can be seen as the most influential language in the world when the six factors that make a language influential are all taken into account.

English is a contentious subject, however. At the moment, there is a debate raging in South Africa which can be summed up as follows: because English is the language of commerce and in order to get a good job, to survive and to prosper in the business world, it is essential to be able to speak, read, write and understand English, and not only to be able to do that, but to be able to do it well. On the other hand, there is an ever clearer understanding and articulation of the negative impact that English has had on the indigenous South African languages. People are becoming more vocal about how knowledge of English comes at the expense of centuries of indigenous culture and tradition.

This is just one of the many tensions evident in acquiring a second language, particularly English.

A more interesting answer to the question was voiced by a student in an English Improvement class who has a child at a school where the Language of Learning and Teaching (LoLT) is English. The reason given for learning English is so that the necessary guidance and support can be provided for her child as she negotiates her way through the education system. It almost goes without saying that parent and child have experience of two vastly different education systems in two vastly different eras with vastly different demands.

Therefore, on one end of the spectrum you have adult students learning English because, to all intents and purposes, the previous education system failed them. This is not the only group of people who are learning English, however. On the other end of this spectrum is an increasing number of students learning English who matriculated between one and five years ago. It would appear that the education system has failed them as well.

The questions remain, how and why this is the case.

The post-1994 education system did not deliberately set out to disadvantage any of its learners and although some may disagree, the skill set required in English as an academic subject has remained relatively unchanged through all three of the curriculum changes in the past two decades. This is also true of the change to the curriculum that will be phased in from next year. In English, as in any language, the skills of reading, writing, listening and speaking are constant. The foundations of these skills, namely grammar and vocabulary, are unvarying. The amount of time and focus given to each of these skills does vary, however.

So, why are so many learners matriculating without a sufficiently solid foundation of basic language skills – literacy – in English? On the one hand, due to the unvarying skill set, the curriculum is not as much of an issue in English as it is in many of the other subjects. On the other hand, however, there is a severe mismatch between the assessment demands in Grades R to 9 and those of Grades 10 to 12. Many learners who passed English without much of a problem in Grade 9 often fail the subject in Grade 10.

The curriculum aside, learning English at school is also complex and multi-faced and there are many challenges.

One challenge relates to family of origin. School success is to a large extent dependent on family support. Learners who struggle often have parents who are perceived as indifferent because they do not participate in the academic life of the child for whatever reason.

Another challenge relates to the home language spoken by learners. Many learners who have one of the other South African languages as their home language are at schools where the LoLT is English. When it comes to the academic subject of English Home Language, they are in the same class as English first language speakers. They follow a curriculum designed for English first language speakers. They are also assessed accordingly.

This is not to say that just because these learners are not English first language speakers that they should be excluded from schools where the LoLT is English. Many parents send their children to these schools, many of them ex-Model C schools, so that their children can be immersed in an English-speaking environment and so learn the language.

However, the curriculum does assume a certain level of familiarity with the grammar and vocabulary of English. In the English Home

Language curriculum at high school, writing and literature are more heavily weighted than language. There is very little emphasis on actually teaching learners how the English language works – including grammatical constructs and vocabulary development – simply because the majority of time is spent analysing literature and teaching the different writing styles and formats. The foundational background is assumed to be already present and learners who do not have this foundational background are disadvantaged.

It may be worth stating at this point that a good solid foundation in one's home language correlates with success in acquiring a second language. The skills of reading, writing, speaking and listening are transferable from one language to the next. If learners are proficient in these skills in their home language, they will be able to carry this proficiency over. However, if learners have difficulty, for example, reading in their home language, teaching them (or re-teaching, as the case may be) to read in a second language, particularly English with all its strange spelling, odd vowel combinations and sometimes bizarre pronunciation, becomes very fraught.

Perhaps the biggest challenge in acquiring a foundation in all the languages relates to class size in the first few years of primary school. The smaller the class, the more attention each child will get from the teacher and, theoretically, the more they will learn. In Grade 1 classes of 40 or more – a number which is not as uncommon as one would think – it is almost inevitable that a certain percentage of children will "slip through the cracks". If a child misses out on some information related to the acquisition of reading, writing, listening and speaking skills, this gap is compounded every year as they move from grade to grade. By the time a learner is in Grade 10, it is impossible to re-teach these skills in the classroom. Add a language barrier to this and the result is an indescribable tension between the requirements of the Home Language curriculum and the actual educational needs of the learners. Extra-curricular remediation becomes the only solution. Although remediation can make a significant difference, very few learners actually have the means and opportunity to take advantage of it.

Learning English in the school system is therefore actually a highly contentious and politicised process with wide-ranging implications, particularly in South Africa. As it remains the world's lingua franca, it will be a language that is in demand for the foreseeable future. As it stands, learning the language itself may be the easiest aspect of negotiating all its surrounding debates.

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The Free State Development Corporation (FDC) – Driving job creation and investment within the Free State Province.

The Free State Province is actively driving new investments and job creation initiatives into the province through the Free State Development Corporation (FDC). The FDC was traditionally responsible for enterprise and property development; however, the incorporation of the investment and export facilitation services has given the FDC the capacity to become the driving force for economic growth.

The Free State is striving to change their economy from being dependent on the primary sectors of mining and agriculture to becoming a more export-oriented economy. Agriculture, agro processing and manufacturing are where the FDC is looking to make the difference by prioritising the creation of jobs and skills development within these sectors. Currently the northern region of Fezile Dabi District contributes 70 percent of the manufacturing output in the province.

Agriculture and agro processing

Agriculture dominates the Free State landscape, with cultivated land covering 32 000 square kilometres, and natural veld and grazing land a further 87 000 square kilometres.

Field crops yield almost two-thirds of the province's gross agricultural income. Animal products contribute a further 30 percent, with the balance generated by horticulture.

Although horticulture is expanding and becoming increasingly export-orientated, most produce leaves the province unprocessed.

In an effort to develop the Free State into the agro-industry hub of South Africa, a set of initiatives intended to exploit and benefit the value-adding capacity of the province have been conceptualised. One of these initiatives, the establishment of a food processing park in Harrismith intending to host multi-national companies in the food production sectors, is already in an advanced stage of planning.

This food processing park will position Harrismith as an agro-industry hub by creating value-adding capacity in servicing a host of locally produced agro-produce for export and national distribution. The Free State currently has a number of players in organic food production, baby food, sunflower processing, wheat and maize milling, and some of the national food-producing companies are also key players in the province. This project will be implemented in phases over a three-year period.

Another planned project in this sector is the integrated dairy project that has crop farming, meat and milk production processing and packaging as the core operations and business. Biogas and electricity generation will be a secondary function. This project, with a value of R60 million, will use high-tech systems that have proved highly successful in Germany and other developed countries.

ICT and Business process out sourcing and off shoring (BPO & O)

The Free State is positioning itself as a major centre for business processing and outsourcing and off shoring (BPO&O) with Bloemfontein as the epicentre of Telkom's switching centers.

Bloemfontein sits on both the national and international optical fibre routes and has numerous call centers of varying capacities already operating in Bloemfontein to take advantage of the available infrastructure and talent pool.

In an effort to bridge the digital divide, the Free State provincial government has conceptualized a number of projects In the Telecommunications and Information Technology sector which include an Information Technology Roadmap, Regional Innovation System and a Broadband Network System.

Pharmaceutical and Medical Sector

The FDC is also targeting the pharmaceutical and medical sector for investment. The springboard for this sector is the recent injection of a R35 million investment in the establishment of a high tech medical supplies manufacturing facility in Kroonstad. This project will be a pilot for other manufacturing entities to be set up in Parys and Sasolburg, which will ultimately form part of the Free State 'manufacturing triangle'. Parys has been earmarked for the establishment of a full safety product manufacturing facility while the location of the Sasol plant in Sasolburg has prompted the decision to locate a medical product extrusion plant in the area. Other international medical supply companies are already earmarking the Free State as an investment destination that will act as a springboard into Africa for their products. The proposed establishment of a Medical Bio-Cluster in Bloemfontein, with the objective of locally commercializing bio-tech patents, will also have long term benefits for job creation in the province.

Transport and Logistics

The transport and logistics sector plays a crucial support role in the Free State economy, mainly due to the province's strategic location. The province intends exploiting this strategic position through two major initiatives, the N8 Corridor Development and the Harrismith Logistical Hub.

Energy Sector and Alternative Industries Sector

The renewable energy sector is another key focus area of the FDC and especially in solar energy. Projects for the manufacture of solar panels and geysers have already been conceptualized as well as a solar farming project for the Xariep area.

The South African petrochemicals giant Sasol, located in this region, is responsible for the production of liquid fuels, olefins, organic solvents and industrial mineral derivates. With a planned expansion, Sasol is looking to double the production of hard wax products in the country by 2014.

The Way Forward

The realization of all of these investments into the province is a result of an extensive investment promotion strategy of the Free State aimed at attracting Investments into the province to create an inclusive and diversified economy for the creation of jobs.

The FDC is looking at this investment drive as being a catalyst for not only job creation but also as a transfer of skills into the local community, allowing micro and medium enterprises to evolve and contribute to the provincial economy.

FDC
FREE STATE DEVELOPMENT CORPORATION
YOUR PARTNER IN DEVELOPMENT

Taking root in fertile soil

The Free State Development Corporation (FDC) is the province's official economic development, trade and investment corporation. It is the first point of contact for foreign and local investors, local exporters and local entrepreneurs who wish to take advantage of the opportunities offered here.

Comments FDC CEO Thabo Makweya, 'Previously the FDC was not funding primary agriculture, but this has since changed. We are currently involved in two agroprocessing hubs, one in Hoopstad and the other in the Bultfontein area. This is traditionally a maize belt, but there is also some groundnut production. Two of the major peanut butter manufacturers in SA source their peanuts here, although unfortunately manufacturing still happens in Gauteng. We are working hard to reverse this.'

According to government's New Growth Path, a key focus in creating jobs is through agriculture, agro-processing and manufacturing. In line with this strategy, Makweya mentions some of the new investment projects the FDC is involved in. 'Currently 15% of chicken meat bought in SA is imported from Brazil and Argentina,' he says. 'To counteract this, we have set up a chicken factory and abattoir in Odendaalsrus near Welkom. This has been done in partnership with the Department of Rural Development, the Land Bank and the Industrial Development Corporation (IDC). There is also a potential investment which will result in a potato chip factory being built in Harrismith.'

He continues: 'We have secured a R48-million grant to start a craft paper mill in Frankfurt in partnership with the IDC and the Department of Trade and Industry. The total value of the mill will be R650 million.'

Greater efficiency after restructuring

The incorporation of the previous Free State Investment Promotion Agency into the FDC last year has resulted in the streamlined functioning of the organisation. 'It enabled us to review our strategic direction,' comments Makweya. 'Previously there was a fragmentation of instruments to address unemployment. Now there is one agency in the province. Our priorities are enterprise

FDC CEO. Mr Thabo Makweya

development and creating a symbiotic relationship between exports and investment promotion.'

In order to promote business opportunities in the province, the FDC has set up a marketing arm called Grow Free State. 'It is similar to the Blue IQ concept in Gauteng,' says Makweya. 'As we are focused mainly on the primary economy, we wanted to build on our strengths and market the province to overseas investors.'

While admitting that access to government funding has proven difficult, Makweya believes the FDC has now found the necessary leverage to grow. 'Our huge property portfolio gives us borrowing power and together with venture capitalists, we now have a dedicated fund for lead projects. These are strategic, high-impact projects.'

As far as upcoming projects go, Makweya is optimistic. 'We have aligned our key goals with that of national government – infrastructure development and job creation. There are plans to revive the N8 corridor between Lesotho and Bloemfontein, with one of the initiatives being a high-speed train between Bloemfontein and Lesotho.'

FDC
FREE STATE DEVELOPMENT CORPORATION
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African MPs for development effectiveness

By **The Network of African Parliamentarians (NAP)**

This statement was endorsed by a conference of the SADC Parliamentary Forum, the parliament of Mozambique and the Association of European Parliamentarians for Africa (AWEPA) in Maputo, 3–5 May 2011, as a contribution to the Fourth High Level Forum on Aid Effectiveness (HLF4) to be held in Busan, South Korea in November

A conference convened by the African Union (AU), NEPAD and the African Development Bank (AfDB) in Tunis on 4–5 November 2010 debated the failure of foreign aid to significantly reduce poverty in Africa. While it was recognised that many African countries relied on aid for various programmes, including budget support, the view emerged that the time had come to overcome aid dependency by increasing the development capability within our countries. Hence aid could serve as a catalyst for development. The focus should therefore shift from "aid effectiveness", as set out in the Paris Declaration process, to "development effectiveness". This approach was elaborated at a conference convened by the AU and NEPAD at the UN Economic Commission for Africa (ECA) in Addis Ababa on 27 March 2011 in a document called "African Platform for Development Effectiveness". The Network for African Parliamentarians (NAP) participated in these meetings and fully endorses the new position. It is committed to promoting the position among parliamentarians across Africa.

The Network of African Parliamentarians (NAP) was formed in Nairobi, Kenya in August 2003 and was formerly known as the NEPAD Contact Group of African Parliamentarians (NCGAP). It was formed in response to a request by Professor Wiseman Nkuhlu, then head of the NEPAD Secretariat. It soon emerged that many concerned parliamentarians across Africa wanted to ensure that parliaments were fully engaged in the NEPAD process and NCGAP spent the following years in working to this aim.

The NAP currently consists of a network of over one hundred African parliamentarians, chaired by Professor Ben Turok MP South Africa with Dr Odette Nyiramilimo, MP EALA. With a membership of engaged parliamentarians across Africa, the NAP is a unique initiative which meets to report back on parliamentary actions on relevant issues in regional and national parliaments, and which keeps members informed about NEPAD and development issues through regular information bulletins. NAP has been deeply involved in the Paris Declaration process and has cooperated with the Nepad Secretariat, the Pan African Parliament and AWEPA during this period.

The NAP has been actively involved in discussions in the lead-up to the 4th High Level meeting in Busan, including the conference in Tunis in November 2010 that resulted in the African Platform for Development Effectiveness (APDev):

> APDev is an African-owned and -led innovation offering a physical and virtual multi-stakeholder platform for mobilising African policy makers and practitioners towards achieving sustainable development results. The APDev was endorsed by the 15th African Union Summit of July 2010 in Kampala, Uganda and serves as a knowledge base and hub for mutual learning. The Platform is premised on the AU NEPAD Capacity Development Strategic Framework (CDSF), which seeks to address significant knowledge-based capacities towards addressing Africa's development challenges. ("AU launches the African Platform on development effectiveness", 3 March 2011, www.nepad.org)

This document seeks to add the voice of the NAP to support the APDev in preparation for Busan.

GLOBAL CONTEXT FOR REVIEWING AID

Contemporary data on Africa's economy record an impressive growth rate, indicating substantial improvement in the prospects for Africa's development. However, this mainly reflects increased export revenues from mineral extraction, rather than a broad improvement in the actual economies or the economic conditions of our people. Economic successes need to be analysed carefully to draw correct conclusions.

In the last few years, some leaders have become increasingly critical of the dogmas of free markets and neo-liberalism. This is partly due to the severe crisis in the financial markets in the United States and Europe, where the turbulence in capital flows is out of control and solutions are not in sight. At the same time, the emerging markets of China, India and Brazil seem more stable and their economies are surging ahead. Thus African leaders are less captive to demands from the institutions of the developed countries.

> There can be no development effectiveness without democratic oversight of aid and other development expenditures.

Africa's newfound freedom of choice in the rising demand for its resources from China, India and Brazil is also important, bringing GDP growth and a new optimism to Africa's leaders. Coupled with these considerations is a growing realisation in the US and EU that Africa's one billion people offer a huge potential market for their goods. Since there is a degree of market saturation in these countries – where most households already have basic necessities like fridges, stoves and other appliances – they cannot afford to ignore this.

BREAKING OUT OF STAGNATION

Despite these promising conditions, the fundamental question remains of how to end the stagnation in agriculture and manufacturing sectors, which would be the real foundation for development.

Of course, each country has its own road, but it is possible to identify some broad principles that apply to all countries and need to be considered by parliamentarians across Africa. These include:

- the natural, physical and human resources of countries concerned and the potential for domestic benefit from these resources
- domestic capacity development through local recruitment, building on local human resources, retaining skills and encouraging return, especially measures to retain professionals and encourage their return
- promotion of agriculture and food security
- infrastructure development
- a well-regulated financial sector, including good governance of banks and other financial institutions
- fair trade.

AFRICA'S SHIFT TO DEVELOPMENT EFFECTIVENESS

The main purpose of the Tunis conference was to call attention to the evidence that more than fifty years of development assistance has not made a significant dent in African poverty levels. We therefore need to shift the focus to aid for development.

The conference was attended by diverse representatives from many institutions across Africa and many aid agencies and governments around the world. The OECD was well represented. NAP was represented by its Secretariat. In the discussion, the OECD expressed reservations about the proposed shift, but the heads of the AfDB and NEPAD insisted that a renewed focus on development effectiveness was Africa's position in the run up to Busan and after.

A final report from the conference, "The Tunis Consensus: Targeting effective development", included the following aspects:

- the need for states to be more effective and accountable
- the need for much greater domestic accountability
- that donor countries acknowledge the deficiencies in aid
- how developed countries can assist Africa's "home grown efforts" without arrogance
- the importance of regional markets
- that aid should be much less "addictive"
- that aid should support Africa's infrastructure in order to build the productive sector.

These inadequacies must be seen in the context of an unequal and often unfair global environment. If the future aid regime is to successfully address poverty in Africa, there will need to be a significant paradigm shift. There can be no development effectiveness without democratic oversight of aid and other development expenditures.

THE ROLE AND CAPACITY DEVELOPMENT OF PARLIAMENTS

The deficiencies in aid are partly due to the fragmentation, misdirection and squandering of aid, whether due to poor leadership or the absence of checks and balances in both donor and recipient countries. There is evidence of corruption and greed in some recipient countries, and better systems to control abuse are needed. There is also evidence of insufficient control of aid disbursements in donor countries

In both donor and recipient countries, this then places special responsibilities on the oversight role of parliamentarians.

The separation of powers between the executive and the legislature laid down by our constitutions often leads to tension between the two spheres of government. The ruling party may exercise a degree of control over its members of parliament that inhibits outspoken criticism of ministers. And yet, members of parliament have an overriding obligation to represent and defend the interests of their constituents.

These contradictions have to be handled sensitively but positively. Where the executive takes decisions to please donors or investors, but which are not conducive to the broader mandate of development, this must be taken up. For seven years, the NAP, in partnership with AWEPA, has worked hard to get more accountability from both donor and recipient executives in the matter of aid. We have also argued strongly for the proper representation of both donor and recipient country parliaments in international aid forums.

This point requires reinforcement within the OECD if rhetoric is to lead to action. A draft Legislative Principles document that outlines the role of parliaments in making aid and development more effective attempts to do just this. Once feedback has been collected from MPs and parliamentary institutions across the globe, it will be submitted to the OECD Working Party on Aid Effectiveness for consideration in the outcome document in Busan.

In addition, the following recommendations for parliamentary action should be considered:

- while it is understood that there is an intrinsic tension between executive and legislative branches of government, when it comes to oversight, parliamentary accountability has priority. Other orders of accountability can never replace that. In some cases, civil society contributes unofficial efforts toward accountability; as much as we support this process, it cannot be a substitute for parliamentary accountability
- the first element of good parliamentary conduct is respect for the constitutional mandate. This is vital if parliament is to be taken seriously and not seen as a "rubber stamp"
- with regards to development assistance: while we accept that the executive has the responsibility to negotiate aid, aid funds should be "on budget" since this allows for automatic oversight by parliament. In practice, other arrangements prevail and we urge that final agreements on aid should be subject to parliamentary approval. Allocations and disbursements of aid should also be reported to parliament. These debates should be held in our parliaments where the fundamental direction of economic policy is discussed.

> The ruling party may exercise a degree of control over its members of parliament that inhibits outspoken criticism of ministers. And yet, members of parliament have an overriding obligation to their constituents.

Members of the private sector and civil society in Africa, who correctly lament the failure of some of Africa's leaders, should acknowledge that this failure results from weak legislative oversight of the executive. Weak oversight has allowed enormous development resources to be diverted into overseas bank accounts. This could be halted by stronger capacitation of Africa's parliaments: the weakest link in the chain of financial accountability. Furthermore, democratic and economic development would be immeasurably advanced by the ability of African elected representatives to actually reach out to the rural and urban poor, to listen to their grievances and defend their interests on the political agenda.

Capacity development in the parliamentary sector needs to take account of several factors, such as the frequently high turnover of elected members at each election.

Donors must provide assistance for parliamentary capacity development at the national, regional and continental levels by making key tools available, from IT equipment to the facilitation of dialogue with all stakeholders.

The provision of support services in the parliamentary sector is best conducted on a peer-to-peer basis, avoiding both executive dominance (via inter-governmental organisations) and special group-interest biases (via civil society organisations). Such support services should be complemented with adequate advisory services and capacity-building for parliamentary staff. Parliamentarians can change over time, but staff people remain in parliament and can play a positive role in promoting dialogue and supporting MPs in their tasks.

CONDITIONS FOR DEVELOPMENT EFFECTIVENESS

If aid is to support sustainable domestic development efforts there must be the rule of law and political stability. Without these there may be illicit cash transfers, capital flight and lack of foreign and domestic investment.

In order to develop an economy and create employment, there needs to be a conducive business climate and a legal and regulatory framework to instil confidence in investors and support the needs of the private sector.

At the heart of creating the upward spiral of economic growth needed to address poverty is sound public financial management and a sustainable tax base grounded by public trust in the tax collection system and equitable revenue disbursement.

Good governance requires the separation of powers, with an independent judiciary and an autonomous and empowered legislature to check executive power, oversee public expenditures and prevent corruption and human rights abuses. There needs to be a conducive international environment for Africa's development, including debt relief and trade regime equity. Development effectiveness must be judged by the attainment of African – and not donor – objectives. The main aims are the political, economic and corporate governance improvements set out by NEPAD and the African Peer Review Mechanism (APRM).

PARLIAMENTARY PARTICIPATION IN AID DISCUSSIONS

Development assistance relationships must acknowledge the self-interest on both sides in an open way, and accept that a long-term process is involved. A "partnership" approach implies equality, mutual benefit, clear ownership and joint assessment in all processes, requiring extensive and regular consultations that need to be budgeted for and have time allocated on both sides.

There is increasing recognition internationally that parliamentary involvement in aid discussions is essential. In principle, there should be parliamentary participation in all discussions on ODA; in particular, in preparation for the HLF4 in Busan, where the elevation of parliamentary participation will be a significant innovation.

The HLF4 should also acknowledge the need for an ongoing dialogue between recipient and donor parliamentarians, in a mutually accountable joint-monitoring and feedback loop. This will strengthen the confidence of donor taxpayers in the value of ODA.

CONCLUDING REMARKS

Funding for aid is sourced from taxpayers. It is a public good and should not be seen as a resource to be used at the whim of individual ministers in either donor or recipient governments. It is essential that public trust should be restored.

Parliamentary representation should be ensured in all future discussions on aid. Country delegations should include parliamentarians as the norm. We urge all parliaments in donor and recipient countries to debate these matters fully.

We urge governments to develop aid policies in a transparent manner and to account fully for all disbursements as they happen. In recipient countries, parliaments should be fully engaged in discussing aid received and where it is allocated. Unspent aid should be reported and explained.

It is recognised that aid frequently has a political motivation and the political implications should be spelled out as fully as possible. Where possible, there should be co-operation between parliamentarians from recipient and donor countries in the mutual interest of public accountability. Reporting to the peoples of both donor and recipient countries is essential to ensure that aid is used for the intended purposes thus avoiding the possibility of corruption or misuse of funds.

STARS IN THEIR EYES

Having a disability can be a major setback, but it shouldn't stop you from reaching your dreams. A case in point is Adelaide Tambo School in Soweto, Johannesburg, which offers students with physical and learning disabilities a truly inclusive education.

'Healthy bodies and healthy minds produce a healthy community.' This is one of the core beliefs of Adelaide Tambo School, a school formerly known as JC Merkin, which was established in 1980. Situated in White City, Soweto, it provides education to 381 learners who are physically challenged as well as those who experience barriers to learning in mainstream schools. Learning runs from Grade 1 through to Grade 12. Most students come from disadvantaged families; others are orphans raised by grandparents, supporting their families with their meagre social grants.

The school is divided into two streams – academic and skills-based education. Some of the skills covered include domestic science, cooking and baking, flower arrangement, sewing and fabric painting, art, leather works and hairdressing. School principal Lindela Memani comments, 'As part of our skills curriculum, we offer upholstery and cabinet making. This has stood out as a resounding success. We make office furniture, wardrobes and sofas. At the beginning of the year we presented Social Development Minister Bathabile Dlamini with a sitting-room suite as a gift (which she, of course, offered to buy!).' Memani says another skill that was recently added to their curriculum is printing, which he believes has great potential.

The school is run by 33 qualified teachers. For ongoing therapy and rehabilitation, the school makes use of two physiotherapists, a speech therapist, an occupational therapist, and a school-based social worker as well as a nurse. This is to give learners with physical disabilities the support they need on site.

Almost half of the learners live in the school's hostel that consists of separate boys' and girls' dormitories. The hostel is run by three housefathers and six housemothers who work on different shifts. The charity Gift of the Givers provides the hostel with food on a monthly basis.

As far as funding goes, the Gauteng Department of Education subsidises the school substantially. 'However, in order to cover the shortfall and to meet all the school's needs, we charge school fees and engage with various donors,' says Memani.

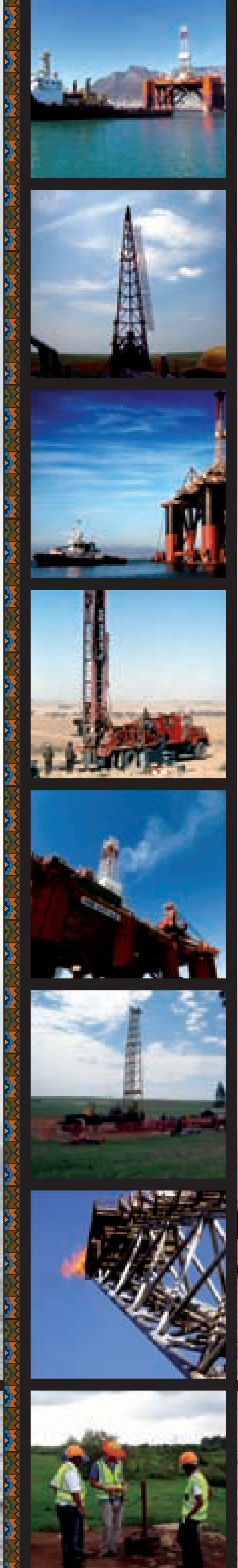
He is proud of the school's achievements so far. 'We have been able to produce good matric results, though there is obviously fluctuation each year due to the differing nature of learners' disabilities. Some of our learners have gone on to study at universities like Wits, Pretoria University and the University of Johannesburg.'

One of the major challenges the school faces is a lack of space. 'The demand for admission is high, but we have inadequate workshops and classrooms to teach our learners,' explains Memani. In order to address this, the school plans to extend its printing workshop and add more workshops and classrooms in general so that a greater number of learners can be accommodated.

Another hurdle is that learners following the skills curriculum do not obtain qualifications at a vocational level. 'Their qualifications are neither recognised by the Department of Education nor the Department of Labour,' concedes Memani, 'even though they may be competent and gifted.'

Despite these challenges, Adelaide Tambo School strives to be an open, dynamic, caring and secure centre of learning that is responsive to the needs of the community it serves.

Mr L Memani.



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Taking a stand on Aid

By **Nkosana Moyo**

The author is vice-president and chief operations officer of the African Development Bank. This was his closing address to the Tunis Meeting

The Second Africa Regional Meeting on Aid Effectiveness, South-South Co-operation and Capacity Development took place in Tunis, 4–5 November 2010. Jointly organised by the NEPAD Agency and the African Development Bank (AfDB), it built on the First Regional Meeting, held in Pretoria, 2–5 March 2010, and the Bogotá High Level Event on South-South Co-operation, 24–26 March 2010. Through the Tunis event, which attracted over 180 participants, NEPAD took a fundamental step towards mobilising a consolidated African voice for the Fourth High Level Forum on Aid Effectiveness, scheduled for 29 November–1 December 2011 in Busan, Republic of Korea.

The theme that the organisers chose for this event – "from aid effectiveness to development effectiveness" – has resonated strongly throughout our discussions. In the past two days, we heard a strong affirmation of the need for home-grown solutions to Africa's development challenges. This is a vision of Africa's development in which Africa is firmly in the driving seat and aid plays a supporting role.

What we are asking from the High Level Forum in Busan is no less than a paradigm shift for development co-operation. The aid tail mustn't wag the development dog. Let us set our own development agenda, and let our development partnerships be structured so as to support us in our goals.

Starting from this overarching principle, we can now begin to specify some of the objectives that we should take to Busan:

Africa needs more effective and accountable states

When we talk about "strengthening country systems", we are not talking about managing aid flows so as to satisfy donor fiduciary requirements. We are talking about managing all of our development resources more effectively, to better achieve our development goals.

Africa needs states that are capable of delivering development results. We need to raise the level of our ambition and build public administrations that are more committed and effective. We call on development partners to support us in this goal. And this includes making sure that their aid practices do not distract us from our task by imposing arbitrary or inconsistent requirements on the use of aid funds.

Anchoring development in democratic accountability

Accountability is a well-established theme from Paris and Accra.[1] But the accountability relationship that matters is not the one between aid providers and aid recipients. What matters is anchoring our development efforts firmly in the democratic process, and making sure our leaders are accountable to the people for development results.

We need radical increases in transparency in the way development resources are spent. Nothing less than full disclosure is acceptable, from both government and donors.

And we need a new paradigm for participation that includes parliaments, the private sector, civil society and communities. It is not enough to invite them "after the event", to legitimise decisions taken by government officials behind closed doors. They need to be involved up front, as full partners in the decision-making process.

Drawing on Southern knowledge for African development pathways

We have heard it many times these past two days: in development, there are many roads to Damascus. Africa must stop being a passive consumer of development ideas imported from abroad. Like the inspiring example of Cape Verde that we heard this morning, we need an active learning process, a process of learning by doing, in which we adapt the most relevant lessons from around the world.

South-South co-operation can help us to do this. We have much to learn, both from each other and from the experience of emerging economies on other continents that have overcome similar development challenges. They represent a key knowledge resource.

New rules of engagement for the BRICs

We recognise the potential for win-win co-operation between Africa and the BRICs (Brazil, Russia, India and China), in particular China. If we go into these relationships with our eyes wide open to the opportunities and the risks, we stand to gain considerable benefits. But while China has its plans for Africa, does Africa have a plan for China? Do we know the full implications – legal, financial, economic – of the deals we are entering into?

Let us make use of what all our development partners have to offer – both the new and the old. But let us begin to develop new rules of engagement for the BRICs, to make sure we maximise the benefits and minimise the risks.

Thinking regionally, acting regionally

For thirty years, we have been talking about the importance of regional economic integration to Africa's development. But national interests have always come first, at the expense of serious action on regionalism. We need to start thinking and acting regionally. Among other things, this means reconfiguring our development partnerships to support action at the regional level.

We call for more investment from development partners to strengthen our regional economic communities. And we call for the establishment of new funding mechanisms at the regional level to help us scale up our investments in regional infrastructure.

Effective aid is dependence-avoiding aid

Finally, we have explored the idea that the job of aid is to do itself out of a job. We need to accelerate Africa's graduation from aid by building up alternative sources of development finance. Our primary source of development finance should be our own national resources, through more effective taxation systems and more efficient domestic capital markets. To that we can add trade and foreign investment as key drivers of growth.

Much has been written over the years about the dangers of aid-dependence. It would therefore seem logical that effective aid is aid that minimises the problems of dependence. Of all the good ideas that we have heard over the past two days, this one strikes me as perhaps the most important of all: effective development assistance promotes self-reliance by helping us harness our own national resources, capacities and ideas.

It is not our task here to reach final conclusions on any of these matters. We have, I believe, played our part very well. We have explored the contours of a new development-effectiveness agenda, raising many challenging ideas that need further discussion and debate.

The African Union and NEPAD will be taking this forward over the next year. As African Development Bank President Donald Kaberuka said in his opening address, the AfDB stands ready to help this process however we can. We also look to each of you in this room to support this process of consensus-building by taking the ideas – and the enthusiasm – that you have encountered here back to your home countries.

NOTE

1. The Second High Level Forum on Aid Effectiveness took place in Paris in February/March 2005. Its Paris Declaration was endorsed by over one hundred signatories from donor and developing-country governments, multilateral donor agencies, regional development banks and international agencies. It included measurable indicators and targets, and focused on five mutually reinforcing principles: ownership; alignment; harmonisation; managing for results; and mutual accountability. The Accra Agenda for Action – drawn up at the Third High Level Forum in Accra, Ghana in September 2008 – built on the commitments agreed in the Paris Declaration. It identified three main areas where progress towards reform was still too slow: country ownership; building more effective and inclusive partnerships; and achieving, and openly accounting for, development results.

ARC • LNR
Excellence in Research and Development

SWEET POTATO

Sweet Potato Cultivar Research and Commercialisation at the ARC

According to official production figures, South Africa produces around 60 000 tons of sweet potato annually. The commercial produce is sold on the fresh market as well as the export market. Some produce finds application in the frozen vegetable industry. Sweet potato is popular amongst subsistence and emerging farmers as a food security crop. The storage roots are rich sources of energy and also contain vitamin C, iron and magnesium. Sweet potato is adaptable to a broad range of agro-ecological conditions and is more drought-tolerant than conventional vegetable crops. It can therefore be grown in all provinces in South Africa. In some areas, production can occur throughout the year. Sweet potato is in many ways an ideal crop for farmers as input costs and efforts are low.

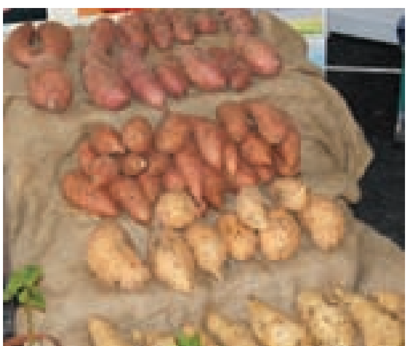
Orange Fleshed Sweet Potatoes

The Agriculture Research Council has a comprehensive breeding program for sweet potato cultivars. Cultivars available at the ARC are differentiated according to their attributes which suit different markets of the sweet potato industry.

Harvesting of breeding plots at ARC

The ARCs STRATEGIC APPROACH TO FOOD SECURITY

The ARC was involved from 1992 to 2004 in the development and the promotion of sweet potato varieties with high yield combined with sweet and dry taste (like the old cultivar Mafutha) as well as good storage and root quality, which renders higher profitability to emerging sweet potato farmers previously relying on production of landraces.



Variety of Sweet Potatoes

ARC varieties that are available are **Ndou, Bophelu (Impilo), Monate, Mokone, Lethlabula and Amasi.**

ARC's STRATEGIC APPROACH TO MALNUTRITION

Vegetables (and fruits) are important sources of many vitamins, minerals, fibre and other substances such as anti-oxidants. A diet rich in fruits and vegetables is protective against several diseases. Orange-fleshed sweet potato, in particular, is important as a rich source of carotene (the precursor of vitamin A). A 100 gram serving of boiled roots of orange-fleshed sweet potato supplies the recommended daily allowance (RDA) of vitamin A for adults.South Africa has a high incidence of vitamin A deficiency: 64 percent of 1-9 year old children and 27 percent of women at child-bearing age have low vitamin A status.

For more than a decade, research has been conducted at the ARC to develop sweet potato varieties rich in carotene. Plant breeding was aimed at achieving a balanced combination of high yield with high dry matter content and acceptable taste, as well as additional traits such as tolerance to stem blight and drought

Sweet Potatoes Variety -Bophelo

Following the recent increase in the number of farmers who have come to own land as a result of land restitution and other related programs in South Africa, the ARC assisted with training in the production and multiplication of dry-textured, orange-fleshed varieties (e.g. USA cultivars Resisto, W-119, Hernandez, and the ARC variety Impilo) in six provinces of South Africa. The latest ARC release, Bophelo (2002-21–1) has been made available by the ARC to community-based projects, the roll-out of which has been funded in part by a grant from the Department of Science and Technology. This is just one example of the efforts of the ARC in making prime cultivars accessible to communities.

CULTIVARS FOR THE COMMERCIAL MARKET

ARC cultivars constitute the main cultivars produced for the fresh produce market. These are the open access cultivars Blesbok, Bosbok and Ribbok. Blesbok, in particular, an ARC cultivar that was released in 1989- is the top-selling cultivar in South Africa. It holds a national market share of greater than 80 percent. The main traits of the cultivar are excellent yield, good storage quality and low dry matter content. Blesbok and Bosbok are also suited for the fresh export market. Recent indications are that the export market demand is increasingly towards orange-fleshed types e.g. the USA cultivar Beauregard.

The long oblong shape and low oxidation rate of Blesbok is also suitable for the frozen vegetable industry. The demand is, however, growing for Beauregard for this purpose as well.

The ARC has enhanced the profitability of the local commercial industry by providing healthy planting material since the 1970s. Disease-indexed stock plants of all popular cultivars are mass propagated in nursery bags and seedling trays for sale to vine growers. Without virus-indexed source material, marketable yields can drop by 20 percent or more (depending on the cultivar) within one year due to virus infection.

STRATEGIES FOR PROVIDING IMPROVED ORANGE-FLESHED VARIETIES OR LINES FOR COMMERCIALISATION

There is a need within the commercial industry for locally adapted orange-fleshed cultivars with stable high yields and excellent root quality for export, fresh produce marketing, processing e.g. in the frozen vegetable industry. There is also a need to develop new product formulations of sweet potato, such as sweet potato crisps, powders, juices, soups, confectioneries, and baby foods. The ARC has previously released varieties such as Khano. Recently (2009), the ARC released two promising new sweet potato varieties, namely Purple Sunset (2001-5-2) and Isondlo (2000-10-7). In addition a number of new lines have been available since 2009 for evaluation of commercialisation potential. These are 2004-16-1, 2004-9-1, 2004-9-2, 2004-3-1, 2004-5-2, 2003-23-6 and 2002-8-2.

The Office of Technology Transfer (OTT) of the ARC has developed a licensing policy to enable access to new varieties/ lines by the farming community (smallholder, emerging and commercial farmers). Upon receipt of an expression of interest to evaluate varieties/lines, a Material Transfer Agreement is entered into between the ARC and the interested party over a limited period, on a non-exclusive basis. During this period, material is tested for performance under different conditions, and for market uptake. Following successful evaluation trials, the interested party indicates to the OTT the intent to commercialize the evaluated varieties/lines. The OTT will require that a business plan to be developed and upon evaluation of the business plan, negotiation is entered into for a commercial license.The OTT of the ARC has developed a licensing policy to enable access to new varieties/lines by the farming community (smallholder, emerging, and commercial farmers). Upon receipt of an expression of interest to evaluate varieties/lines, a Material Transfer Agreement is entered into between the ARC and the interested party over a limited period, on a non-exclusive basis. During this period, material is tested for performance under real-time conditions, and for market uptake. Following successful evaluation trials, the interested party indicates to the OTT the intent to commercialise the evaluated varieties/ lines. The OTT will require that a business plan to be developed and upon evaluation of the business plan, negotiation is entered into for a commercial license.

ENTREPRENEUR DEVELOPMENT

The ARC provides training to improve sweet potato production practices of emerging farmers, training to emerging vine growers in the multiplication of sweet potato, and training to community groups on the production of processed products from sweet potato. Below are examples of processed foods from sweet potato. It is envisaged that competency in the development of new products from the (agro-) processing of sweet potato will result in new product-based businesses for entrepreneurs to manage.

Processed Sweet Potato Products

Variety of Orange Fleshes Sweet Potatoes Products rich with Vitamin A

How Africa got into a mess (Part One)

By **Itumeleng Mekoa**

The author is senior manager (Scholarship) at the Centre for the Advancement of Non-racialism and Democracy (CANRAD) at Nelson Mandela Metropolitan University

When the white man first came to Africa, he had the Bible and we had the land. Then he said to us, "Come let's kneel down and pray together. So we knelt and closed our eyes and prayed. When we opened our eyes, we had the Bible and he had the land."

The problems of Africa began some five hundred years ago when Europeans made contact in a direct and frequent way:

> This new contact with Europe brought gains to Africa as well as to Europe, especially in the exchange of goods and ideas. But it also brought the long and painful tragedy of the trans-Atlantic trade in Africans captured into slavery and sent to the Americas. This was helpful for the development of the Americas, but very bad for the development of Africa... By the middle of the nineteenth century the leading countries of Europe... wanted to be able to use African labour in Africa itself... So Europe invaded Africa, took possession of Africa, and divided Africa into colonies of Europe. (Davidson, 1994:4)

The period of invasion and colonisation only came to an end in the 1950s with many African countries gaining their independence. Africans attempted to stop these invasions but Europe was too strong in technology and organisation, especially military. They did not rule Africa by consent, but by the barrel of a gun. The colonial system was also racist and exploitative.

But why Africa in particular? What motivated Europe to do what it did? Does Africa's status today of a looted continent please Europe?

WHY AFRICA?

Scholars have come up with various theories as to why Africa became a target for European looting, economic and political exploitation and socio-cultural subjugation. One theory sees economic imperialism as the main objective of colonial expansion. John Hobson (1965) argues that production, surplus capital and under-consumption in industrialised nations stimulated these nations to increasingly invest portions of their surplus in new markets. Their policy of political expansion was designed to secure their investments and ensure profitable return. Gavin Hambly (1982: 342) shares the same sentiments:

> In the early nineteenth century, colonies were mainly regarded as places where Europeans would go and settle – like Canada, Australia, New Zealand or Algeria. The setting up of this sort of colony did not particularly interest industrialists. It was also the sort of colony that men like Otto van Bismarck, the chancellor of Germany, did not want. But... some writers were changing the meaning of the word "colony". They spoke of "colonies of exploitation" where Europeans would not settle but where European money could be used to increase production and create new markets and sources of raw materials. This sort of colony did interest industrialists.

Lenin (1999) saw imperialism as a stage in the development of the capitalist economy and society. Over-production and the formation of surplus capital by the cartel of banks and industry stimulated a push towards new markets and investments areas. This led to the advanced stage of monopoly capitalism, which was connected to the partition of Africa. The needs of capital exportation led to the conquest of colonies where it was easier to exploit the market, eliminate competition and ensure a supply of raw materials.

For Joseph Schumpeter (1951:83), however, colonialism and imperialism were "irrational, purely instinctual inclinations towards war and conquest, without definite objectives tendencies toward forcible expansion, without definite, utilitarian links." Against Lenin, he argued that "a purely capitalist world offers

World Bank headquarters.

no fertile soil to imperialist impulses... Capitalism is by nature anti-imperialist" (ibid: 96).

Neo-Marxists argue that, if colonialism was inconsistent with economic development, it was, since its inception, quite consistent with an economic greed that produced underdevelopment and dependence in the occupied colonies:

> Colonialism was not merely a system of exploitation, but one whose essential purpose was to repatriate the profits to the so-called 'mother country'. From an African viewpoint, that amounted to consistent expatriation of the surplus produced by African labour out of Africa resources. It meant the development of Europe as part of the same dialectical process in which Africa was underdeveloped (Rodney, 1973:162).

"Social Darwinism" has also been suggested as a factor motivating the colonisation of Africa. Charles Darwin's *On the Origin of Species by Means of Natural Selection, or the preservation of favoured races in the struggle for life* (1859), seemed to provide scientific justification for white supremacy and racial discrimination, and, by extension, for the conquest of those who were considered to be "backward races" by the "superior races".

Social Darwinism had an intellectual partner in its "civilising" mission: the European Enlightenment. Its desire to eradicate human suffering and bring about a harmonious society resulted in scientific and technological advances; it also led to capitalist exploitation and imperialism. With its assumption that Africa had no prior knowledge, civilisation or history, Europe became the prototype of what it meant to be human:

> The colonial period, in European mythology, was supposed to have effected that particular transition [from pre-colonial to modern society]. Generally, however, it did nothing of the kind. Historically... the colonial period was a hiatus, a standstill, an interlude when African history was stopped or was forced to become, for that period, a part of European history (Davidson, 1980:47).

The guise of disinterested, universal and transcendent discourse was an indispensable instrument of European colonialism.

Friedrich Hegel (1956: 92) categorically affirmed that Africa played no historical part in the world; it had no movement or development to exhibit:

> What we properly understand by Africa is the unhistorical, undeveloped spirit, still involved in the conditions of mere nature, and which had to be presented here as on the childhood of the world's history... This history of the world travels from East to West, for Europe is absolutely the end of history, Asia the beginning.

The enslavement of African people was also justifiable, according to Hegel:

> Negroes are enslaved by Europeans and sold to America. Bad as this may be, their lot in their own land is worse, since there slavery quite as absolute

> exists. For it is the essential principle of slavery that man has not yet attained self-consciousness of his freedom, and consequently sinks down to a mere Thing – an object of no value. Among Negroes, moral sentiments are weak, or more strictly, non-existent. (ibid: 92).

The European Enlightenment really humiliated Africans. As Lucius Outlaw (1978:18) pointed out:

> This orientation to Africa so poignantly expressed by Hegel was widely shared by many of its earliest European visitors (explorers, missionaries, seekers after wealth and fame, colonisers, etc.), whose travelogues and 'reports' served to validate the worst characterisations of the European invention of Africa and Africans.

Thus African leaders had to preserve their national integrity and promote peace and well-being for their people, while at the same time adhering to the dictates of hostile international economic institutions.

Christianity, intentionally or not, also helped to promote European imperialism. It remade African converts in the image of Europe, thus aiding European political and cultural control of Africa.

All these theories provide some insight, but it is the economic motive above everything that motivated the European scramble for Africa, and Africa will never be the same. The organisation and arrangement of colonial power keep recurring whenever Africa attempts to change its past.

> Although generalisation is of course dangerous, colonialism and colonisation basically mean organisation, arrangement. The two words derive from the Latin word *colere*, meaning to cultivate or to design. Indeed the historical colonial experience does not and obviously cannot reflect the peaceful connotations of these words. But it can be admitted that the colonised... as well as the colonialists... have all tended to organise and transform non-European areas into fundamentally European constructs (Mudimbe, 1988:1).

European colonialism and imperialism have produced political, leadership and economic crises in Africa. Instability, military coups and the failure of Western democracy are the legacies of European imperial control.

AFRICAN EXPECTATIONS OF LIBERATION

The political independence that the people of Africa have attained over the last three decades was not a gift from the Western colonial powers. It was the result of their own struggles against foreign domination and exploitation.

Independence has not led to genuine development in the former colonies. Neo-colonialism is the new form of domination. The All African Peoples' Conference (AAPC), which took place in 1962 in Cairo, defined it as "the survival of the colonial system in spite of formal recognition of political independence in emerging countries; an indirect and subtle form of domination by political, economic, social, military or technical means".

This new form of foreign domination was seen as the greatest threat to African countries and sovereignty. The neo-colonial powers resorted to economic and political interventions to prevent African leaders from directing their political, social and economic policies towards their people and natural resources. "Independence" became meaningless. The conditions of the African people in Africa stem from three main problems: different expectations of independence by the political and bureaucratic African leadership and the popular masses; mistaken concepts of development; and the designs of the imperial or neo-colonial powers.

The root cause of African rebellion was the economic exclusion of Africans (which manifested in South Africa as apartheid capitalism). Leaders who stressed this idea raised people's hopes that poverty would be a thing of the past once the colonial powers were removed and replaced by African leaders. People wanted control of economic structures and the return of land that had been expropriated by the colonial rulers. *Uhuru* was expected to bring complete freedom from exploitation, oppression and humiliation. And for this cause, they gave their lives.

Part of post-colonial Africa's problems stemmed from rudimentary economic structures characterised by inadequate infrastructure, industry, investment capital, managerial skills, and health and educational facilities. Major industries had to be established to provide employment and facilitate development. In addition, the economies were outward or export based: colonialism had incorporated African societies into the world capitalist economy, thus placing them in a perpetual state of dependency.

African people also hoped that the advent of an African regime would mean the end of cultural alienation and the reinstatement of their languages and cultural, artistic and religious practices. Repairing family ties and communal spirit would lead to the restoration of pre-colonial social harmony, mutual respect and co-operation among Africans.

African people had expected an end to the educational systems designed for "subordination, exploitation, the creation of mental confusion and the development of underdevelopment" (Rodney, 1973:264).

Uhuru, independence and self-rule did not bring an end to all these problems. It did not even change the conditions of the African people. Instead, African leaders replaced whites as good managers of the system, and therefore entrenched it. This is how Africa got into a mess.

FOREIGN AID AND DEEPENING POVERTY

The problems of independent Africa have been shaped by the legacy of colonial rule in combination with the international economic order regulated by international finance institutions (IFIs) like the IMF and World Bank.

Thus African leaders had to preserve their national integrity and promote peace and well-being for their people, while at the same time adhering to the dictates of hostile international economic institutions. This economic power has in most cases been more powerful than political power and has even dictated political direction. African countries that pursued divergent economic policies, such as socialism, were denied critical development aid, their currencies were put under tremendous pressure, and they were threatened with international isolation.

African leaders also created enormous problems for their countries through mismanagement of their economies and mistaken policies. At independence, they devoted scarce resources to prestige projects like new parliamentary buildings and residences. They neglected the agricultural sector and embarked on industrialisation without adequate capital and technological skills. Foreign industries were then called in to manage, thus failing to foster national economic development and deepening dependence on foreign trade.

The vast majority of African states were forced to turn to the IFIs for financial assistance. The cost of this assistance was a structural adjustment programme (SAP) that reshaped the economic policies of these countries. IMF/World Bank conditionalities included currency devaluation, reductions in food and gasoline subsidies and the privatisation of parastatals, which, as Ohaegbulam (1990:219) notes:

> caused additional economic hardships, such as higher unemployment rates and food riots in those states implementing [SAPs]. Because of the clear danger of being ousted from office, several African governments were unwilling... to accept the IMF/World Bank requirements. Such governments frequently had little option... For example, only when an IMF agreement is in place will the rescheduling of annual debt servicing commitments proceed through the London or Paris Clubs.

A number of criticisms have been levelled against the IFIs' policies in post-colonial Africa. The main one is that, even though SAPs have helped to improve the national balance sheet and the state's capacity to meet international economic obligations, they have done so at the expense of the poverty-stricken people of Africa. Referring to the "poor and hungry majorities whose fundamental needs are presently not being met", Susan George remarked, "If decades of application of the reigning development paradigm have failed to alleviate their suffering and oppression or, worse still, have intensified them... the paradigm ought to be ripe for revolution (George and Sabelli, 1994).

The IMF and World Bank have also been seen as tools of US foreign policy:

> In the economic area, the IMF and World Bank have fulfilled this role since their inception. Since the end of the Cold War, the UN Security Council has become a vehicle enabling US interventions to be represented as being in the interest of 'the international community' rather than in pursuit of US interests. The reality in both cases is that this 'international community' is simply a sometimes reluctant partnership between the US and other Western powers, with the US in the dominant role. And unilateral action by the US always remains an option if agreement with the partners is not possible (Fowler, 1995:116).

The World Bank attempted to resolve the problems created by SAPs through the Social Dimensions of Adjustment (SDA) programmes (1987–92). While the intention was good, they did not alter the basic structure of the SAPs, and thus addressed only symptoms. Control of planning remains in imperial hands, perpetuating the imperialist mentality. (Onimode, 1991:63ff)

Another criticism is that the demand for trade liberalisation opens the door for African economies to be dominated by multinational corporations, causing a net outflow of resources with only limited positive impact. And while reform programmes require African countries to implement free trade agreements, the US and EU continue to maintain a range of measures that severely restrict free trade, especially in the agricultural sectors. It is essential to remember that neither the IMF nor the World Bank was designed for the benefit of the developing world. Their objective is to promote and maintain a vigorous international trade and financial market in which transactions can take place without restrictions across national boundaries.

> The conditions of the African people in Africa stem from three main problems: different expectations of independence by the political and bureaucratic African leadership and the popular masses; mistaken concepts of development; and the designs of the imperial or neo-colonial powers.

The World Bank's country case studies find that SAPs worked in Africa (Husain and Faruqee, 1994), although the concluding chapter cites some few failures, for which African governments are blamed.

- The World Bank's structural adjustment policies curtail the power of the state, thus impairing the government's ability to carry out the many tasks required by structural adjustment. As a result, "economic reform faces enormous obstacles." The report sees this as a "basic dilemma in Africa."
- "Problems of implementation" are also greatly compounded by "the frequent absence of strong development-oriented visionary leadership fully committed to economic leadership".
- "A paralysis or breakdown of government authority" fosters pervasive briberies, rent-seeking, smuggling, and other counter-productive economic activities.
- Except in Nigeria, the adjustment programmes "were conceived and formulated by a narrow group of technocrats and politicians without broad consultations." This is in conflict with the need for "open discussion, debate, and communication and interaction involving diverse groups", including trade unions. "Ownership of the reform program should be broadly based."
- The "importance of appropriately handling the potential losers from reforms" is stressed, for "their opposition became a main stumbling block." However, little guidance is provided for this difficult task.
- "[T]he appropriate pace and sequencing of economic reforms" is essential. (Husain and Faruqee, 1994: 427–31)

Successful development requires a higher degree of government capacity, dedication and integrity than often exists in Africa. However, there are sufficient grounds to indicate that World Bank macro-economic reforms have actually impeded economic growth. In a nutshell, it appears that the main aim of these programmes is to ensure that African nations can continue to pay their debts to the rich countries.

The roots of the debt crisis lie in an international market system whereby the White north, in collaboration with autocratic African governments and their elite minorities, continue to subvert the economic future of Africa. They have imported development projects for their own benefit at the expense of the poor majority, and ignored decaying economic infrastructure, rising unemployment and general economic stagnation. The connivance of African elites with the industrialised countries has also hampered regional economic co-operation in Africa. Hence, structures such as the AU, ECOWAS and SADC cannot realise their expectations to enhance the lives of African people.

There was never a genuine independence in Africa, because the World Bank took over where the colonial powers left off, and will continue to rule Africa for decades. African leaders, radical and conservative, have been turned into beggars of the World Bank. They have left the economic fate of their people in the hands of this monster. The rich heritage of the struggle for political emancipation has become a mockery since their policies are controlled economically, and rudely so, by the World Bank. African countries are nothing but mortgagees of the World Bank and thus have no sovereignty or dignity of their own.

WHAT HAS FOREIGN AID DONE TO AFRICA?

One of the major requirements for rapid development in a developing country is what economists refer to as "capital", which includes not only money but also equipment and skills. Due to the colonial legacy and poverty, African countries have had to depend on foreign assistance to carry out their developmental task. This has not come as a free gift or philanthropy, but with political and developmental implications for Africa that need to be interrogated.

Foreign aid has come in various forms: as donations from the Western countries, loans from Western countries and lately the IFIs and investment by multinational corporations (MNCs). The economic fate of the developing countries remained in the hands of these foreign market forces and the beneficiaries of foreign markets have always been those same Western countries, MNCs and the World Bank. Yet the failure of foreign aid in Africa's development has always been blamed on African dictators and corruption – even where foreign aid has bred and supported these dictatorships and corruption. Because foreign aid put the interests of the West first, it has been a stumbling block to development in Africa. Hence, three decades after independence, Africa is still an economic dependent of the West and will remain so.

Various scholars agree that foreign aid tends to obstruct rather than promote development. Peter Bauer (1979:239), for example, writes that, for this reason, "official aid should be terminated as soon as possible". Milton Friedman (1958: 78) notes that "foreign aid is likely to retard improvement in the well-being of the masses" and Melvyn Krauss (1983:90) believes that the absence of aid was "an essential condition for economic development". Bauer and Friedman place particular emphasis on individual initiative and market forces as essential factors for promoting sustained development, and Krauss highlights the distorting effects of government intervention in recipient countries. In short, economic achievement depends on the conduct of people, including people in government. External donations have not been necessary for the development of any country, anywhere.

For Krauss, "big government" is a fundamental obstacle to economic development. He argues that foreign aid, as part of a strategy of activist and interventionist government in the recipient country, allows big government to pursue policies that damage the competitive sectors of the economy and thus its economic base (Krauss, 1983:188). Bauer argues similarly that "aid has made it possible for governments to pursue such policies as subsidised import substitution, forced collectivisation, price policies that inhibit agricultural production… inflationary financial policies and the maintenance of over-valued exchange rates" (Bauer, 1984:49). Poor people, according to Krauss (1983:54), can escape poverty through policies that permit capitalist accumulation and international exchange. For these critics, therefore, the beneficiaries of foreign aid have always been the Western countries who create stringent policies that favour themselves. In her book *Aid as Imperialism*, Teresa Hayter wrote: "I believe, now, that the existence of aid can be explained only in terms of an attempt to preserve the capitalist system in the Third World. Aid is not a particularly effective instrument for achieving this, hence its current decline" (Hayter, 1971:9).

It is high time that African countries move away from appeals for aid and towards more practical negotiations that would benefit both the donor countries and the African people.

Part Two will follow.

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NEW

S'hamba Sonke

Goodbye potholes. Goodbye poverty.

Minister of Transport
Sibusiso Ndebele

On the 18th of April 2011, the Department of Transport said, Goodbye potholes, and poor communities said, Hello life. It was a launch of the S'hama Sonke Programme.

S'hama Sonke seeks to develop and maintain South Africa's provincial secondary road networks and at the same time, to place the economy on a labour-absorptive growth path, empowering the poor, women and other vulnerable groups.

S'hama Sonke, amongst others, focuses on the following:

- a pothole repair programme, involving the community and the private sector
- reducing the percentage of roads in poor to very poor condition
- reducing vehicle operating costs and thus overall transportation costs creating jobs for the poor communities

For more information, please contact:
Branch: Communications, The Department of Transport
159 Struben Street (corner Bosman and Struben Street) Pretoria 0001
Tel: (021) 309 3000 • Fax: (021) 309 3666
www.transport.gov.za

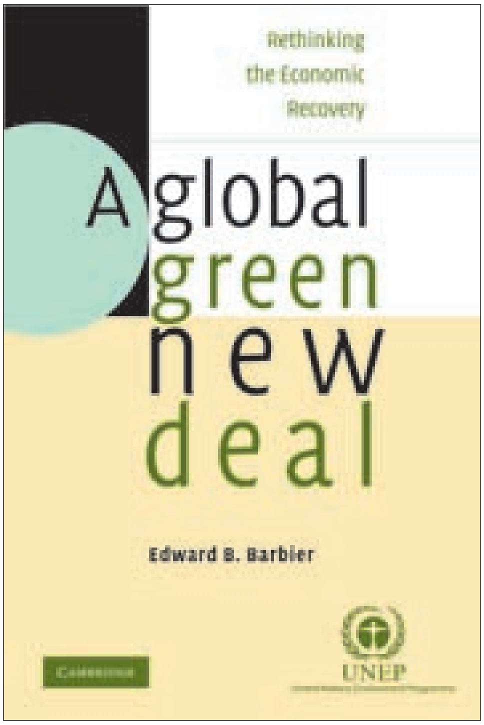
You too can be a part of S'hama Sonke. For more information contact your provincial Department of Transport or nearest municipality. S'hama Sonke! Re Sepela Ka Moka! Re Tsmaya Rotlhe! Re Tsamaya Ka O Fela! Ons Loop Saam! Vamos Juntos1

Building Roads. Maintaining Our Roads. Creating Jobs

transport
Department:
Transport
REPUBLIC OF SOUTH AFRICA

A Global Green New Deal: Rethinking the Economic Recovery

Reviewed by **Anthony Black**
(School of Economics, University of Cape Town)



Edward Barbier
Cambridge University Press: Cambridge and New York, 2010. 322 pp

This is the outcome of a United Nations Environment Programme (UNEP) investigation into how a "Global Green New Deal" could be developed in response to the crisis that hit the world economy in late 2008. It calls for green stimulus spending of 1 percent of global output, to be targeted at reducing carbon dependency and ecological scarcity.

A novel feature of the fiscal stimulus already undertaken was that, in many countries, it included a green component. The average spend was 0.7 percent of GDP, but this figure conceals large disparities. South Korea and China have been the leaders with their green stimulus spending amounting to 3 percent of GDP. At $514 billion, China has been by far the largest spender in absolute terms.

But while developing countries see environmental sustainability as essential, there are concerns that addressing this will impact negatively on growth and hence hamper efforts to reduce poverty and unemployment. This is the central issue in the book, which deals at length with the links between sustainable development and economic growth. Barbier sees opportunity arising out of the crisis. He presents a range of evidence that a Global Green New Deal is not only good for sustainability but also for growth and for poverty reduction. It is well established, for instance, that poor countries will be more affected by climate change and other environmental problems, not least because of their greater dependence on agriculture. Barbier cites an International Energy Agency study which found that each dollar invested in improving energy efficiency in low- and middle-income countries will save three dollars in investment costs. The book also argues, citing studies undertaken in the US, that the employment multiplier of green spending is greater than that of traditional fiscal expansion. (This critical question, however, requires greater investigation in other countries.) Likewise, the under-pricing of motorised travel gives rise to huge congestion costs and other inefficiencies. While investment in public transport has clear environmental benefits, it also has significant employment effects and reduces transport costs for poor households.

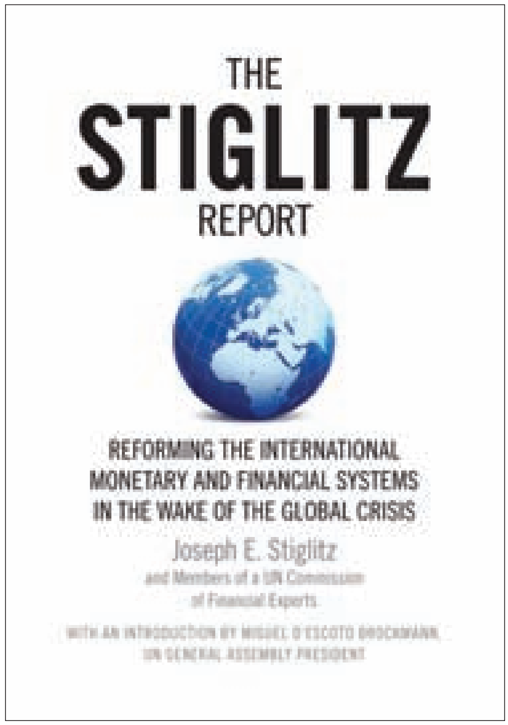
This is all highly relevant to the structural problems facing the South African economy: massive unemployment on the one hand and, on the other, extraordinarily high energy and emissions intensity. But Barbier emphasises that there is little sense in investing heavily in low carbon projects if countries continue to subsidise energy at the same time. South Africa is a major culprit here with energy subsidies of between five and ten billion dollars per annum. Twenty non-OECD countries provide combined subsidies of $220 billion per annum while the developed world (the OECD) provides relatively modest subsidies of approximately $80 billion. In South Africa, higher electricity prices are a significant step towards reducing these subsidies but the key question is how government will deal with electricity pricing for major users, such as the metal-processing and mining firms that currently benefit from low-priced, long-term and opaque contracts.

Barbier is a well known authority on environmental economics and sustainable development and the author of a number of significant books, including *Blueprint for a Sustainable Economy* (2000) and *Natural Resources and Economic Development* (2005). This book is likely to prove the most influential to date.

The Stiglitz Report: Reforming the International Monetary and Financial Systems in the Wake of the Global Crisis

Reviewed by **Mills Soko** (Graduate School of Business, UCT)

Joseph Stiglitz and members of the UN Commission
The New Press: New York, 2010. 204 pp



This incisive and well-crafted report is the outcome of work carried out by an international panel of experts, headed by Nobel laureate Joseph Stiglitz, that was appointed by the president of the United Nations General Assembly, Miguel d'Escoto Brockmann, to investigate the causes of the 2007 global economic recession, review the workings of the global financial system, and explore ways of securing a more sustainable and just global economic order.

The report explains in detail how the crisis started in the United States and spread rapidly to other parts of the world, inflicting enormous harm on the world economy. The crisis had multiple causes – including financial deregulation – and it underlined the interconnectedness of national economies. The report argues that the economic meltdown could have been avoided had there been a strong system of financial regulation. It notes that, contrary to the precepts of neo-liberal economic ideology, markets are neither efficient nor self-regulating.

A stable world economy is essential for dealing with pressing social problems such as unemployment, poverty, inequality and global warming. The report highlights as a key challenge the fact that contemporary global institutions are not adequately equipped to manage and regulate the forces of globalisation. It calls for the creation of a new international architecture to regulate the global financial system. Such a global architecture should be guided by the principles of democracy and equity; it should give voice to all countries, especially the developing countries; and should bring about a world economic order that advances growth, social equality and environmental sustainability.

The report outlines specific proposals to reform current practices and institutions, including:

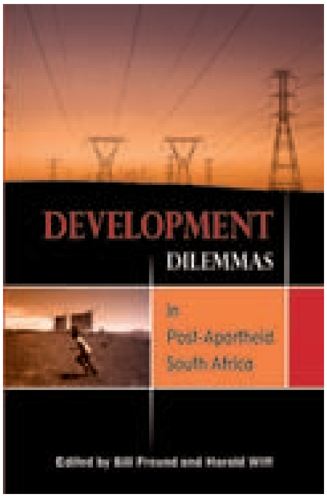
- improving the global reserve system by creating a supranational international new currency
- establishing an International Debt Restructuring Council to manage sovereign debt defaults
- managing the risk between lenders and borrowers through GDP and commodity-linked bonds
- introducing financial mechanisms, such as solidarity levies, in order to reduce inequalities in living standards.

Furthermore, the report recommends that the lending capacity of the International Monetary Fund be strengthened and that the IMF's policies be geared towards stimulating employment across the world. It proposes the creation of new regulatory institutions to, among other things, reduce the size of financial institutions, control credit rating agencies, set up a deposit insurance system, and ban the use of tax havens.

This is a compelling report that should be read by policymakers, corporate executives, civil society leaders and everyone who cares about the precarious state of our world.

Development Dilemmas in Post-Apartheid South Africa

Reviewed by **Robert Schrire**
(Political Studies, University of Cape Town)



Bill Freund and Harald Witt (eds)
UKZN Press: Scottsville, 2010. 424pp

This timely volume showcases the thinking of several scholars who are or were associated with the former University of Natal Economic History Department (now part of the University of KwaZulu-Natal), including Shireen Hassim, Patrick Bond, Mark Hunter, Cherryl Walker and others, and it is a tribute to the department that a book of such interest could be published from this narrow base.

The contributions vary widely in quality and ideological focus but all are based upon the important insight that development should be viewed as a process rather than an event or outcome. They also force the reader to re-examine what is meant by concepts such as “development”, “transformation” and “black economic empowerment”. A key theme is that the way we conceptualise the issues is itself an ideological choice with important implications for policy and evaluation. Is development the process of ending the dualism of a first world economy operating separately from the third world majority, as former President Mbeki maintained? Or is it concerned with the relationship between the two, which produces a structure that reproduces wealth and poverty? The perspective of this volume clearly leans towards the latter interpretation.

The failure of the ANC to restructure the South African political economy to make “a better life for all” is an abiding theme. However, there is no agreement on why this failure occurred. Was it because the ANC in exile failed – for sound tactical reasons – to develop detailed policy prescriptions? Is the ANC structured around loyalty to individuals rather than policies? Was the revolution captured by the reactionary forces of globalisation? Does the problem lie with progressive epistemic communities that have failed to develop an alternative developmental paradigm and a strategy for structural transformation? Was the white/capitalist apartheid legacy simply too powerful to be overcome by a weak liberation movement?

The individual chapters examine important issues including macroeconomic policy, the minerals-energy linkages, the environment and gender issues. One of the strengths of this volume is the rich case studies that examine development at grassroots level in rural and urban settings in KwaZulu-Natal and other provinces. The contributors generally agree that, since the end of apartheid, growth has been limited, inequality has increased and state interventions in areas such as land reform, minimum wages and gender equality have largely failed. One of the great strengths of the case studies is an empirical demonstration that, despite good intentions, policy interventions may have aggravated the problems. The rural study entitled “Development by decree: The impact of minimum wage legislation on a farming area in the North West Province” (Stefan Schirmer and Astrid Böhm) convincingly demonstrates the unintended costs of the policy on employment levels and community relations.

Many contributions capture the central development dilemma: while the market has clearly failed to produce outcomes which transform the apartheid political economy, the record of state intervention is frequently one of rent-seeking and dismal failure. The true believer of whatever ideological persuasion has no place to hide and little guidance to give.

The editors recognise this reality and, while their political sympathies are clear, they tend to avoid dogmas. Questions rather than answers characterise this volume. Indeed, one of the tragedies of contemporary South Africa is the absence of any viable strategy for genuine transformation. This lacuna, implicit in most of the analyses, will hopefully provide motivation for scholars and activists to continue the slow process of imagining the principles upon which a just society could be based and strategising how to get there.

Books available for review

The following books have recently been received

Interested reviewers should contact Helen Douglas at mwnewagenda@mweb.co.za

Amin, Samir. *Ending the Crisis of Capitalism or Ending Capitalism?* Pambazuka Press: Oxford, 2011. 199 pp

Amin, Samir. *Eurocentrism. Modernity, Religion and Democracy: A Critique of Eurocentrism and Culturalism (2nd edition)* . Pambazuka Press: Oxford, 2011. 288 pp

Amin, Samir. *Global History: A View from the South*. Pambazuka Press: Oxford, 2011. 191 pp

Andreasson, Stefan. *Africa's Development Impasses: Rethinking the Political Economy of Transformation*. Zed Books: London, 2010. 258 pp

Beinart, William and Marcelle C Dawson (eds). *Popular Politics and Resistance Movements in South Africa*. Wits UP: Johannesburg, 2010. 368 pp

Brown, Phillip, Hugh Lauder and David Ashton. *The Global Auction: The Broken Promises of Education, Jobs and Incomes*. Oxford UP: Oxford and New York, 2011. 198 pp

Cornwall, Andrea and Deborah Eade (eds). *Deconstructing Development Discourse: Buzzwords and Fuzzwords*. Practical Action: Warwickshire, 2010. 320 pp

Daniel, John, Prishani Naidoo, Devan Pillay and Roger Southall (eds). *New South African Review 1. 2010: Development or Decline?* Wits UP: Johannesburg, 2010. 476 pp

Douglas, Helen. *Love and Arms: Violence and Justification after Levinas*. Trivium: Pittsburgh, 2011. 156 pp

George, Clive. The *Truth about Trade: The Real Impact of Liberalization*. Zed Books: London, 2010. 178 pp

Keita, Lansana (ed). *Philosophy and African Development: Theory and Practice*. CODESRIA: Dakar, 2011. 254 pp

Kumar, Sudhir and Shagun Mehrotra. *Bankruptcy to Billions: How the Indian Railways Transformed*. Oxford UP: New Delhi, 2010. 207 pp

Levin, Hugh. *Stones Against the Mirror: Friendship in the Time of the South African Struggle*. Random House: Cape Town, 2011. 189 pp

Mehta, Lyla (ed). *The Limits to Scarcity: Contesting the Politics of Allocation*. Earthscan: London, 2010. 270 pp

Mkhize, Nonhlanhla. Jane Bennett and Relebohile Moletsane. *The Country We Want to Live In: Hate Crimes and Homophobia in the Lives of Black Lesbian South Africans*. HSRC Press: Cape Town, 2010. 65 pp

Nhamo, Godwell and Ekpe Inyang (eds). *Framework and Tools for Environmental Management in Africa*. CODESRIA: Dakar, 2011. 218 pp

Raubenheimer, Stefan. *Facing Climate Change: Building South Africa's Strategy*. Idasa: Cape Town, 2011. 154 pp

Selbin, Eric. *Revolution, Rebellion, Resistance: The Power of Story*. Zed Books: London, 2010. 257 pp

President Jacob Zuma visits the Eden Region

GOVERNMENT WORKING TOGETHER TO BUILD BETTER COMMUNITIES

rural development & land reform

Department:
Rural Development & Land Reform
REPUBLIC OF SOUTH AFRICA

EDEN
DISTRICT MUNICIPALITY
UMASIPALA WESITHILI
DISTRIKSMUNISIPALITEIT

On Friday 6 May 2011, the President of South Africa, Jacob Zuma visited the Eden district to launch the National Rural Youth Service Corps (NARYSEC). This national program, which targets youth, will not only create jobs but also help prepare youngsters to become better citizens and foot soldiers for their respective communities. This is the first time that a president visited the Eden district.

During the program launch the President also visited several projects that were completed by the Department of Rural Development, Eden District Municipality and Oudtshoorn Municipality.

Minister for Rural Development and Land Reform, Gugile Nkwinti and Eden Mayor - Fareed Stemmet having discussions.

Youth Corps members

RURAL DEVELOPMENT PROJECTS

Dysselsdorp

CRÈCHE BUILT WITHIN 3 WEEKS

PROJECTS THAT WERE ROLLED OUT AS PART OF RURAL DEVELOPMENT

Upgrading of PJ Bodenhorst Primary School (R831 000) in Dysselsdorp and the upgrading of the school's rugby field.

Upgrading of St. Konrad Primary School R 1.57 million in Dysselsdorp.

Upgrading of Swartberg Old Age Home (R338 000) in Dysselsdorp.

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For further information contact Kelvin Vollenhoven | Communications Manager at Eden District Municipality

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