

SOUTH AFRICA SURVEY

1997/98

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INTRODUCTION

The 1997/98 *Survey* is the 61st issue since the first one, covering 1935, was published in 1936. The last few *Surveys* have covered the flood of policy and legislation drawn up to address socio-economic backlogs and racial disparities, many of which the institute had highlighted under the previous government. This is the last *Survey* before the second general elections in the 'new South Africa'. The various chapters present a picture, in words, tables, and graphs of trends over time, of what has been achieved thus far and the challenges that continue to face the country. For example, while the market capitalisation of black-owned companies on the Johannesburg Stock Exchange has grown by more than 3 000% since 1994, unemployment is deepening by up to two percentage points a year. On the other hand annual real household income of Africans in the main 12 urban areas increased by 140% between 1990 and 1995. Provision of electricity, water, and telephones in non-serviced areas is gaining momentum.

This edition of the *Survey* focuses on the result of policy implementation. The policy review sections highlight key policy issues, but in keeping with the *Survey's* unbiased reporting do not make any policy recommendations. We have also restructured some of the chapters: 'Living conditions' now covers information about such things as housing, electrification, water supply, and land; 'Communications'

covers post and telecommunications, and roads and transport. Political violence is covered in the Security chapter, while 'Business' focuses on the informal sector, and small and black business.

The *Survey* this year boasts more than 1 700 references, and in excess of 300 tables and charts. The 1998/99 national budget is covered in all the chapters, which is why we have delayed the *Survey's* publication this year. In addition, economic forecasts for the period 1998–2000 have been updated to take into account the latest turbulence in the emerging markets.

We always try to publish the most recent data. Unfortunately, information from government departments is sometimes not published timeously. For example, the 1996 population census has still not been published in its final form when the *Survey* went to the printers. Other demographic statistics from the government, such as the 1996 household survey, will be released at the same time as the census. The *Survey* has published the preliminary census results and population projections predating the census. While no additional statistics were available the most recent ones are reproduced. Members seeking more recent statistics or other information can telephone the Institute's Chief Librarian, Mrs Ellen Potter, at (011)403-3600, fax her at (011)403-3671, or e-mail her at sairr@icon.co.za

Production of the *Survey* is very expensive. It would not be possible without the support of our sponsors, whose names are listed on the inside front cover. We are grateful to all of them.

Elizabeth Sidiropoulos

Senior Research Manager

South African Institute of Race Relations

MESSAGE TO OUR READERS

Allow me to give you a number of important reasons why it is *essential* for you to consider membership of the Institute:

- Did you know that the institute produced the *first detailed analysis* of the *Employment Equity Bill*—*which will dramatically change the way in which companies will have to operate* ?
- Did you know that the institute can provide individual, company and corporate members with an extensive research and analytical service, accurate and more predictive, with less paper and more essential information? *Information is our business*—in fact we have the best track record in the country.
- Did you know that as a member you will receive a monthly publication *Fast Facts*, with topical articles on *policy issues* and regular *tables on social and economic statistics and trends*? Some of the *top executives* on our mailing list *never travel abroad without it*.

- Did you know that simply picking up the telephone, you as an individual or *strategic planer, marketing or human resources director* will have immediate access to the best current affairs library in the country—saving hours of valuable time.
- Did you know that you or your entire management team around the country can be issued with Internet passwords, and can *simultaneously access* our publications and our library for individual information needs?

You are encouraged to contact Eric Odendaal or Joe Mpye For Further information about how you can benefit from membership.

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We are indebted to John Gaund and Robin Hamilton for their work editing some of the chapters, we have come to rely on them every year.

We are grateful to Sarah Zwane, Carmel Musiker, and Robin Hamilton for their work in style editing

and checking parts of the typeset manuscript. Naomi Musiker once again compiled our invaluable index. We appreciate her long commitment to the institute and the *Survey*, and her ability to meet sometimes impossible deadlines.

The Institute's chief librarian, Ellen Potter, assisted by Eunice Halo, Elizabeth Koloko, Pinky Makhubu, Mildred Monyane, Alfred Nkungu, and Prisca Nkungu obtained much of the material and provided the excellent press clipping service essential for the writing of the *Survey*. We would also like to thank the Institute's Parliamentary Affairs officer in Cape Town for their assistance.

Connie Matthews and Sarah Zwane have typeset the *Survey* once again. Their dedication to the *Survey* has meant that over the last few months their responsibilities to their families have taken a back seat, particularly over weekends. We appreciate your willingness to do this. A special word for Connie Matthews: Connie has been at the institute for 28 years. For the greater part of that period before the advent of computers, she laboriously typed out version after version of *Survey* chapters. It is difficult to imagine these days now how the *Survey* was produced without the advantage of desktop publishing. Her long service to the institute comes to an end with the completion of this issue of the *Survey* and the writers would like to thank her and wish her the best for the future.

Our thanks go lastly to the Institute's chief executive, John Kane-Berman, the editor-in-chief, who, being a perfectionist, always pushes us to the limits of our abilities, and sometimes to our endurance too. We hope that the result is a comprehensive and accurate compendium which the reader will find invaluable in understanding the country and the times we live in.

Elizabeth Sidropopulos

Anthea Jeffery

Herma Forgey

Cheryl Chipps

Terence Corrigan

Thabo Mophuthing

Andrea Helman

Tamara Dimant

NOTES

1. The abbreviations MPL and MEC in the *Survey* refer to members of the provincial legislature and members of the executive council of a province. Although the press sometimes refers to provincial MECs as ministers, the *Survey* follows the nomenclature of the constitution.

2. Abbreviations used in the charts, graphs and tables refer to the following:

EC

—

Eastern Cape

FS

—

Free State

Gau

—

Gauteng

KN

—

KwaZulu-Natal

Mpu

—

Mpumalanga

NW

—

North West

NC

Northern Cape

WC

Western Cape

3. Military ranks were abolished in the police force in December 1995. The *Survey* now follows the new rank structure. All officers who were previously warrant officers are now inspectors. Lieutenants and captains now both hold the rank of captain. Majors and lieutenant colonels are superintendents, colonels are senior superintendents and brigadiers are directors. A major general becomes an assistant commissioner and a lieutenant general a provincial, divisional or deputy commissioner. A full general becomes a commissioner. The ranks of constable, sergeant and captain have been retained as they are internationally acceptable police ranks.

4. The new constitution, which came into effect in February 1997, has altered the name of the Appellate Division of the Supreme Court to the Supreme Court of Appeal. The provincial and local divisions of the Supreme Court are now high courts. The *Survey* has used the nomenclature that was in operation when the relevant decisions were made.

5. References to **Fast Facts** and **Frontiers of Freedom** are respectively to monthly and quarterly publications dealing with current events, published by the Institute. References to the *Bill of Rights Report* are to the Institute's separate publication dealing with the bill of

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INDUSTRIAL RELATIONS

Bird's Eye View

During the period under review a number of organisations provided for by the Labour Relations Act of 1995 became operational. The conciliation board system was phased out and its functions were taken over by the Commission for Conciliation, Mediation and Arbitration (CCMA). The CCMA handled some 60 000 cases in 1997 and had a national settlement rate of 67%. A committee, under the auspices of the CCMA, declared essential a number of services, which, if interrupted, would endanger the life, personal safety, or health of the whole or any part of the population. Strikes or lockouts in essential services are unprotected in terms of the Labour Relations Act of 1995. The designated essential services included air traffic control, blood transfusion, sanitation, water and power provision, services provided by the public health sector, and nursing homes.

Statistics published by the Department of Labour showed that trade union membership increased by some 12% in 1996. The International Labour Organisation reported that while trade union membership in South Africa had more than doubled between 1985 and 1995, trade union membership around the world had dropped by almost half.

In 1997 the number of mandays lost as a result of industrial action dropped to the lowest recorded figure since 1988, according to a labour relations consultancy, Andrew Levy and Associates. This indicated

that a general level of sophistication had been reached in the collective bargaining arena, the consultancy said. Timely dispute resolution by the CCMA also contributed to the levelling off of industrial action. A number of strikes and stayaways were characterised by acts of violence, including murder, intimidation, damage to property, and hostage-taking.

Despite a drop in the number of mining fatalities in 1996, mine safety remained a cause for concern—more than 460 people lost their lives and a further 7 400 were injured. Safety in other industries also seemed to show an improvement as the number of reported fatalities dropped in 1996. As in previous years, there continued to be a shortage of skilled mine health and safety inspectors. The Mine Health and Safety Amendment Act of 1997 repealed section 86(2) of the Mine Health and Safety Act of 1996, which stated that an owner or manager of a mine should be convicted of a criminal offence if it could be proved that the act had been controvened ie the health or safety of a person at a mine had been endangered. The amendment act instead provided for a system of administrative fines.

There were numerous reports of violent incidents on mines during the period under review. They were mostly a result of inter-union rivalry.

Key Points

- The Department of Labour said that more than 3m workers belonged to registered trade unions in 1996, compared with 2.69m in 1995—an increase of 12%.
- Total union membership (registered and unregistered) of 3.2m represented approximately 22% of the economically active population in 1996, according to the Department of Labour.
- According to the International Labour Organisation, trade union membership in South Africa increased by 127% between 1985 and 1995, while the proportion of the economically active population that was unionised increased by 131%. In the same period, trade union membership worldwide dropped by almost half.
- According to the Department of Labour, there were 99 registered bargaining councils at the end of 1996 which collectively administered 139 agreements. In 1996 some 70 000 employers were subject to bargaining council agreements, while the conditions of employment of about 2m workers were regulated by such agreements.
- Between November 1996 and November 1997, 34 applications for the establishment of workplace forums were received by the Commission for Conciliation, Mediation and Arbitration (CCMA). Eleven forums were established, while 14 applications were withdrawn, and nine were being processed.
- In 1997 the CCMA handled 29 868 cases, of which 67% were settled. Some 74% of disputes referred to the CCMA related to unfair dismissals, while a further 12% related to unfair labour practices.

- The Department of Labour said that only 18% of the 11 457 new cases received by the Industrial Court in 1996 were finalised by the end of the year.
- Andrew Levy and Associates reported that 650 000 mandays were lost as a result of industrial action in 1997—the lowest loss since 1988 (1.5m).
- Wage disputes accounted for 70% of strikes in 1997, while 16% were related to trade union recognition or the levels at which bargaining should take place. Grievances, disciplinary measures taken by employers, and retrenchments accounted for a further 14% of strikes.
- The main industries affected by strike action in 1997 were food (37%), mining (19%), paper and printing (16%), and manufacturing (11%).
- The number of workplace accidents (excluding mines) investigated by the Department of Labour in 1996 dropped by 25%, while the number of fatalities dropped by 37%—the first decrease in fatalities since 1992.

Legislation

Mine Health and Safety Amendment Act of 1997

The Mine Health and Safety Amendment Act, assented to by the president in December 1997, repealed section 86(2) and (3) of the Mine Health and Safety Act of 1996. Section 86(2) had required on owner or manager of a mine to prove that the act had not been contravened ie that the health or safety of a person at the mine had not been endangered. The amendment act instead provided for a system of administrative fines for any person other than an employer or employee who endangered the health or safety of a person at a mine, thereby decriminalising breaches by employers of most of the provisions of the Mine Health and Safety Act of 1996. The reversal of the normal onus of proof was also removed. According to the memorandum accompanying the amendment bill, the provision in section 86(2) ‘seriously threatened’ the co-operation necessary to promote health and safety in the mining industry.¹ [¹ Mine Health and Safety Amendment Bill, B107B–97; Mine Health and Safety Act, No 29 of 1996, *Government Gazette*, No 17 242, 14 June 1997]

Trade Unions

Trade Union Membership

The Department of Labour said that more than 3m workers belonged to registered trade unions in 1996, compared with 2.69m in 1995—an increase of 12%. However, in the five years between 1992 and 1996 membership increased by only 4%. The number of registered unions increased by 86 during 1996,

bringing the total at the end of the year to 334. According to the department, the membership of unregistered unions dropped by about 23% in 1996, from 260 000 to 200 000 (unregistered unions have no rights in terms of the Labour Relations Act of 1995).² [2 Department of Labour, annual report 1996]

Total union membership (registered and unregistered) amounted to 3.2m and represented approximately 22% of the economically active population. The department attributed the increase in union membership to the fact that the Labour Relations Act of 1995 allowed for the registration of workers in all sectors, whereas previously certain workers had been excluded, such as domestic workers, university teaching staff, and parliamentary employees. When looking at trends over time, however, the figures show that between 1992 and 1996, total trade union membership dropped by some 2%.³ [3 Ibid]

The table below shows the number of trade unions and their membership from 1992 to 1996:⁴ [4 Department of Labour, annual reports, 1994; 1995; 1996; Department of Manpower, annual reports, 1992; 1993]

Trade unions and membership: 1992–96

Number Increase/ (decrease)

Member Number Increase/ (decrease) Total 1992

194

–

2 905 993

46

–

367 000

3 272 993

1993

201

3.6%

2 890 174

50

8.7%

528 000

3 418 174

1994

213

6.0%

2 470 481

65

30.0%

510 000

2 980 481

1995

248

16.4%

2 690 727

54

(16.9%)

260 000

2 950 727

1996^a
 334
 34.7%
 3 016 933
 70
 29.6%
 200 000
 3 216 933
 a

1996 figures assess unions in terms of the Labour Relations Act of 1996.

The bar chart below shows total trade union membership between 1992 and 1996:

According to the International Labour Organisation, trade union membership in South Africa increased by 127% between 1985 and 1995, while the proportion of the economically active population that was unionised increased by 131%. In the same period, trade union membership worldwide dropped by almost half.⁵ [*Financial Mail* 14 November 1997]

The table below shows trade union membership as a proportion of wage and salary earners in various countries, as well as the change in union density between 1985 and 1995:⁶ [*Ibid* 23 January 1998]

Union membership as a proportion of wage and salary earners: 1995

Country

Union membership as a proportion of wage and salary earners

Increase/(decrease) in trade union density^a 1985–95

Argentina

38.7%

(42.6%)

Australia

35.2%

(29.6%)

Canada

37.4%

1.8%

Egypt

38.8%

(9.1%)

France

9.1%

(37.2%)

Germany

28.9%

(17.6%)

Hungary

60.0%

(25.3%)

Indonesia

3.4%

N/A

Japan

24.0%

(16.7%)

Philippines

38.2%

84.9%

South Africa

40.9%

130.8%

Thailand

4.2%

(2.5%)

United Kingdom

32.9%

(27.7%)

United States

14.2%

(21.1%)

a

Proportion of the economically active population that belongs to

Unionisation by Race and Sex

The table below provides a proportional breakdown of the level of unionisation by race and sex in 1994 (the latest date for which figures were available):⁷ [7 Central Statistical Service, *October Household Survey 1994*, Statistical Release PO317, 30 March 1995]

Unionisation^a by race and sex: 1994

Race

Male

Female

Total

African

33.0%

25.0%

30.0%

Asian

30.4%

32.0%

30.9%

Coloured

28.4%

27.8%

28.1%

White

25.4%

15.7%

21.5%

Total

30.6%

23.3%

27.7%

a

Proportion of people working who are members of a trade un

The 1995 October household survey of the CSS found that approximately one third of the 10.2m people working in South Africa belonged to trade unions. Some 39% of African men and 36% of African women working belonged to unions. Trade union membership was lowest among white working men (28%) and white working women (17%). (The CSS did not provide a comprehensive breakdown of the level of unionisation by race and province in 1995. The figures above were calculated as proportions of individual race groups and not as a proportion of the total number of people working.)⁸ [⁸ Ibid]

Unionisation by Province

The table below provides a breakdown of the level of unionisation by province in 1994 (the latest date for which figures were available):⁹ [⁹ Ibid]

Unionisation by province: 1994

Province

Level of unionisation^a

Working population^b

Eastern Cape

27.1%

966 046

Free State

22.2%

727 872

Gauteng

33.6%

2 479 832

KwaZulu-Natal

27.2%

1 857 841

Mpumalanga

27.6%

600 655

North West

20.9%

754 562

Northern Cape

14.0%

188 801

Northern Province

25.9%

644 364

Western Cape

27.7%

1 421 000

National average

27.7%

9 640 972^c

a

Proportion of people working who are members of a trade union.

b

Refers to people actually working in the formal and informal sectors.

c

Figures may not add up owing to rounding.

Gauteng had the highest level of unionisation because of its high level of industrialisation, while the Northern Cape was predominantly agricultural, and therefore had the

Union Groupings

According to a labour relations consultancy, Andrew Levy and Associates, the Congress of South African Trade Unions (Cosatu) increased its membership by 2% to 1.77m workers in 1997. The largest union affiliated to Cosatu was the National Union of Mineworkers with 310596 members, followed by the National Union of Metalworkers of South Africa with 220 000. The second largest trade union federation in 1997 was the Federation of Unions of South Africa (Fedusa) which was formed in April 1997 when the Federation of South African Labour Unions amalgamated with the Federation of Organisations Representing Civil Employees. In 1997 Fedusa had some 516 000 members, and represented mostly skilled workers. The National Council of Trade Unions was the third largest trade union grouping, with an estimated 220000 members.¹⁰ [¹⁰ Andrew Levy and Associates, *Annual Report on Labour Relations in South Africa*, 1997–1998]

Employer Organisations

The Department of Labour said that in 1996, 14 new employer organisations had been registered in terms of the Labour Relations Act of 1956, while three were registered in terms of the Labour Relations Act of 1995. The registration of 13 organisations had been cancelled because of a ‘lack of interest’ on the part of their members, or because of mergers with other employer organisations. This brought the total number of registered employer organisations at the end of 1996 to 196, compared with 188 in 1995. According to the department, there were eight registered employer federations at the end of 1996.¹¹ [¹¹ Department of Labour, annual report, 1996]

National Economic Development and Labour Council

In its 1996/97 annual report, the National Economic Development and Labour Council (Nedlac) reported that it had concluded 20 formal agreements and reports, and had undertaken several special projects and events. This included facilitating the implementation of the Labour Relations Act of 1995 by establishing a number of structures such as the Commission for Conciliation, Mediation and Arbitration, and an essential services committee which would determine whether a service, or parts of a service, could be classified as an essential service or maintenance service (see *Essential services* below). The four Nedlac chambers were the labour market chamber, the development chamber, the trade and industry chamber, and the public finance and monetary policy chamber.¹² [¹² National Economic Development and Labour Council, *Annual Summit*, Report to the annual summit, 24 May 1997]

Bargaining

Collective Bargaining Institutions

Bargaining Councils

The Department of Labour said that there were 99 registered bargaining councils at the end of 1996 which collectively administered 139 agreements. (In terms of the Labour Relations Act of 1995, all existing industrial councils were deemed to be bargaining councils.) No bargaining council collective agreements were concluded in 1996 in terms of the 1995 act. In 1996 some 70000 employers were subject to bargaining council agreements compared with some 36 000 in 1991—an increase of 94%. Compared with 1995, the number of employers subject to bargaining council agreements increased by 40% in 1996. The conditions of employment of about 2m workers were regulated by such agreements in 1996, a drop of some 10% compared with 1991. However, between 1995 and 1996 the number of workers covered by bargaining council agreements increased by 14%.

The number of disputes referred to bargaining councils dropped from 8 912 in 1995 to 6 848 in 1996—by 23%. Of these, 1 820 (27%) were settled at bargaining council level, while the remaining disputes were either referred to the industrial court, settled by the disputing parties, or remained unresolved.¹³ [¹³ Department of Labour, annual report 1996]

The following table provides a breakdown of the activities of bargaining councils from 1991 to 1996:¹⁴ [¹⁴ Department of Labour, annual report 1995; 1996]

Industrial council activities: 1991–96

	1991
	1992
	1993
	1994
	1995
	1996
Bargaining councils	
	89
	87
	86
	86

80

99

Agreements

Number

141

187

163

156

124

139

Exemptions

7 769

7 310

7 469

6 735

4 315

4 325

Number of employers involved in agreements

35 969

24 456

20 702

23 745

50 194

70 387

Number of workers involved in agreements

Wage agreements

488 158

735 533

313 572

353 634

823 823

810 589

Pension and provident fund agreements

1 242 437

806 211

761 849

637 636

543 986

805 583

Medical fund agreements

506 568

258 391

272 090

200 911

395 307

393 058

Total number of workers

2 237 163

1 800 135

1 347 511

1 192 181

1 763 116

2 009 230

Disputes

Disputes handled

5 209

6 050

6 865

7 639

8 912

6 848

Disputes settled

2 101

2 077

2 042

2 014

2 646

1 820

Although the number of workers covered by wage agreements dropped between 1995 and 1996, the number of workers covered by pension and provident fund agreements increased by 48%. The proportion of disputes resolved at bargaining council level dropped from 30% in 1995

The table below shows the proportion of workers who were covered by collective agreements in various countries in 1994, and the estimated proportion of workers covered by collective agreements in South Africa in 1996:¹⁵ [15 Organisation for Economic Co-operation and Development, *Employment Outlook* July 1997; Department of Labour, annual report, 1996; 1996/97 Survey, p354]

Collective bargaining coverage in various countries: 1994

Australia

80%

Austria

98%

Belgium

90%

Canada

36%

Denmark

69%

Finland

95%

France

95%

Germany

92%

Italy

82%

Japan

21%

Netherlands

81%

New Zealand

31%

Norway

74%

Portugal

71%

South Africa^a

20%

Spain

78%

Sweden

89%

Switzerland

50%

United Kingdom

47%

United States

18%

a

Estimate

Workplace Forums

Between November 1996 and November 1997, 34 applications for the establishment of workplace forums were received by the Commission for Conciliation, Mediation and Arbitration (CCMA). From these applications, 11 forums were established, 14 applications were withdrawn, and nine were being processed.¹⁶ [¹⁶ Information supplied by the Commission for Conciliation, Mediation and Arbitration (CCMA), 9 December 1997]

Labour Orders

The Department of Labour reported that in 1996 seven labour orders were in force (in terms of the Labour Relations Act of 1956), covering more than 3 520 employers and 252 180 workers. These

included:¹⁷ [17 Department of Labour, annual report, 1996]

- the security services trade;
- the cleaning trade;
- the stevedoring trade;
- the metal containers and allied products industry;
- the building industry;
- the printing and newspaper industry; and
- the goods transportation and storage trade.

The Labour Relations Act of 1995 does not provide for labour orders. Existing orders would remain in force until 11th May 1998, after which they would have to be replaced by collective bargaining agreements or wage determinations. (A labour order, under the Labour Relations Act of 1956, was initiated by a representative employer, while a wage determination could be initiated by any party.)

Dispute Resolution

Conciliation Boards

In terms of the Labour Relations Act of 1995, the conciliation board system was phased out by the 30th April 1997. The Department of Labour continued to handle disputes referred to it before 11th November 1996 (when the Commission for Conciliation, Mediation and Arbitration took over this function).¹⁸ [18 Ibid]

According to the Department of Labour, 22 823 applications for the establishment of conciliation boards were received in 1996, compared with 20754 in 1995. Boards were established in 71% of these cases, while the remaining applications were rejected as they did not comply with the requirements of the Labour Relations Act of 1956. Boards settled 18% of disputes referred to them while 21% of deliberations were unsuccessful. The remainder were still in negotiation at the time of the publication of the department's annual report.¹⁹ [19 Ibid]

Commission for Conciliation, Mediation and Arbitration

In 1997 the Commission for Conciliation, Mediation and Arbitration (CCMA) handled 29 868 cases, of which 19 872 (67%) were settled. Some 60 248 cases were referred to the CCMA in 1997. The national settlement rate was some 67% (which included cases referred to arbitration but settled by conciliation at the arbitration stage after August 1997).

Some 74% of disputes referred to the CCMA in 1997 related to unfair dismissals, while a further 12% related to unfair labour practices. The commercial sector accounted for the single largest proportion of disputes referred to the CCMA (20%), followed by the private security industry (7%), the food and beverage, building and construction, and domestic service sectors (all 6%). (The remaining sectors each accounted for less than 5% of the total.)²⁰ [²⁰ Information provided by the CCMA, 14 January 1998]

The table below provides a proportional breakdown of the number of cases handled and the settlement rate by province in 1997:²¹ [²¹ Ibid]

CCMA: number of cases handled and settlement rate by province: 1997

Proportion of total cases^a

Settlement rate^b of cases in province

Eastern Cape

7%

70%

Free State

6%

67%

Gauteng

37%

61%

KwaZulu-Natal

18%

73%

Mpumalanga

8%

68%

North West

5%

69%

Northern Cape

2%

81%

Northern Province

5%

71%

Western Cape

13%

66%

National average

100%

67%

a

Figures may not add up owing to rounding.

b

The proportion of cases settled in each province.

All nine provinces had settlement rates above 60%, while most provinces had settlement rates above 65%.

In November 1997 human resource consultants FSA-Contact said that the CCMA was in danger of being 'overwhelmed' by a backlog in cases because the commission was being used as a first rather than a last-resort mechanism in disputes. Trade unions were encouraging their members to go to the commission for assistance in labour disputes first, and were taking an active role in the dispute only if the commission failed to conciliate an agreement. Many disputes which would have remained an internal company matter under previous labour legislation were now being referred immediately to the commission, the consult

Labour Courts

The Department of Labour said that the Industrial Court had received 11 457 new cases in 1996. Only 18% of cases received in 1996 were finalised by the end of the year. The Labour Relations Act of 1995 provided for the establishment of a new Labour Court. As from 11th November 1996 all new cases were referred to the new Labour Court. The Industrial Court was expected to finalise all cases referred to it before this date. Statistics on the number of cases referred to and resolved by the new Labour Court were not available at the time of writing.

The Labour Appeal Court received 144 new cases in 1996, and 139 cases were carried forward from the previous year (ie 283 in total). Of these, 47% were resolved by the end of the year.²³ [²³ Department of Labour, annual report 1996]

The Agricultural Labour Court received 250 new cases in 1996, and 123 were brought forward from 1995. Some 149 cases were finalised in 1996.²⁴ [²⁴ Ibid]

Strikes

Andrew Levy and Associates reported that 650 000 mandays were lost as a result of industrial action in 1997—a drop of 62% on the 1996 figure of 1.7m. The consultancy attributed the drop to the fact that most agreements negotiated at centralised level were concluded without any large-scale industrial action, indicating that a general level of sophistication had been reached in the collective bargaining arena. Timely intervention by the CCMA in a number of disputes also contributed to the levelling off of

industrial action. Furthermore, strike action tended to taper off in the face of increasing unemployment and retrenchments. In 1987 some 9m mandays were lost as a result of large-scale politically motivated strikes. In 1988 the number of mandays lost dropped to 1.5m and in the following years fluctuated around the 3m–4m mark until 1994. The number of mandays lost dropped then for two consecutive years to a low of 650 000 in 1997.²⁵ [25 Andrew Levy and Associates, *The Wage Settlement Survey*, Quarterly Report, December 1997]

Wage disputes accounted for 70% of strikes in 1997, while 16% were related to trade union recognition or the levels at which bargaining should take place. Grievances, disciplinary measures taken by employers, and retrenchments accounted for a further 14% of strikes. The consultancy said that the main industries affected by strike action in 1997 were the food (37%), mining (19%), paper and printing (16%) and manufacturing (11%) industries.²⁶ [26 Ibid]

According to the South African Police Service, there were 40 illegal strikes in the first nine months of 1997, compared to 100 in the same period in 1996.²⁷ [27 South African Police Service, *Report on the Incidence of Serious Crime, January to September 1997*, Quarterly Report No 4 1997]

Essential Services

In terms of the Labour Relations Act of 1995, an essential services committee was set up (under the auspices of the CCMA) to determine whether or not a service, or part of a service, could be classified as an essential service or a maintenance service.

Essential services are those which, if interrupted, would endanger the life, personal safety or health of the whole or any part of the population. Strikes or lockouts in essential services are not protected in terms of the Labour Relations Act of 1995, ie although strikes in essential services are permitted, those participating in the strike could be subjected to disciplinary action or dismissed. A maintenance service is a service which, if interrupted, would destroy any working area, factory or machinery. The parliamentary service and the South African Police Service are designated essential services in terms of the Labour Relations Act of 1995. The following were declared essential services by the committee:²⁸ [28 Information supplied by the CCMA, 13 November 1997]

- air traffic control;
- blood transfusion services;
- fire-fighting services;
- nursing homes;

- power provision;
- sanitation services;
- services provided by the public health sector;
- services in support of public health sector services;
- services required for the functioning of the courts;
- services provided by the private health sector which are funded by the public;
- services in support of private health sector services which are funded by the public;
- services in support of welfare-registered nursing homes;
- services provided by civilians in the Department of Defence;
- social pension services;
- various local authority services; and
- water provision.

The following services were declared non-essential services (but had previously been regarded as essential):²⁹ [²⁹ Ibid]

- passenger transport;
- fuels; and
- perishable foodstuffs.

Fatalities and Violence in Strikes

During the period under review, a number of strikes and stayaways were characterised by acts of violence, including murder, attempted murder, intimidation, damage to property, assault, and hostage-taking. No statistics were available.³⁰ [³⁰ Various newspaper reports, 1997]

Lockouts

The Department of Labour does not keep separate statistics on lockouts—the figures are incorporated in the number of mandays lost as a result of industrial action.

Occupational Safety

Mine Safety

In September 1997 the deputy director general of mineral development, Dr Jan Bredell, said that a shortage of skilled mine and safety inspectors was delaying the implementation of the Mine Health and Safety Act of 1996 (see 1996/97 Survey, p345). Dr Bredell said that the Department of Minerals and Energy had been forced to seek approval from the cabinet for higher pay scales for mine and safety inspectors, following a lengthy delay on such a decision by the Public Service Commission. There were 63 vacancies (48 were for inspectors) in the total complement of 220 technical staff. There were a further 44 administrative posts with 12 vacancies. ³¹ [³¹ *The Star Business Report* 4 September 1997]

The following table provides a breakdown of the number of fatalities and reportable injuries on all South African mines between 1984 to 1996:³² [³² Fax communication from the Department of Minerals and Energy, 14 November 1997]

Fatalities and reportable injuries on South African mines:a 1984–96

<i>Year</i>
Fatalities
Fatality rate ^b
Reportable injuries
Reportable injury rate ^c
1984
774
1.12
15 745

22.81

1985

737

1.04

15 080

21.34

1986

855

1.20

13 315

18.68

1987

756

1.07

11 478

16.26

1988

677

1.00

10 374

15.36

1989

744

1.12

10 657

18.02

1990

684

0.98

9 830

14.09

1991

602

0.95

9 058

14.24

1992

551

0.94

8 795

15.00

1993

586

1.08

8 524

15.66

1994

482

0.95

7 934

15.71

1995

533

1.02

7 717

14.76

1996

469

0.95

7 427

15.00

a

Includes gold, coal, platinum, diamond, chrome, copper, iron ore, granite, limestone, and clay.

b

Number of fatalities per 1 000 employees in service.

c

Number of reportable injuries per 1 000 employees in service.

The graph below shows fatalities on South African mines betw

The table below provides a proportional breakdown of the number of fatalities and reportable injuries on South African mines in 1996, by type of mine:³³ [³³ Ibid]

Fatalities and reportable injuries^a by type of mine: 1996

Fatalities

Reportable injuries

Gold

68.0%

79.6%

Coal

10.0%

3.9%

Platinum

9.6%

12.2%

Diamond

6.6%

1.2%

Chrome

1.3%

0.4%

Copper

0.6%

0.2%

Iron ore

0.0%

0.4%

Granite

0.4%

0.2%

Limestone

0.0%

0.4%

Clay

0.4%

0.5%

Other

3.0%

1.1%

Total^b

100.0%

100.0%

a

As a proportion of total fatalities and reportable injuries.

b

Figures may not add up owing to rounding.

The pie chart below gives a proportional breakdown of fatalities in 1996

The pie chart below gives a proportional breakdown of reportable injuries in 1996 by type of mine:

Between 1984 and 1996 the overall fatality and reportable injury rates on mines dropped significantly. However, the fatality rate on coal mines, platinum mines and diamond mines increased by 18%, 36% and 267% respectively. In the same period the fatality rate on gold mines dropped by 14% and the reportable injury rate by 31%.

The minister of minerals and energy, Mr Penuell Maduna, said that between 1st October 1996 and 30th September 1997, 456 miners had died while on duty, and another 7 541 had been injured.³⁴ [³⁴ *The Star* 11 November 1997]

Safety in Other Industries

The Department of Labour said that 11 082 workplace incidents were reported in 1996, 591 (or 5%) of which were fatal. The number of fatalities dropped by 37% from 942 in 1995, the first decrease since 1992. The proportion of fatalities in relation to the number of incidents dropped from 10.2% in 1994 to 7.5% in 1996. The department investigated 10 474 incidents in 1996, 75% of which were finalised. The number of incidents investigated by the department dropped by 25% in 1996.³⁵ [³⁵ Department of Labour, annual report 1996]

In 1996 the iron and steel sector accounted for the single largest proportion (21%) of all incidents, and the transport industry accounted for the single largest proportion (49%) of all fatalities reported. There was, however, a significant drop in the number of incidents and fatalities in these sectors in 1996. The agricultural, and building and construction industries also had a high number of fatalities in 1996.

The table below shows the number of incidents investigated by the Department of Labour in various industries (except mining) from 1992 to 1996: ³⁶ [³⁶ Ibid]

Incidents by industry: 1992–96

1992

1993

1994

1995

1996

Agriculture and forestry

480

612

591

632

451

Banks, finance and insurance

28

22

22

30

36

Building and construction

741

894

828

931

722

Charitable, religious and political associations, trade unions

32

29

21

25

24

Chemical

511

562

530

665

501

Diamond, asbestos and bitumen

35

35

34

73

80

Educational services

53

88

63

95

68

Entertainment and sport

13

36

31

31

34

Fishing

10

8

6

5

3

Food, drink and tobacco

785

983

828

926

738

Glass, bricks and tiles

236

192

166

205

171

Iron and steel

1 780

1 996

1 735

1 998

1 654

Leather

44

0

0

0

0

Local authorities

803

962

913

945

709

Medical services

49

79

116

105

35

Personal services, hotels

92

122

98

130

94

Printing and paper

277

238

205

240

219

Professional services

32

54

29

68

38

Textile

275

302

248

313

210

Timber

573

600

504

555

417

Trade

439

559

440

526

416

Transport

778

1 589

1 551

2 015

1 253

Other

20

17

9

43

8

Total

8 086

9

The following table shows the number of fatalities investigated by the department in various industries (except mining) from 1992 to 1996:³⁷ [³⁷ Ibid]

Fatalities by industry: 1992–96

1992

1993

1994

1995

1996

Agriculture and forestry

103

119

145

82

62

Banks, finance and insurance

2

1

1

0

0

Building and construction

92

97

103

114

64

Charitable, religious and political associations, trade unions

3

1

0

0

0

Chemical

11

17

13

14

16

Diamond, asbestos and bitumen

2

1

0

0

1

Educational services

1

4

5

2

3

Entertainment and sport

0

3

3

0

0

Fishing

0

0

2

0

0

Food, drink and tobacco

21

17

27

18

9

Glass, bricks and tiles

8

9

11

8

7

Iron and steel

31

46

52

59

47

Leather

0

0

0

0

0

Local authorities

72

66

60

89

50

Medical services

1

1

2

3

0

Personal services, hotels

13

7

12

12

14

Printing and paper

5

4

4

3

1

Professional services

1

2

0

1

1

Textile

1

1

3

2

0

Timber

17

19

16

23

13

Trade

13

30

20

17

11

Transport

165

283

433

492

292

Other

1

1

1

3

0

Tot

Occupational Health and Safety Inspectors

According to the Department of Labour, in 1996 the occupational health and safety staff complement consisted of 72 administrative staff and 171 inspectors. The inspectorate was operating at a vacancy rate of 31% in the provinces.³⁸ [³⁸ Ibid]

Violence on Mines

During the period under review there were a number of acts of violence on mines. No statistics were available.

Regional Developments

In May 1997 ministers of labour of the 12 member countries of the Southern African Development Community (SADC) adopted a code of conduct on employment in the region. The code encompassed resolutions on occupational health and safety, child labour, the human immuno-deficiency virus and AIDS, labour standards and gender issues. Member countries accepted 15 years as the minimum working age, but had problems with the definition of child labour. It was decided that, in co-operation with the International Labour Organisation, the countries would investigate what constituted 'intolerable' child labour. It was also decided that member countries would have to ensure adherence to gender equality and all international labour standards. The Zambian minister of labour, Dr Peter Machungwa, said that although the code of conduct had been adopted, compliance could become a problem as the policing functions would be difficult for a number of member countries.³⁹ [³⁹ *Business Day* 12 May 1997]

Policy Review

The Mine Health and Safety Amendment Act of 1997 came into effect during the period under review. The amendment act repealed certain sections of the principal act, which, according to the memorandum accompanying the bill, 'seriously threatened' the co-operation necessary to promote health and safety in the mining industry. Sections 86(2) and (3) of the Mine Health and Safety Act of 1996 required a mine manager or owner to prove that the act had not been contravened, ie that the health or safety of a person at a mine had not been endangered. The amendment act instead provided for a set of administrative fines, thereby decriminalising breaches by employers of most of the provisions of the principal act. The reversal of the onus of proof was also removed. However, despite these efforts to increase health and safety on mines, the ability of the mine inspectorate to adequately monitor health and safety on mines was hampered by a shortage of mine inspectors. According to the Department of Labour, there was also a shortage of inspectors investigating occupational health and safety in other industries.

SECURITY

Bird's Eye View

Despite the decrease in most serious crimes in South Africa between 1994 and 1997, the high levels of crime in the country continued. Statistics provided by the South African Police Service (SAPS) showed declines in the number of murders, robberies, and housebreakings. However, incidents of rape, child abuse, and car and truck hijackings increased. Moreover, the continued occurrence of high-profile crimes such as cash-in-transit heists highlighted the problems which faced the criminal justice system in effectively combating crime. Surveys conducted by various organisations during the period under review

showed that the public's perception that the police were unable to protect them from crime was increasing. This perception contributed to the emergence of vigilante groups.

During the period under review the government continued implementing the National Crime Prevention Strategy (NCPS), which had been launched in May 1996. Some 14 projects were introduced under the auspices of the NCPS, all of which aimed to address problems within the criminal justice system.

In addition, the government introduced a number of legislative measures to curtail crime and improve the criminal justice system. Legislation passed included a tightening up of the existing bail laws to make it more difficult for those accused of committing serious crimes to be granted bail. A non-parole period in the sentences of convicted criminals was introduced to ensure that they served larger portions of their sentences before being considered for release. Moreover, the Department of Justice proposed, in January 1998, that lay assessors be appointed for cases involving crimes against the person.

Despite high increases in the number of attacks on farms and smallholdings in the first quarter of 1997 figures for the full year showed that attacks had dropped as compared with 1996.

In May 1997 the three-year moratorium on police recruitment was lifted. Despite this initiative, the SAPS remained understaffed.

The prison population continued to increase in 1997, to its highest level since 1975. Prison overcrowding remained a cause for concern. Escapes from prisons dropped in 1997—0.8% of the total prison population escaped compared with 1% in 1996. In September 1997 the Department of Correctional Services opened South Africa's first closed maximum security prison. The opening of the facility met with strong opposition from human rights groups who opposed the conditions under which the prisoners were being held on the grounds that they were contrary to the provisions of the constitution and were a form of 'cruel and inhuman punishment'.

The trial of Mr Dirk Coetzee, a self-confessed 'hit squad' commander, was concluded in May 1997 after a guilty verdict was returned. However, in August 1997, Mr Coetzee and two co-accused were granted amnesty by the Truth and Reconciliation Commission.

Key Points

- Incidents of housebreaking (residential and business premises) increased by 7% between 1994 and 1997, while incidents of theft of a motor vehicle dropped by 4% during the same period.
- Between 1994 and 1997 incidents of rape and assault (with intent to inflict grievous bodily harm) increased by 23% and 12% respectively, while incidents of murder dropped by 8%.
- Convictions of people charged with rape dropped between 1993/94 and 1995/96. According to the

minister of justice, Mr Dullah Omar, only 50% of the people prosecuted on charges of rape in 1993/94 were convicted.

- According to a report commissioned by the Network of Independent Monitors and Gun Free South Africa, during 1996 some 28 people were killed with a firearm each day.
- In 1996 the South African Police Service (SAPS) seized a total of 18 154 illegal firearms—an increase of 11% over those seized in 1995. Of the weapons seized in 1996, some 6% (1 169) were AK-47 assault rifles.
- According to the minister for safety and security, Mr Sydney Mufamadi, there was an increase of 24% in the number of cases of child abuse between 1995 and 1996.
- During 1996 an average 1 072 cars were hijacked each month (35 a day). Statistics for 1997 showed that these averages had increased to 1 084 per month or 36 a day.
- A total of 642 bank robberies were reported to the SAPS in 1996. An additional 410 incidents of cash-in-transit robbery were reported during the same period. Figures for 1997 showed a drop of 23% in the number of bank robberies reported and a drop of 44% in the number of cash-in-transit robberies as compared with 1996.
- In 1997 a total of 58 668 commercial crime cases, involving some R3.61bn were reported to the SAPS—some 7% more cases but some 6% less in value as compared with 1996.
- A total of 15 326 police officers were charged with crimes including armed robbery, murder, rape, and reckless/negligent driving in 1996. Of those charged, 52% were prosecuted, 12% were convicted, and 0.8% were dismissed.
- During 1996, 210 deaths occurred either in police custody or during police action and resulted from, among other things, assault, drowning, injuries sustained before arrest, and suicide.
- In 1997, 1 050 prisoners escaped from correctional services facilities—a drop of 22% compared to 1996.
- In the first quarter of 1997 there was an increase of 22% in the incidence of escapes from police custody as compared with the same period in 1996.

Policy

No national policy relating to security was published during the period under review. Policy relevant to specific areas of security has been included in the policy sections listed below.

Legislation

This section deals with security legislation in general and includes legislation pertaining to justice, the police, the defence force, and correctional services.

Abolition of Corporal Punishment Act of 1997

The Abolition of Corporal Punishment Act, which was assented to by the president in September 1997, repealed legislation which authorised corporal punishment by a court of law, including a court of traditional leaders.¹ [¹ Abolition of Corporal Punishment Act, no 33 of 1997, *Government Gazette* no 18256, 5 September 1997] The act was passed as a result of a judgement of the Constitutional Court in 1995 in the case of *State v Williams and Others*, which found that the administration of corporal punishment violated the provisions of both the transitional constitution and the final constitution (see also 1995/96 Survey, p470).² [² *Hansard* (NA) 11 cols 3595–3596, 4 June 1997]

State of Emergency Act of 1997

The State of Emergency Act, which was assented to by the president in November 1997, provided for the declaration of a state of emergency that conforms to the constitution of South Africa—the previous State of Emergency Act of 1995 had been enacted under the transitional constitution (see 1995/96 Survey, p64). According to section 37 of the final constitution, a state of emergency may be declared only in terms of a specific act of Parliament and only when ‘the nation is threatened by war, invasion, general insurrection, disorder, national disaster or other public emergency; and the declaration is necessary to restore peace and order’.³ [³ Section 37(1), Constitution of the Republic of South Africa, 1996, act no 108 of 1996] The act provided that reasons be given by the president in the *Government Gazette* for the declaration of a state of emergency. It also provided that a state of emergency could be declared in parts of the country or in the whole country. Moreover, the act allowed for the president to make regulations necessary to the restoration of peace and order and to make adequate provision for terminating the state of emergency. Provision was also made for penalties for contravening emergency regulations, not exceeding imprisonment of three years. In terms of section 37(2)(b) of the constitution the state of emergency could not last for more than 21 days from the date of declaration unless extended by the National Assembly and then for no more than three months at a time.⁴ [⁴ State of Emergency Bill, B52B–97 (NA); State of Emergency Act, no 64 of 1997, *Government Gazette* no 18 450, 21 November 1997; Section 37(2)(b), Constitution of the Republic of South Africa, 1996, act no 108 of 1996]

Criminal Procedure Amendment Act of 1997

The Criminal Procedure Amendment Act, which was assented to by the president in December 1997, provided for the further regulation of appeals against decisions made by the lower courts and the regulation of legal representation of these appeals. The act was introduced to remedy section 309(4)(a)

of the Criminal Procedure Act of 1977, which was declared unconstitutional by the Constitutional Court in the case of *State v Ntuli* (see also Anthea Jeffery, *Bill of Rights Report, 1997, p9*) and was found to discriminate against the right to appeal of convicted persons in prison without legal representation, as opposed to convicted persons who may have been granted bail pending the outcome of an appeal, and had recourse to some form of legal representation. The act provided that any person convicted in a lower court had the right to appeal against the conviction and that application for leave to appeal must be lodged within 14 days. Moreover, it provided that unrepresented accused were entitled to have legal representation assigned to them at state expense.⁵ [⁵ Criminal Procedure Amendment Bill, B81-97 (N), Criminal Procedure Amendment Act, no 76 of 1997, *Government Gazette* no 18 492, 5 December 1997]

Criminal Procedure Second Amendment Act of 1997

The Criminal Procedure Second Amendment Act, which was assented to by the president in December 1997, aimed at tightening existing bail laws, which were last amended in 1995 (see 1995/96 Survey, p64).⁶ [⁶ *Financial Mail* 17 October 1997] According to the minister of justice, Mr Dullah Omar, the necessity for more stringent legislation pertaining to the granting of bail arose from the fact that there had historically been a tendency towards leniency in the granting of bail to persons charged with serious offences.⁷ [⁷ *Hansard* (NCOP) 3 col 842, 15 May 1997]

Inter alia, the act provided that bail could be refused, 'where in exceptional circumstances there is a likelihood that the release of the accused will disturb the public order or undermine the public peace or security'.⁸ [⁸ Criminal Procedure Second Amendment Act, no 85 of 1997, *Government Gazette* no 18 501, 10 December 1997]

The introduction of this legislation and the more stringent provisions which it detailed met with opposition from various organisations, including the South African Institute of Race Relations, the Human Rights Commission, and the Black Sash, all of which argued that the new provisions infringed on the basic rights of accused individuals (see Martin Schönreich, *The Story of a Good Law, its Bad Application, and the Ugly Results, Spotlight 1/97*, July 1997).⁹ [⁹ *The Citizen* 2 August 1997]

Parole and Correctional Supervision Amendment Act of 1997

The Parole and Correctional Supervision Amendment Act, which was assented to by the president in December 1997, provided, among other things, that the courts be empowered to include a non-parole period into the sentence of a convicted criminal. The inclusion of this non-parole period was subject to the limitation that it could not exceed two thirds of the sentence or 25 years, whichever period was shorter. It also provided that no prisoner could be considered for parole until he had served either the full non-parole period or half of the prison term, whichever period was longer. Moreover, the act provided that a prisoner declared to be a habitual criminal could not be considered for parole until he had served a minimum of seven years of the imposed sentence. The act did, however, provide that a prisoner suffering from a terminal illness could be considered either for parole or for placement under correctional supervision.

The act further provided for the establishment of parole boards which would be empowered to approve parole for prisoners serving sentences in excess of 12 months, including long-term prisoners, but excluding those prisoners who were serving life sentences. Prisoners serving life sentences could not be considered for parole without having served 25 years of that sentence, and could be released on parole only by a court.¹⁰ [10 Parole and Correctional Supervision Amendment Bill B57B-97, Parole and Correctional Supervision Amendment Act, no 87 of 1997, *Government Gazette* no 18 503, 12 December 1997; *The Citizen* 23 July 1997, 28 October 1997]

Criminal Law Amendment Act of 1997

The Criminal Law Amendment Act, which was assented to by the president in December 1997, provided for the abolition of all provisions relating to the imposition of the death penalty in South African law, in line with a ruling by the Constitutional Court in June 1995, which outlawed capital punishment (see 1995/96 Survey, pp465-466). The act also provided for the establishment of procedures for the resentencing of prisoners who had already been given the death penalty. Moreover, it contained provision for the imposition of minimum sentences in respect of certain offences. These included, among other things, a minimum sentence of 15 years for crimes such as drug trafficking, the illegal sale of firearms and explosives, and robbery with aggravating circumstances if those convicted were first-time offenders. The act provided for a minimum sentence of 20 years for second offenders and 25 years for third-time offenders in respect of these crimes. A minimum sentence of ten years (first offence) was prescribed for crimes such as indecent assault on a boy under 14 years or a girl under 12 years; housebreaking with the intent to commit murder, rape or robbery; and fraud and corruption involving amounts in excess of R500000. The minimum sentences prescribed for second and third-time offenders in respect of these crimes were 15 and 20 years respectively. A sentence of life imprisonment for such offences as premeditated murder, the murder of a law enforcement officer, rape of a girl under the age of 16 years or by a person who knows he has AIDS/HIV, and gang-rape was also provided for by the act.¹¹ [11 *Sowetan* 21 May 1997; Criminal Law Amendment Act, no 105 of 1997, *Government Gazette* no 18 519, 19 December 1997]

Correctional Services Amendment Act of 1997

The Correctional Services Amendment Act, which was assented to by the president in December 1997, provided that the minister of correctional services be allowed to award contracts to private organisations to build, design, finance, manage, and operate any prison or part of a prison. It further set out requirements which private contractors would have to adhere to in order to ensure that all prisoners were treated with 'dignity and humanity' and that international conventions dealing with the treatment of prisoners were not contravened. However, private contractors could not conduct disciplinary hearings or grant parole to prisoners. In terms of the provisions of the act contracts relating to the operation of prisons would have a maximum duration of 25 years. The act also made provision for the establishment of a judicial inspectorate which would operate independently of the Department of Correctional Services, to deal with complaints made by, and grievances of, prisoners.¹² [12 *The Citizen* 18 October 1997; Correctional Services Amendment Act, no 102 of 1997, *Government Gazette* no 18 516, 19 December 1997]

Regulation of Foreign Military Assistance Act of 1998

The Regulation of Foreign Military Assistance Act, which received the president's assent in May 1998, provided that any military assistance rendered abroad either by South Africans or foreign citizens where such assistance was rendered from within South Africa's borders, had to be approved by the government. The courts were given jurisdiction over such acts committed outside the country. It provided further for a fine or imprisonment (or both) for contraventions of the stipulations contained in the act.¹³ [¹³ *The Star* 1 May 1997; Regulation of Foreign Military Assistance Act, no 15 of 1998, *Government Gazette* no 18 912, 20 May 1998]

Judicial Matters Amendment Bill

The Judicial Matters Amendment Bill provided for a total ban on private military training in South Africa, or private training in explosives for either military or paramilitary purposes. The bill stated that 'no person shall in any manner train any other person, or undergo training, in the conducting of any military, paramilitary or similar operation'. It also prohibited the supply of armaments to members and supporters of any organisation. Moreover, the bill prohibited anyone from assisting in any such training or instruction, or from equipping persons for instruction or training. Training that would endanger either life or property, or training that was 'for the purpose of promoting any political objective' would also be prohibited.

The bill provided for a maximum sentence of five years for contraventions. The provisions of the bill would exempt the South African National Defence Force, the South African Police Service, municipal police forces, prison officials (in so far as their actions fell directly within the scope of their duties), Denel, and the Armaments Development and Production Corporation of South Africa (in so far as its personnel acted within the scope of their employment).¹⁴ [¹⁴ *The Citizen* 8 October 1997; Judicial Matters Amendment Bill, B95-97] The bill was expected to be tabled in 1998.

National Prosecuting Authority Bill

The National Prosecuting Authority Bill came before Parliament in 1997. It had not been enacted at the time of writing. The bill provided for a new national director of public prosecutions, who would have the power to control prosecuting policy in all provinces. The national director would be appointed by the president and would hold office for a limited fixed term, renewable once only. The bill stated that the national director need not possess any minimum legal qualification. All current attorneys general would become provincial directors once the act took effect, and would be deemed to have been appointed from the time they initially took office as attorneys general. They would hold office for a fixed term only and could be reappointed for a further specified period once thereafter.¹⁵ [¹⁵ National Prosecuting Authority Bill, B113-97]

Other Proposed Legislation

In response to the proliferation of gang-related crime, particularly in the Western Cape, the minister for safety and security, Mr Sydney Mufamadi, announced that legislation would be tabled in 1998 which would make membership of a criminal gang and participation in gang activities punishable by law and would provide for harsher sentencing if gang-related activities took place either at or near schools.¹⁶ [¹⁶ *The Citizen* 8 October 1997; Judicial Matters Amendment Bill, B95–97]

Legislation providing local governments with the authority to establish municipal or metropolitan police forces was expected to be presented to Parliament in 1998. The proposed legislation, announced by the superintendent general of the Secretariat for Safety and Security, Mr Azhar Cachalia, came in the wake of a provision in the constitution which allowed for municipal police forces. The proposed legislation was likely to include provisions that city police forces be funded by the respective municipal councils.¹⁷ [¹⁷ *Cape Times* 4 September 1997; South African Police Service Amendment Bill *Government Gazette* no 18 384, 31 October 1997; *Fast Facts*, December 1997]

In December 1997 the minister of justice, Mr Dullah Omar, said that the ministry of justice was investigating the proposed introduction of legislation which would reduce the number of escapes by awaiting trial prisoners who escaped from custody while being transported between prisons and the courts. The proposed legislation would provide for the holding of court sessions at prisons in specific cases—for example, in cases where the accused had already been convicted of a serious crime and was appearing on other charges. The proposed legislation was likely to include the hearing of bail applications in prisons as well. However, it would have to take into account the right of people to be tried in open court, he said.¹⁸ [¹⁸ *The Citizen* 23 December 1997]

In January 1998 Mr Omar announced that the Department of Justice planned to introduce legislation providing for the appointment of lay assessors in magistrate's courts in criminal trials involving crimes against persons. The legislation would provide for two assessors in each case. The lay assessors would be able to overrule magistrates in disputes of fact but not on issues of law. According to Mr Omar, the purpose of the legislation was to address the concerns of the communities with regard to bail and sentencing of criminals. The Magistrates' Courts (Assessors) Amendment Bill was approved by the cabinet later in the same month.¹⁹ [¹⁹ *Business Day*, *The Citizen* 13 January 1997, 22 January 1998]

Legislation allowing for the compensation of victims of crime, and a review of the witness protection programme was also planned for 1998.²⁰ [²⁰ *Business Day* 13 January 1998]

Crime and Violence

Statistics and Trends

Crime Victims and the Non-Reporting of Crime

In February 1997 the Human Sciences Research Council (HSRC) conducted a survey on the victims of crime and the non-reporting of crime. According to the HSRC, while the data were obtained from a sample group which was too small to be used for the calculation of national crime victim rates and non-reporting and under-reporting of crime, the data would be useful in describing the general trends among South Africans. The results of the survey were:²¹ [21 Fax correspondence from Ms Diana Ehlers, Human Sciences Research Council (HSRC), 6 December 1997]

- of the 2 072 respondents in the survey 23% indicated that they had been the victims of crime. Of the 413 respondents questioned in KwaZulu-Natal, 35% had been victims of crime. In the Western Cape 30% of respondents were the victims of crime (from a sample population of 206), while in Gauteng 25% of respondents reported having been the victims of crime (from a sample of 415);
- some 31% of white respondents reported having been the victims of crime, some 25% of Asian respondents reported being victims, while among coloured people the rate was 25%, and among African respondents 21%;
- 23% of women respondents and 23% of male respondents reported being the victims of crime; and
- some 26% of respondents aged between 35 and 44 years reported having been the victims of crime. A total of 25% of those aged between 18 and 24 years reported having been victims. The lowest proportion was reported by respondents in the age group 55 to 64 years—19% of the respondents.

Figures pertaining to the non-reporting of crime revealed the following:²² [22 Ibid]

- of the 479 respondents who reported having been the victims of crime, some 20% indicated that they had not reported the crime. In Gauteng some 29% of those who had been the victims of crime did not report the crime to the police, compared with 27% in the Northern Province and 22% in the Northern Cape. The lowest rate of non-reporting of crime was found to have occurred in the Eastern Cape where some 11% of those who had been victims of crime did not report it to the police;
- some 22% of African respondents who had been victims of crime did not report the crime. Some 20% of Asian respondents did not report the crime, while the comparable rate for white respondents was 17% and for coloured people 16%;
- some 18% of male respondents who had been the victims of crime did not report it, compared with 22% of females; and
- about 28% of those between the ages of 45 and 54 years who reported having been the victims of crime did not report it to the police. The lowest proportion of the non-reporting of crime was found in the age

group 18 to 24 years, where some 17% of those who had been the victims of crime did not report this to the police.

Reported Offences and Crime of Various Types

The following table illustrates crimes to the person reported to the police during the period 1974/75–97:23 [23 All figures have been taken from the South African Police (SAP) annual reports except for 1993 and 1994, when figures were taken from the South African Police Crime Combating and Investigation Unit's 1994 report *Broad Perspective on the Incidence of Crime and the Activities of the Specialist Units of the Division*; and 1995, 1996 and 1997, when figures were taken from the South African Police Service (SAPS), *Report on the Incidence of Serious Crime During 1995*, April 1996, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997 and *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

Crimes to the person: 1974/75–97^a

Assault^b

Murder

Rape

Robbery^c

1974/75

138 586

8 662

14 815

37 896

1975/76

135 705

6 000

15 394

38 981

1976/77

135 397

7 560

15 109

44 141

1977/78

127 735

5 959

15 175

43 884

1978/79

127 659

6 913

15 263

42 686

1979/80

134 682

8 356

16 149

45 442

1980/81

123 310

7 434

15 318

39 816

1981/82

119 898

8 084

15 535

38 626

1982/83

121 716

8 573

15 342

38 229

1983/84

125 002

9 462

15 785

37 755

1984/85

123 100

8 959

16 085

39 302

1986

109 755

9 913

15 816

48 533

1987

120 779

9 800

18 145

46 288

1988

125 571

10 631

19 368

45 847

1989

128 887

11 750

20 458

50 636

1990

124 030

15 109

20 321

61 132

1991

129 626

14 693

22 761

69 936

1992

136 322

16 067

24 360

78 644

1993

144 504

19 583

27 037

87 102

1994^d

210 250

26 832

42 429

117 323

1995^d

220 990

26 637

47 506

120 952

1996

230 425

25 782

50 481

118 755

1997

234 554

24 588

52 160

122 371

a

Not all crimes have been included. Prior to 1987 the South African Police (SAP) annual reports covered the period from 1st July of a particular year to 30th June of the following year. From 1987 the reporting period changed to run from 1st January to 31st December of a particular year (a calendar year). The SAP did, however, supply comparative figures for the 1986 calendar year in its 1987 report. Figures prior to 1994 do not include the former 'independent' and non-independent homelands.

b

With intent to inflict serious bodily harm (excluding common assault).

c

Including robbery with aggravating circumstances.

d

These figures have been updated by the South African Police Service (SAPS) in the report The Incidence of Serious Crime: January to December 1996, March 1997, and differ from figures contained in earlier SAPS reports on crime for 1994 and 199

The following chart plots the trend in cases of assault and robbery from 1974/75 to 1997:

The chart below shows the increase in murder and rape in the period 1974/75 to 1997:

Violent crimes such as assault, murder, and rape all showed high proportional increases from 1974/75 to 1997. Incidents of assault (with intent to inflict grievous bodily harm) increased by 69%, murder by 184%, and robbery by 223%. Incidents of rape increased by 252%.

In the period 1994–97 most of these crimes increased. Rape and assault (with intent to inflict grievous bodily harm) increased by 23% and 12% respectively. Incidents of robbery rose by 4%. Murder experienced a steady decrease between 1994 and 1997, dropping by 8% in that period.

Below is a table of crimes to property reported to the police during the period 1974/75–97:²⁴ [24 Ibid]

Crimes to property: 1974/75–97^a

Theft of a motorvehicle

Theft out of or from motorvehicle^b

Housebreaking^c

Shoplifting

1974/75

26 092

N/A

90 842

N/A

1975/76

31 534

N/A

97 747

N/A

1976/77

36 900

N/A

110 733

N/A

1977/78

38 323

N/A

124 307

N/A

1978/79

38 716

N/A

132 966

N/A

1979/80

39 854

N/A

135 074

N/A

1980/81

36 558

N/A

120 194

N/A

1981/82

44 483

N/A

139 273

N/A

1982/83

44 771

N/A

148 766

26 224

1983/84

44 372

N/A

153 440

27 245

1984/85

48 584

N/A

166 812

31 450

1986

67 008

N/A

212 922

38 053

1987

59 936

N/A

235 693

40 833

1988

57 851

116 813

182 754

40 477

1989

58 298

122 385

187 946

41 601

1990

68 649

149 606

225 158

48 935

1991

71 120

160 179

260 661

51 658

1992

71 532

154 247

254 941

58 371

1993

77 906

166 295

259 645

62 166

1994^d

104 302

182 624

317 079

67 059

1995^d

101 056

189 811

330 442

63 037

1996

96 715

180 229

334 301

62 198

1997

100 637

176 254

337 985

63 795

a

Not all crimes have been included. Prior to 1987 the South African Police (SAP) annual reports covered the period from 1st July of a particular year to 30th June of the following year. From 1987 the reporting period changed to run from 1st January to 31st December of a particular year (a calendar year). The SAP did, however, supply comparative figures for the 1986 calendar year in its 1987 report. Figures prior to 1994 do not include the former 'independent' and non-independent homelands.

b

Theft out of or from a motor vehicle was not separated from theft in general before July 1987.

c

Residential and business premises.

d

These figures have been updated by the South African Police Service (SAPS) in the report *The Incidence of Serious Crime: January to December 1996, March 1997*, and differ from figures contained in earlier SAPS reports on crime for 1994 and 1995 and the 1996/97 Sur

The chart below shows theft of a motor vehicle and housebreakings in the period 1974/75–97:

In the period 1974/75–97, incidents of housebreaking (residential and business premises) increased by 272% and theft of a motor vehicle by 286%. Shoplifting increased by 143% from 1982/83 to 1997. Theft out of or from a motor vehicle increased by 51% from 1988 to 1997. In 1997 there were fewer crimes to property (excluding housebreaking) than in 1994. Although theft out of or from a motor vehicle increased by about 4% in the period 1994–95, it dropped by 7% between 1995 and 1997. The incidence of theft of a motor vehicle dropped by 4% from 1994 to 1997. Shoplifting decreased by 5% in the same period. However, housebreaking increased by 7%.

Attacks on the Elderly

National statistics were not available during the period under review as the SAPS did not maintain separate figures for these incidents. Crimes committed against the elderly were accounted for under specific crime categories such as murder or rape.²⁵ [25 Telephone interview, Inspector Ina du Plessis, Crime Information Management Centre, SAPS, 5 December 1997]

Attacks on Farms and Smallholdings

During 1996 a total of 468 attacks on farms and smallholdings were reported to the SAPS and 109 farmers were murdered. The number of reported incidents dropped by 15% over the 551 incidents reported in 1995, during which 121 farmers were killed.²⁶ [²⁶ Fax correspondence from the South African Agricultural Union (SAAU), 11 November 1997]

The number of attacks on farms and smallholdings reported during 1997 totalled 347—a decrease of 26% as compared with 1996. A total of 85 farmers were killed during these attacks.²⁷ [²⁷ Information provided by the SAPS, 24 March 1998]

Racial Attacks

Statistics pertaining to racially motivated attacks were not available for the period under review. While the SAPS maintained figures giving a racial breakdown of both perpetrators and victims, these do not denote attacks which are racially motivated.²⁸ [²⁸ Telephone interview with Sergeant Madelaine Oosthuizen, Crime Information Management Centre, SAPS, 10 December 1997]

Murder

The number of murders reported in 1996 decreased by 3% over those reported in 1995. Figures published by the deputy minister for safety and security, Mr Joe Matthews, revealed that some 41% of the murders reported during 1996 were committed using a firearm.²⁹ [²⁹ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997; *Business Day* 5 December 1997]

According to the SAPS, 24 588 murders were reported in 1997—a drop of 5% over the 25 782 murders reported in 1996.³⁰ [³⁰ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998] The number of murders reported to the SAPS increased by 184% between 1974/75 and 1997.

The number of murder cases referred to court declined by 7% from 13172 in 1994 to 12218 in 1996. Some 32% of the verdicts returned on murder cases referred to court during 1996 were guilty verdicts. (See also *Murder* under *Provincial patterns* below.)³¹ [³¹ *Hansard* (NA:Q) 6 cols 1275–1282, 30 May 1997]

A report commissioned by the Network of Independent Monitors and Gun Free South Africa, published in November 1997, showed that 10500 of the murders reported during 1996 were committed with a firearm. The report calculated that some 28 people were killed by firearms daily in South Africa.³² [³² *Business Day* 26 November 1997] In November 1997 the minister for safety and security, Mr Sydney Mufamadi, revealed that in the first six months of 1997, 5 127 people were murdered using a firearm. During the same period there were 10050 cases of attempted murder involving the use of a firearm.³³ [³³ *The Natal Witness* 12 November 1997]

Crimes Arising from Informal Justice

Witch Killings

A report published in 1997 by the Human Sciences Research Council and entitled *Witch-purging in the Northern Province* revealed that between 1990 and April 1995, 455 cases of witch-hunting took place in the Northern Province (where incidents of witch-hunting are most prevalent). According to the SAPS, 45% of these cases were reported between 1990 and 1993, and the remaining 55% were reported between April 1994 and April 1995. A total of 104 cases of witch-hunting had been reported and 11 arrests made in the Northern Province during the first five months of 1996. A further 164 people were removed from their homes and taken to places of safety after having been accused of practising witchcraft. While all of the victims were 50 years or older, the perpetrators varied in age from 16 to 25 years of age. Fines imposed by the court in these cases generally ranged from R200 to R250.³⁴ [³⁴ *In Focus Forum*, vol 4 no 5, March 1997] (See also 1996/97 Survey, p613.)

National statistics on the killing and/or burning of witches, as well as attacks on those suspected of practising witchcraft, were unavailable for the period under review.

Necklacing

Statistics on 'necklace' killings—in which a tyre is placed around the neck of the victim, who is doused in petrol and then set alight—were unavailable during the period under review as the SAPS did not maintain separate records on different methods of murder.³⁵ [³⁵ Telephone interview with Inspector Ina du Plessis, Crime Information Management Centre, SAPS, 4 December 1997]

Murders Arising from Mob Action

Statistics on murders arising from mob action were unavailable during the period under review as the SAPS accounted for these actions under the category murder and did not maintain separate records.³⁶ [³⁶ Ibid]

Murders Arising from Illegal Trials

Separate statistics for murders which resulted from illegal trials were not available for the period under review, as the police accounted for these cases under the category of murder.³⁷ [³⁷ Ibid]

Assault Arising from Illegal Trials

Statistics for assaults which resulted from illegal trials were not available for the period under review, as these cases were accounted for under the category of assault by the SAPS.³⁸ [³⁸ Ibid]

Rape

During 1996 a total of 50 481 rapes were reported to the SAPS—an increase of 6% on the figure for 1995 and a 19% increase on the 1994 figure.³⁹ [³⁹ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997] Reported rape increased by 3% in 1997, as compared with 1996.⁴⁰ [⁴⁰ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

According to the minister of justice, Mr Dullah Omar, of the 8 553 people who were prosecuted on charges of rape in 1993/94, only 4 311 (50%) were convicted. In 1994/95 there were 8207 prosecutions, resulting in 3 893 (47%) convictions—a decrease of 10% in the conviction rate. In 1995/96 successful prosecutions dropped by 5%—of the 7 544 prosecutions there were 3697 (49%) convictions. The figures prior to 1995/96 do not include the former ‘independent’ and non-independent homelands.⁴¹ [⁴¹ *Hansard* (NA:Q) 3 col 672, 23 April 1997; *The Citizen* 24 April 1997] Despite the increase in the incidence of rape, the SAPS clearing figures—investigations completed for trial—dropped from 41% in 1994 to 33% in 1996.⁴² [⁴² *The Citizen* 15 May 1997]

According to statistics published by the minister for safety and security, Mr Sydney Mufamadi, the number of rape cases referred to court increased by 4% in 1996 as compared with 1994. A total of 19% of the verdicts returned on rape cases referred to court during 1996 were guilty verdicts. (See also *Rape under Provincial patterns* below.)⁴³ [⁴³ *Hansard* (NA:Q) 6 cols 1275–1282, 30 May 1997]

Child Abuse

According to Mr Mufamadi 35838 cases of child abuse were dealt with by the child protection unit of the SAPS in 1996—an increase of 24% over the 28861 cases reported in 1995. Reported rape cases involving children increased by 375% in 1996 as compared with 1991. The number of indecent assault cases against children increased by 127% during the same period. Moreover, Mr Mufamadi said that in the period July 1996 to June 1997 a total of 566 people were charged with the murder of children, 9529 were charged with child rape, 50 were charged with incest involving children, and 338 with kidnapping.⁴⁴ [⁴⁴ *Hansard* (NA:Q) 5 col 853, 13 May 1997; *The Natal Witness* 12 November 1997, *The Citizen* 14 May 1997]

Figures compiled by the South African National Council for Child and Family Welfare showed that, during the period April to October 1997, the council dealt with an average of 375 physically abused children on the existing caseload (ie cases which had been reported prior to April 1997). During the same period 468 new cases of physical abuse were added—which increased the monthly average to 453 physical abuse cases. The existing caseload of sexually abused children showed a national average of 506. The new cases added during the same period of review increased the monthly average to 613.⁴⁵ [⁴⁵ Fax correspondence with Mrs Ros Halkett, Consultant Social Worker, South African National Council for Child and Family Welfare, 25 November 1997]

Vehicle Hijacking

The incidence of car hijackings reported to the police increased by 19% from 10839 in 1995 to 12 860 in 1996. An average of 1 072 cars were hijacked each month, or 35 a day.⁴⁶ [⁴⁶ SAPS, *Report on the Incidence of Serious Crime During 1995*, April 1996; *Report on the Incidence of Serious Crime: January to December 1996*, March 1997] In March 1998 the SAPS reported that 13 011 car hijackings had taken place during 1997—an average of 1084 per month or 36 a day. This showed an increase of 1% over the car hijackings reported in 1996. While the statistics for both car and truck hijackings are listed separately in the SAPS reports on the incidence of crime, both are accounted for under robbery with aggravating circumstances.⁴⁷ [⁴⁷ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

The number of trucks hijacked in 1996 (3 694) increased by 118% over the 1692 reported in 1995.⁴⁸ [⁴⁸ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997; *Report on the Incidence of Serious Crime During 1995*, April 1996] A total of 4 296 truck hijackings were reported in 1997—an increase of 16% over the cases reported in 1996.⁴⁹ [⁴⁹ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

A total of 47 083 stolen and hijacked vehicles (including cars and trucks) were registered as recovered by the SAPS in 1996—some 6% less than in 1995. The SAPS also stated that it had arrested 6 243 suspects during 1996, a figure lower than the 6 648 suspects arrested in 1995.⁵⁰ [⁵⁰ SAPS, *Report on the Incidence of Serious Crime During 1995*, April 1996; *Report on the Incidence of Serious Crime: January to December 1996*, March 1997]

Robbery

Statistics published by the SAPS in March 1997 showed that there was a 16% drop in the incidence of robbery with aggravating circumstances (including car and truck hijackings) in 1996. The number of reported incidents dropped from 80 071 in 1995 to 67 249 in 1996. There were 69 693 robberies with aggravating circumstances reported in 1997—a daily average of 191. In 1996 there were 67 249 robberies with aggravating circumstances reported to the SAPS—a daily average of 184. The number of other robberies reported for 1996 (51 506) showed a 26% increase over those reported in 1995 (40 881). Of the robberies with aggravating circumstances committed during 1996, about 77% involved the use of a firearm.⁵¹ [⁵¹ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997; *Business Day 5* December 1997; *Report on the Incidence of Serious Crime: January to December 1997*, March 1998] In 1997, 52 678 other robberies were reported—an average of 144 a day. In 1996, 51 506 other robberies were reported—or 141 a day.⁵² [⁵² SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

A combined total of 334 301 business and residential housebreakings (including attempts) were reported to the police during 1996, an increase of 1% over the 330 442 reported cases in 1995.⁵³ [⁵³ SAPS, *Report on*

the Incidence of Serious Crime: January to December 1996, March 1997] In March 1998 the SAPS reported that 337 985 residential and business housebreakings (including attempts) had been reported in 1997—an increase of 1% over those reported in 1996.⁵⁴ [⁵⁴ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998] The number of housebreakings (including attempts) reported to the SAPS during 1997 represented a monthly average of 28 165 and a daily average of 926.

According to the SAPS, in the first six months of 1997, 25 783 robberies with aggravating circumstances were committed involving the use of a firearm. In November 1997 Mr Mufamadi said that during the same period there were 2 026 reported cases of attempted robbery in which a firearm was used.⁵⁵ [⁵⁵ Information supplied by the SAPS, 30 March 1998; *The Natal Witness* 12 November 1997]

A total of 642 bank robberies were reported to the SAPS in 1996.⁵⁶ [⁵⁶ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997] According to a report published by the SAPS, 497 bank robberies were reported in 1997—a drop of 23% over the cases reported in 1996.⁵⁷ [⁵⁷ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

The number of robberies of cash-in-transit totalled 410 during 1996.⁵⁸ [⁵⁸ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997] Some 230 cases were reported during 1997—a drop of 44% compared to 1996.⁵⁹ [⁵⁹ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

Fraud and White-Collar Crime

During 1996, a total of 54 846 cases of commercial crime, involving some R3.83bn, were reported to the SAPS commercial crime unit. These statistics showed an increase of 7% over the 51 117 cases, involving some R2.8bn, reported in 1995. (The rand value of commercial crime increased by 37% during this period.) Fraud represented some 80% of all cases of commercial crime reported during 1996. The remaining 20% included crimes such as forgery and uttering, as well as the contravention of acts such as the Companies Act of 1973 and the South African Reserve Bank Act of 1989, and of exchange control regulations. During 1996 Gauteng had the highest proportion of commercial crime cases (42%), followed by the Eastern Cape (18%). The fewest cases were reported in the Northern Cape (2%).⁶⁰ [⁶⁰ SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997]

A total of 58 668 commercial crime cases, involving R3.61bn, were reported in 1997—some 7% more cases than in 1996 but some 6% less in value.⁶¹ [⁶¹ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

The number of commercial crime cases and the total values for the period 1995–97 are shown in the table below:⁶² [⁶² Ibid]

Commercial crime cases and total value: 1995–97

1995

1996

Increase

1997

Increase/ (decrease)

Cases reported

51 117

54 846

7.3%

58 668

7.0%

Total value

R2.8bn

R3.83bn

37.0% a

R3.61bn

(5.9%)a

a

Increase/(decrease) figures have been calculated on full rand values and not on the figures in the table which have been rounded off

The most common category of commercial crime reported in 1997 was fraud (48 440), followed by forgery and uttering (4795), and theft (1 612). During this period 41 051 case dockets were disposed of without any court appearance—ie where charges were withdrawn by either the complainant or the attorney general, where cases proved to be unfounded or where cases were disposed of as undetected. A total of 4 367 case dockets were disposed of with at least one conviction per case. (See also *Fraud and white-collar crime* under *Provincial patterns* below.)⁶³ [⁶³ Ibid]

Counterfeiting of Money

According to Mr Mufamadi 1355 people were arrested for counterfeiting South African bank notes in 1996—a decrease of 12% compared with the 1538 people arrested during 1995. In 1996 the SAPS confiscated 372 349 counterfeit bank notes with a face value of R42.3m. This was a drop of some 30% in the number of notes confiscated but an increase of 26% in face value.⁶⁴ [⁶⁴ *Hansard* (NA:Q) 8 col 1909, 19 August 1997]

In the first three months of 1997 the SAPS confiscated 252 888 counterfeit South African bank notes with a face value of R32.5m and arrested 334 people in connection with counterfeiting activities.⁶⁵ [⁶⁵ Ibid]

Gangs

A survey conducted by Market Research Africa in November 1997 showed a proliferation of gang activity in communities throughout the country. The survey made use of a probability sample of 2 510 respondents who represented a sample drawn from 92% of urban adults, but excluded live-in domestic workers and mineworkers. Some 61% of urban adults were aware of gang activity in their neighbourhoods. The survey found that a large proportion of African areas showed high levels of gang activity with some 74% of African adults aware of gangs within their communities. The survey also showed that while gang activity was widespread in the Western Cape, it was more prevalent in the northern provinces with some 74% of urban adults aware of local gang activity in the North West and Northern Cape. Coloured people were more aware of gang activity than Africans, but the incidence of fear of attack was shown to be higher in African communities (64%). Seven in ten African respondents stated that gangs of both adults and youths operated within their communities, 46% expected that either they or members of their households would be victims of gang attacks, and 18% reported that they had already been victims of gang-related crime. Of the 74% of coloured respondents who reported the presence of gangs in their communities, 12% had been the victim of gang-related crime and 42% feared that they would be victims of gang attacks. However, 20% of these respondents indicated that they did not fear the gangs operating within their communities.⁶⁶ [⁶⁶ *Business Day* 11 November 1997; fax correspondence with Market Research Africa (MRA), 21 November 1997]

The survey found that while gangs were also evident in white and Indian communities, their prevalence was not as widespread as in African and coloured communities. A total of 39% of Indian and 32% of

white respondents reported that they were aware of gangs in their communities. One in ten Indians and just under one in ten whites had been the victim of gang-related crime—usually robbery, assault or intimidation. Some 17% of white respondents feared attacks on either themselves or their families, with this proportion increasing to 20% for Indian respondents.

The highest proportions of gang-related violence occurred in the Eastern Cape, Western Cape, and KwaZulu-Natal. Some 18% of the respondents in each of these provinces had been victims of gang activity. Although the lowest proportion of gang violence was in the Free State (8%) the proportion of respondents there who feared attack was at its highest (50%).

The survey found further that although most people did not feel safe from the gangs operating within their communities they did not feel that communities should take the law into their own hands and did not support a proliferation of vigilante action. Eight in ten coloured people, Indians, and whites said that suspected criminals who were gang members should be handed over to the police, compared with 68% of African respondents. However, some 20% of African respondents felt that it was acceptable to physically harm, but not kill, a known or suspected criminal. Although most respondents in Gauteng did not agree with vigilante action, the highest proportion of support for vigilante groups (35%) was found in this province. Of the 35% supporting vigilantism 20% endorsed physical violence, 11% damage to property, and 4% execution. Cape respondents were most opposed to any form of vigilante action with 86% of Western Cape and 83% of Eastern Cape respondents stating that no action should be taken against known or suspected criminals, but that the matter should be handed over to the police.⁶⁷ [⁶⁷ Ibid]

Crime Syndicates

An SAPS report entitled *Report on the Incidence of Serious Crime* published in June 1997 revealed that there were 192 organised crime syndicates operating in South Africa with a combined figure of 1903 primary suspects. Of these syndicates, most specialised in either drug trafficking (96), vehicle-related crime (83), commercial crime (60) or a combination of these crimes. The report also noted that at least 32 operated internationally, while the criminal activities of 150 were restricted to countries in sub-Saharan Africa.⁶⁸ [⁶⁸ SAPS, *Report on the Incidence of Serious Crime: January to March 1997*, 13 June 1997]

The table below illustrates the criminal activities of crime syndicates operating in South Africa on both provincial and national levels in 1997.⁶⁹ [⁶⁹ Ibid]

Provincial and national breakdown of the criminal activities of crime syndicates: 1997^a

—————*Criminal activities^b*—————

Province

No of syndicates

Drug trafficking

Vehicle-related crime

Commercial crime/fraud

Diamonds/gold

Eastern Cape

27

17

8

2

3

Free State

8

6

5

4

1

Gauteng

45

29

21

13

2

KwaZulu-Natal

45

16

20

9

8

Mpumalanga

12

5

3

2

3

North West

12

7

2

0

5

Northern Cape

16

3

2

12

15

Northern Province

8

3

5

2

1

Western Cape

19

10

3

2

0

Total

192

96

69

46

38

a

A single syndicate may be involved in more than one category of criminal activity and more than one syndicate may also be involved in a single category of criminal activity.

b

Not all categories of criminal activity have been included in this analysis. The criminal activities listed represent those categories which show the highest number of syndicates involved. Other examples of criminal activities of syndicate operations were, among other things, prostitution, gang-related crime, firearm-related crime, housebreaking, murder,

The report distinguished between identified syndicates and target groups which the SAPS classified as being organised crime groups which were under investigation but whose structure and activities had not been fully identified. According to the SAPS, about 500 target groups with a combined figure of 1184 primary suspects were identified in South Africa. Of these 16 operated internationally while the activities of 403 remained restricted to countries in sub-Saharan Africa. The majority of these groups specialised in either drug trafficking (194), vehicle-related crime (106), commercial crime (97) or any combination of these activities.⁷⁰ [70 Ibid]

The national and provincial incidence of the criminal activities of organised crime target groups is shown in the table below:⁷¹ [71 Ibid]

Provincial and national breakdown of the criminal activities of target groups: 1997^a

—————*Criminal activities^b*—————

Province

No of target groups

Drug trafficking

Vehicle-related crime

Commercial crime/fraud

Stock theft and theft of game/ poaching

Eastern Cape

107

62

24

9

23

Free State

7

0

2

4

0

Gauteng

85

17

1

40

0

KwaZulu-Natal

43

13

25

8

0

Mpumalanga

80

33

18

1

24

North West

53

13

15

1

12

Northern Cape

64

48

3

16

6

Northern Province

22

3

2

0

13

Western Cape

19

5

5

7

0

Total

480^c

194

95

86

78

a

A single target group may be involved in more than one category of criminal activity and more than one target group may also be involved in a single category of criminal activity.

b

Not all categories of criminal activity have been included in this analysis. The criminal activities listed represent those categories which show the highest number of target groups involved. Other examples of criminal activities of target group operations were, among other things, prostitution, gang-related crime, firearm-related crime, housebreaking, murder, and theft.

c

As calculated by the South African Institute of Rac

Arms Smuggling, Caches, and Theft

According to a report entitled *Weapons Proliferation in South Africa* commissioned by Gun Free South Africa and the Network of Independent Monitors, a total of 18 154 weapons were seized by the SAPS during 1996. Of these, 49% were pistols, 18% were rifles, 16% were revolvers, 15% were homemade weapons, and 2% were machine pistols. The single largest proportion of weapons seized was in KwaZulu-Natal (45%) and the lowest in the Northern Cape (0.2%).⁷² [⁷² Gun Free South Africa and the Network of Independent Monitors, *Weapons Proliferation in South Africa*, November 1997,]

The number of firearms seized by the SAPS during 1996 showed an 11% increase over those seized in 1995. The table below illustrates the proportional increases and decreases in the seizure of both illegal firearms (according to type) and ammunition between 1994 and 1996:⁷³ [⁷³ Fax correspondence with Superintendent Eric Dewey, national firearm investigation unit, SAPS, 3 December 1997]

Illegal firearms and ammunition seized by the SAPS: 1994–96

Type

1994

1995

Increase/ (decrease)

1996

Increase/ (decrease)

AK-47 rifles

1 589

1 392

(12.4%)

1 169

(16.0%)

Rifles

Shot guns

691

632

(8.5%)

599

(5.2%)

Other rifles

1 297

1 512

16.6%

1 476

(2.4%)

Machine pistols

Stechkin machine pistols

10

4

(60.0%)

2

(50.0%)

Scorpion machine pistols^a

16

32

100.0%

3

(90.6%)

Makarov pistols

164

172

4.9%

221

28.5%

Tokarev pistols

56

58

3.6%

263

353.4%

Other pistols

5 150

6 934

34.6%

8 803

27.0%

Revolvers

All types

2 364

2 842

20.2%

2 812

(1.0%)

Homemade firearms

All types (rifles, pistols and revolvers)

3 123

2 713

(13.1%)

2 806

3.4%

Total

14 460

16 291

12.7%

18 154^b

11.4%^b

Ammunition (rounds)

7.62 calibre (all types)

103 424

40 717

(60.6%)

48 299

18.6%

Other

203 367

108 259

(46.7%)

105 439

(2.6%)

Total

306 791

148 976

(51.4%)

153 738b

3.1%b

a

The reason for the reduction in the number of Scorpion machine pistols could be related to the fact that in 1995 these firearms were banned for both importation and sale.

b

As calculated by the South African Institute of Race Relations.

The number of reported cases of illegal possession of arms and ammunition referred to court during 1996 increased by 6% compared with 1995. Some 36% of the cases referred to court during 1996 returned guilty verdicts. (See also *Arms smuggling, caches, and theft* under *Provincial patterns* below.)
74 [74 *Hansard* (NA:Q) 6 cols 1281–1283, 30 May 1997]

The total number of reported cases of arms trafficking increased by 87% between 1995 and 1996. The number of cases of arms trafficking referred to court declined by 12% during the same period. Of the 114 cases referred to court in 1996 some 20% result

A joint operation in July 1997 in Mozambique between the SAPS and the Mozambican police (Operation Rachel III) resulted in the recovery and destruction of among other things, some 5500

machine guns, submachine guns and automatic rifles, 78 pistols, 518 antipersonnel mines, 4 landmines, 336 hand grenades, 153 detonators, 3 726 mortar bombs, 79 rocket and mortar launchers, 2 340 projectiles, 13 cannons, approximately 3m rounds of ammunition of different calibres, and 3 674 magazines. The joint operation took place because large arms caches still existed within Mozambique. Firearms and other armaments were smuggled into South Africa and utilised in criminal activities such as armed robbery and vehicle hijacking.⁷⁶ [⁷⁶ South African Communications Service, 11 August 1997]

A total of 187 587 legally owned firearms were reported lost or stolen in the period April 1993 to April 1996. Some 18 600 firearms licensed to members of the SAPS were reported stolen during the same period. Of these, 1 103 were found to have been relicensed to private individuals. The 18059 weapons recovered during 1996 showed an increase of 11% over the 16 291 recovered in 1995.⁷⁷ [⁷⁷ *Business Day, The Star* 21 February 1997] Figures published in December 1997 by the deputy minister for safety and security, Mr Joe Matthews, showed further that some 50 585 legally registered firearms were reported lost or stolen in the period January 1996 to November 1997. Of these, 12 218 (24%) were state-owned firearms. During the same period only 27401 firearms had been recovered. Moreover SAPS estimates indicated that there were some 4m illegal weapons in South Africa at the end of 1997.⁷⁸ [⁷⁸ *Business Day, The Citizen, The Star* 5 December 1997]

Drug Smuggling

The table below provides a breakdown of the value and quantities of a selection of drugs confiscated by the SAPS during the period 1995–96:⁷⁹ [⁷⁹ 1996/97 Survey, p76; SAPS, *Report on the Incidence of Serious Crime: January to December 1996*, March 1997]

A selection of drugs confiscated by the SAPS: 1995–96 a

<i>Drug</i>	<i>Quantity</i>	<i>Estimated value in rands</i>
	1995	
	1996	
	1995	
	1996 b	

Dagga

1 192 812kg

203 354kg

1 192 812 000

20 335 400

Cocaine

187 615g

106 629g

46 903 750

26 657 250

Hashish

7 858g

1 065g

78 580

8 520 000

Heroin

5 942g

811g

1 485 500

283 850

LSD

4 107 units

11 804 units

77 675

531 180

Mandrax

886 846 tablets

432 807 tablets

13 472 437

8 656 140

Ecstasy

N/A

3 138 tablets

N/A

313 800

Speed

N/A

128 tablets

N/A

—

Total

N/A

N/A

1 254 829 942

65 297 620

a

Figures for 1996 are for drugs confiscated during operations targeted primarily at crime syndicates and, as such, are not national figures.

b

These figures were calculated according to approximate unit street value as provided by the South African Narcotics Bureau and are estimated to be the values as at 15th January 1998. However, values change both over time and region and vary constantly.

—

Unit value not available as there is no standard unit size.

N/A – Not available.

The incidence of drug-related crime reported during 1996 (39 241) dropped by 4% compared with 1995 (40 782). The number of suspects arrested dropped by 19% in the

A report published by the SAPS showed that the number of drug-related crimes reported during 1997 (42 805) increased by 9% over the incidents reported in 1996 (39 241).⁸² [⁸² SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

According to the minister for safety and security, Mr Sydney Mufamadi, reported cases of drug possession dropped from 38 995 in 1994 to 36 967 in 1996—a drop of 5%.⁸³ [⁸³ *Hansard* (NA:Q) 6 cols 1279–1282, 30 May 1997]

The total number of cases of drug possession referred to court declined by 19% from 38 894 cases in 1994 to 31 448 cases in 1996. The number of guilty verdicts returned by the courts represented some 64% of the total number of cases referred to court during 1996. (See also *Drug smuggling* under *Provincial patterns* below.)⁸⁴ [⁸⁴ *Ibid* 6 cols 1281–1282, 30 May 1997]

Other Smuggling

No information was available at the time of writing.

Violence in the Taxi Industry

According to the SAPS, incidents of taxi violence declined by 41% between 1996 and 1997. There were 218 people killed as a result of taxi violence in 1997—a decrease of 24% as compared with 1996. Despite the national decrease in incidents of taxi violence in 1997 the following provinces showed increases in the number of reported incidents: the Free State (8%), Gauteng (14%), Mpumalanga (105%), the Northern Cape (100%), and the Northern Province (5%). The largest single drop in reported incidents occurred in the Western Cape.⁸⁵ [⁸⁵ Information supplied by the SAPS, 17 April 1998]

The table below shows the number of people killed and injured in taxi-related violence, as well as the number of incidents reported in 1997:⁸⁶ [⁸⁶ Ibid]

Taxi violence: 1996–97

No of incidents

No of persons injured

No of persons killed

Province

1996

1997

Increase/ (decrease)

1996

1997

Increase/ (decrease)

1996

1997

Increase/ (decrease)

Eastern Cape

210

79

(62%)

174

87

(50%)

74

48

(35%)

Free State

12

13

8%

2

2

0%

5

1

(80%)

Gauteng

95

108

14%

90

161

79%

66

109

65%

KwaZulu-Natal

45

16

(64%)

56

16

(71%)

38

14

(63%)

Mpumalanga

22

45

105%

13

32

146%

7

17

143%

North West

22

11

(50%)

41

1

(98%)

17

10

(41%)

Northern Cape

1

2

100%

1

1

0%

0

0

0%

Northern Province

20

21

5%

54

4

(93%)

6

12

100%

Western Cape

150

44

(71%)

155

31

(80%)

72

7

90%

Total

577

339

(41%)

586

335

(43%)

285

Provincial Patterns

On the whole the statistics below indicate that most of the crimes reported to the police during the period under review occurred in the provinces with higher population figures (KwaZulu-Natal, Gauteng, and the Eastern Cape), while the fewest crimes occurred in the Northern Cape, which has the smallest population.

The series of tables below provides a provincial breakdown of various crimes in 1996 and 1997, as well as the number of cases referred to court between 1994 and 1996, and conviction rates for 1996. There are also columns showing the change in the number of cases reported between 1994 and 1997.

Murder

The table below shows the number of murders per province reported to the SAPS during 1996 and 1997, the increase/decrease over that period, and the increase/decrease as compared with 1994:⁸⁷ [SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

Reported murder cases: 1996–97

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

4 212

4 219

0.2%

(6.1%)

Free State

1 339

1 285

(4.0%)

(3.7%)

Gauteng

5 789

5 645

(2.5%)

(8.4%)

KwaZulu-Natal

6 678

6 200

(7.2%)

(24.2%)

Mpumalanga

1 387

1 240

(10.6%)

17.1%

North West

1 573

1 351

(14.1%)

3.3%

Northern Cape

625

538

(13.9%)

(3.2%)

Northern Province

920

981

6.6%

(9.0%)

Western Cape

3 259

3 129

(4.0%)

17.3%

Total

25 782

24 588

(4.6%)

(8.4%)

The table below illustrates the number of murders reported and the number of cases referred to court by province during the period

Murders reported and cases referred to court: 1994–96

1994

1995

1996

Province

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases: guilty verdict^b

Eastern Cape

4 492

3 113

4 700

3 100

4 212

2 631

599

Free State

1 335

889

1 347

889

1 339

861

402

Gauteng

6 160

1 724

5 707

1 483

5 789

1 338

466

KwaZulu-Natal

8 177

3 064

7 706

2 572

6 678

2 499

663

Mpumalanga

1 059

637

1 123

693

1 387

730

323

North West

1 308

664

1 387

778

1 573

738

166

Northern Cape

556

474

656

542

625

498

249

Northern Province

1 078

650

916

629

920

679

232

Western Cape

2 667

1 957

3 095

2 083

3 259

2 244

870

Total

26 832

13 172

26 637

12 769

25 782

12 218

3 970

a

The cases referred to court and the cases in which a guilty verdict was handed down were not necessarily cases which were reported during the period 1994–96.

b

Provision for recording the number of cases in which guilty verdicts were handed down was made by the Crime Management Information System only in 1996. As such no comparable figures were available for 1994 and

1995.

The chart below shows the number of murder cases reported and the number of cases referred to

Rape

The table below shows the number of rapes per province reported to the SAPS during 1996 and 1997, the increase/decrease over that period, and the increase/decrease as compared with 1994:⁸⁹ [89 SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

Reported rape cases: 1996–97

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

6 399

7 138

11.5%

29.8%

Free State

3 816

3 864

1.3%

8.8%

Gauteng

12 938

12 717

(1.7%)

17.6%

KwaZulu-Natal

8 706

8 639

(0.8%)

22.9%

Mpumalanga

3 221

3 111

(3.4%)

25.8%

North West

4 426

4 823

9.0%

28.6%

Northern Cape

1 450

1 517

4.6%

14.4%

Northern Province

3 237

3 693

14.1%

41.1%

Western Cape

6 288

6 658

5.9%

24.0%

Total

50 481

52 160

3

The number of rape cases reported and the number of cases referred to court during the period 1994–96 are illustrated in the table below:⁹⁰ [⁹⁰ *Hansard* (NA:Q) 6 cols 1275–1282, 30 May 1997]

Rape cases reported to the SAPS and cases referred to court: 1994–96

1994

1995

1996

Province

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases: guilty verdict^b

Eastern Cape

5 499

2 977

6 037

3 020

6 399

3 233

485

Free State

3 553

2 010

3 802

2 099

3 816

2 183

459

Gauteng

10 813

3 563

11 979

3 387

12 938

3 205

584

KwaZulu-Natal

7 028

2 969

8 020

3 202

8 706

3 432

506

Mpumalanga

2 472

1 440

2 871

1 547

3 221

1 480

358

North West

3 750

2 137

4 549

2 280

4 426

1 933

321

Northern Cape

1 326

826

1 530

860

1 450

837

194

Northern Province

2 617

1 711

3 037

1 961

3 237

2 020

371

Western Cape

5 371

3 328

5 681

3 218

6 288

3 540

822

Total

42 429

20 961

47 506

21 574

50 481

21 863

4 100

a

The cases referred to court and cases in which a guilty verdict was handed down were not necessarily cases which were reported during the period 1994–96.

b

Provision for the recording of the number of cases in which a guilty verdict was handed down was made by the Crime Management Information System only for 1996. As such no comparable figures were available for 199

Theft of a Motor Vehicle

The table below shows the number of cases of theft of a motor vehicle (including motorcycles) per province reported to the SAPS during 1996 and 1997, the increase/decrease over that period, and the increase/decrease as compared with 1994:⁹¹ [91 SAPS, *Report on the Incidence of Serious Crime: January to December*

1997, March 1998]

Reported cases of theft of a motor vehicle: 1996-97^a

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

5 669

5 502

(2.9%)

(8.3%)

Free State

3 768

3 411

(9.5%)

(12.1%)

Gauteng

50 718

54 086

6.6%

(4.0%)

KwaZulu-Natal

17 332

17 210

(0.7%)

(4.8%)

Mpumalanga

4 327

4 339

0.3%

12.2%

North West

3 726

4 065

9.1%

(5.8%)

Northern Cape

470

459

(2.3%)

4.6%

Northern Province

2 351

2 179

(7.3%)

7.8%

Western Cape

8 354

9 386

12.4%

0.2%

Total

96 715

100 637

4.1%

(3.5%)

a

Including mo

Vehicle Hijackings

The provincial breakdown of car hijackings reported to the SAPS in 1996–97 is shown in the table below:⁹² [92 Ibid]

Car hijackings: 1996–97^a

Province

1996

Proportion of total^b

1997

Proportion of total^b

Change in number of cases reported 1997 vs 1996

Eastern Cape

648

5.0%

607

4.7%

(6.3%)

Free State

173

1.3%

147

1.1%

(15.0%)

Gauteng

7 612

59.2%

7 906

60.7%

3.9%

KwaZulu-Natal

2 721

21.2%

2 709

20.8%

(0.4%)

Mpumalanga

683

5.3%

638

4.9%

(6.6%)

North West

536

4.2%

479

3.7%

(10.6%)

Northern Cape

14

0.1%

11

0.1%

(21.4%)

Northern Province

185

1.4%

192

1.5%

3.8%

Western Cape

288

2.2%

322

2.5%

11.8%

Total

12 860

100.0%

13 011

100.0%

1.2%

a

Prior to 1996 statistics published by the police were given according to the old provincial demarcations and accounted only for regions under the control of the former South African Police (SAP) ie excluding the former ‘independent’ and non-independent homelands. All statistics currently published by the SAPS have been updated to correspond with the new provincial demarcations.

b

Figures may not add up owing to rounding.

The pie chart below gives the proportional breakdown of car hijackings by pro

The total number of truck hijackings reported to the SAPS during 1996–97 is shown in the table below:⁹³ [93 Ibid]

Truck hijackings: 1996–97^a

Province

1996

Proportion of total^b

1997

Proportion of total^b

Change in number of cases reported 1997 vs 1996

Eastern Cape

189

5.1%

180

4.2%

(4.8%)

Free State

121

3.3%

100

2.3%

(17.4%)

Gauteng

2 287

61.9%

2 699

62.8%

18.0%

KwaZulu-Natal

605

16.4%

884

20.6%

46.1%

Mpumalanga

282

7.6%

236

5.5%

(16.3%)

North West

88

2.4%

88

2.0%

0.0%

Northern Cape

6

0.2%

4

0.1%

(33.3%)

Northern Province

64

1.7%

62

1.4%

(3.1%)

Western Cape

52

1.4%

43

1.0%

(17.3%)

Total

3 694

100.0%

4 296

100.0%

16.3%

a

Prior to 1996 statistics published by the police were given according to the old provincial demarcations and accounted only for regions under the control of the former SAP ie excluding the former 'independent' and non-independent homelands. All statistics currently published by the SAPS have been updated to correspond with the new provincial demarcations.

b

Figures may not add up owing to

Robbery

The table below shows the provincial distribution of cases of robbery with aggravating circumstances reported to the SAPS during 1996 and 1997, the increase/decrease over that period, and the increase/decrease as compared with 1994:⁹⁴ [Ibid]

Reported cases of robbery with aggravating circumstances: 1996-97

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

4 970

5 211

4.8%

(20.4%)

Free State

2 468

1 983

(19.7%)

(33.2%)

Gauteng

28 059

31 305

11.6%

(18.0%)

KwaZulu-Natal

16 007

16 051

0.3%

(6.9%)

Mpumalanga

3 829

3 613

(5.6%)

(7.2%)

North West

3 287

3 410

3.7%

(29.0%)

Northern Cape

620

371

(40.2%)

(44.5%)

Northern Province

2 866

2 428

(15.3%)

(39.1%)

Western Cape

5 143

5 321

3.5%

(19.5%)

Total

67 249

69 693

3.6

Housebreaking

The table below shows the number of incidents of housebreaking (residential premises) per province reported to the SAPS during 1996 and 1997, the increase/decrease over that period, and the increase/decrease as compared with 1994:⁹⁵ [95 Ibid]

Reported cases of housebreaking (residential premises): 1996–97

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

25 110

26 015

3.6%

3.7%

Free State

16 342

16 228

(0.7%)

4.8%

Gauteng

79 217

78 118

(1.4%)

3.5%

KwaZulu-Natal

41 360

41 190

(0.4%)

9.0%

Mpumalanga

16 721

16 265

(2.7%)

18.6%

North West

14 796

15 724

6.3%

23.8%

Northern Cape

5 094

4 899

(3.8%)

1.1%

Northern Province

11 553

11 377

(1.5%)

28.1%

Western Cape

36 245

39 559

9.1%

16.3%

Total

246 438

249 375

1.2%

9.4%

The table below shows the provincial distribution of cases of housebreaking (business premises) reported to the SAPS during 1996 and 1997, the increase/decrease over that period, as well as the increase/decrease as compared w

Reported cases of housebreaking (business premises): 1996–97

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

9 262

9 617

3.8%

20.1%

Free State

7 656

6 853

(10.4%)

(9.4%)

Gauteng

18 786

18 990

1.1%

(12.7%)

KwaZulu-Natal

16 234

15 533

(4.3%)

(6.8%)

Mpumalanga

6 194

5 920

(4.4%)

(0.5%)

North West

6 599

6 728

2.0%

(2.9%)

Northern Cape

2 711

2 687

(0.9%)

3.4%

Northern Province

5 620

6 456

14.9%

21.6%

Western Cape

14 801

15 826

6.9%

10.3%

Total

87 863

88 610

0.

Fraud and White-Collar Crime

The table below shows a provincial breakdown of the cases of commercial crime reported to the SAPS in 1997:⁹⁷ [97 Ibid]

Provincial breakdown of commercial crime cases reported to the SAPS: 1997

<i>Province</i>
Cases reported
Proportion of total
Value involved (in Rands)
Proportion of total
Eastern Cape
6 406
10.9%
168 742 070
4.7%
Free State
3 649
6.2%
92 855 165
2.6%

Gauteng

24 830

42.3%

2 035 338 206

56.4%

KwaZulu-Natal

4 579

7.8%

362 076 890

10.0%

Mpumalanga

2 331

4.0%

95 766 678

2.7%

North West

3 083

5.3%

171 770 042

4.8%

Northern Cape

1 193

2.0%

23 574 087

0.7%

Northern Province

2 264

3.9%

95 222 129

2.6%

Western Cape

10 333

17.6%

564 581 469

15.6%

Total

58 668

100.0%

3 609 926 736

100.0%

The table below shows the breakdown of commercial crime docket disposal f

Commercial crime docket disposal: 1997^a

Province

Total no disposed of

No disposed of without court appearance

Proportion disposed of without court appearance

No disposed of with at least one conviction

Proportion disposed of with at least one conviction

Eastern Cape

5 188

4 071

78.5%

580

11.2%

Free State

3 440

2 808

81.6%

279

8.1%

Gauteng

25 099

21 374

85.2%

1 830

7.3%

KwaZulu-Natal

2 203

1 679

76.2%

281

12.8%

Mpumalanga

1 748

991

56.7%

243

13.9%

North West

2 482

1 776

71.6%

268

10.8%

Northern Cape

1 138

710

62.4%

112

9.8%

Northern Province

1 905

1 337

70.2%

133

7.0%

Western Cape

8 295

6 305

76.0%

641

7.7%

Total

51 498

41 051

79.7%

4 367

8.5%

a

Cases disposed of by the SAPS during the period under review were not necessarily cases reported during the same period. Hence comparison cannot be drawn between the number of cases reported during 1997 and the number of dockets disposed of by the police during the sam

Arms Smuggling, Caches, and Theft

The table below shows the number of reported cases of illegal possession of arms and ammunition, as well as the number of cases referred to court during the period 1995–96:⁹⁹ [⁹⁹ *Hansard* (NA:Q) 6 cols 1281–1283, 30 May 1997]

Cases of illegal possession of arms and ammunition and cases referred to court: 1995–96

1995

1996

Province

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases: guilty verdict^b

Eastern Cape

1 000

820

1 430

1 152

475

Free State

582

461

646

497

205

Gauteng

2 737

1 384

2 799

1 121

401

KwaZulu-Natal

4 392

3 446

4 334

3 688

1 248

Mpumalanga

563

478

691

542

200

North West

676

540

654

421

107

Northern Cape

176

116

150

121

68

Northern Province

391

332

658

449

112

Western Cape

1 369

1 119

1 524

1 269

526

Total

11 886

8 696

12 886

9 260

3 342

a

The cases referred to court and cases in which a guilty verdict was handed down were not necessarily cases which were reported during either 1995 or 1996.

b

Provision for recording the number of cases in which a guilty verdict was handed down was made by the Crime Management Information System only in 1996. As such no comparable figures are availabl

Drug Smuggling

The table below shows the provincial distribution of drug-related crime in 1996 and 1997, the increase/decrease over that period, and the increase/decrease as compared with 1994:100 [¹⁰⁰ SAPS, *Report on the Incidence of Serious Crime: January to December 1997*, March 1998]

Reported cases of drug-related crime: 1996-97

Number of reported cases

Change in number of cases reported 1997 vs 1996

Change in number of cases reported 1997 vs 1994

Province

1996

1997

Eastern Cape

5 280

5 972

13.1%

12.7%

Free State

3 832

3 670

(4.2%)

(21.1%)

Gauteng

6 053

5 996

(0.9%)

(25.3%)

KwaZulu-Natal

7 502

8 692

15.9%

(6.1%)

Mpumalanga

1 879

1 943

3.4%

(15.8%)

North West

2 461

2 328

(5.4%)

(8.7%)

Northern Cape

1 534

1 549

1.0%

(0.9%)

Northern Province

1 357

1 717

26.5%

9.0%

Western Cape

9 343

10 938

17.1%

(9.6%)

Total

39 241

42 805

9.

The number of reported cases of the possession of drugs and the number of cases referred to court during the period 1994–96 are reflected in the table below:¹⁰¹ [¹⁰¹ *Hansard* (NA:Q) 6 cols 1281–1282, 30 May 1997]

Cases of possession of drugs and cases referred to court: 1994–96

1994

1995

1996

Province

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases reported

Cases referred to court^a

Cases: guilty verdict^b

Eastern Cape

5 010

4 662

4 342

3 862

5 009

4 242

2 800

Free State

4 572

3 974

3 982

3 402

3 798

3 014

1 998

Gauteng

3 350

5 231

5 906

4 456

5 291

3 584

2 100

KwaZulu-Natal

7 925

7 738

6 631

6 265

6 963

6 478

3 930

Mpumalanga

2 175

2 030

1 675

1 514

1 839

1 505

887

North West

2 450

2 240

2 455

2 101

2 414

1 911

790

Northern Cape

1 520

1 480

1 511

1 393

1 490

1 397

1 022

Northern Province

1 512

1 446

1 158

1 064

1 343

1 067

525

Western Cape

10 481

10 093

10 402

9 852

8 820

8 250

6 116

Total

38 995

38 894

38 062

33 909

36 967

31 448

20 168

a

The cases referred to court and cases in which a guilty verdict was handed down are not necessarily cases which were reported during the period 1994–96.

b

Provision for recording the number of cases in which a guilty verdict was handed down was made by the Crime Management Information System only in 1996. As such no comparable figures were available for 199

Political Violence

Statistics

The following table shows the monthly figures of political fatalities from September 1984 to December 1997:102 [¹⁰² Figures compiled by the South African Institute of Race Relations]

Political fatalities in South Africa: 1984–97

September–December 1984: 149

Jan–Mar

April–June

July–Sept

Oct–Dec

Total

1985

115

157

328

279

879

1986

396

578

238

86

1 298

1987

102

109

147

303

661

1988

380

182

314

273

1 149

1989

310

226

335

532

1 403

1990

951

641

1 362

745

3 699

1991

667

738

630

671

2 706

1992

725

854

978

790

3 347

1993

426

860

1 423

1 085

3 794

1994

1 035

762

351

328

2 476

1995

297

320

222

205

1 044

1996

145

165

208

165

683

1997

106

101

159

104

470

Cumulative total: September 1984 – December 1997

23 609

In 1997 political fatalities dropped to the lowest level since 1985. The number of fatalities recorded in 1997 (470) showed a 31% decrease as compared with 1996 when 683 political fatalities were recorded.

The graph below plots the annual political fatality figures f

The number of fatalities as a result of political violence in KwaZulu-Natal between 1993 and 1997 is shown in the table below:¹⁰³ [Ibid]

Political fatalities in KwaZulu-Natal: 1993–97

1993

1994

1995

1996

1997

January

81

105

100

17

31

February

95

160

44

24

7

March

80

253

51

47

8

April

97

305

87

56

21

May

118

125

63

31

10

June

151

77

59

35

23

July

172

83

48

35

23

August

104

73

40

16

19

September

136

70

43

18

23

October

137

67

30

23

27

November

183
48
41
21
23

December

135
98
78
24
11

Total

1 489
1 464
684
347
226

Cumulative total: January 1993 – Decembe

The following chart shows the decrease in political fatalities in KwaZulu-Natal in the period 1993–97:

The number of political fatalities reported in KwaZulu-Natal in 1997 (226) declined by 85% as

compared with 1993 (1 489) when political fatalities in the province were at their highest. Political fatalities decreased from 347 in 1996 to 226 in 1997—a drop of 35%.

In February 1997 figures published by the premier of KwaZulu-Natal, Dr Frank Mdlalose, revealed that some 64 massacres (defined by the South African Police Service (SAPS) as an attack in which more than three people are killed) resulting in the deaths of about 230 people had taken place in the province in 1996. This was an increase of 205% compared with the 21 massacres in which 91 people had died in the province in 1995. However, Dr Mdlalose noted that in 1996, only 12% of the massacres had been politically motivated, as compared with 24% in 1995.¹⁰⁴ [¹⁰⁴ *Business Day* 21 February 1997]

Initiatives to Combat Crime and Violence

Budget Allocations

The 1997/98 budget saw allocations to three departments within the criminal justice system increased. According to the functional classification of the budget, the allocation to the SAPS increased nominally by 14.4% to R13.1bn—6.9% of total budgeted expenditure. The nominal increase in spending on prisons was 23.5%, which brought the Department of Correctional Services' share of the budget to 2%. The allocation to the Department of Justice increased by 13.3% in nominal terms.¹⁰⁵ [¹⁰⁵ *Ibid* 13 March 1997; Department of Finance, *Budget Review 1997; Fast Facts*, January 1998]

According to the functional classification of the budget, spending on the police service in 1998/99 would account for 6.9% of the total budget. Spending on prisons would amount to 2.6% of the budget and spending on justice 1.2%.¹⁰⁶ [¹⁰⁶ Department of Finance, *Budget Review*, 11 March 1998, pB.25] In terms of the medium-term expenditure framework, the government planned to increase spending on justice, police, and prisons by an average of 7.8% a year from 1998/99 to 2000/01.¹⁰⁷ [¹⁰⁷ Mr Trevor Manuel, Budget Speech, 11 March 1998]

According to the 1998 *Budget Review*, government spending on justice, police, and prisons was expected to increase from R18.5bn in 1997/98 to R23.2bn in 2000/01—an increase of 25.4%.¹⁰⁸ [¹⁰⁸ Department of Finance, *Budget Review*, March 1998, p5.21]

Government Initiatives

National Crime Prevention Strategy

In May 1996 the government launched the National Crime Prevention Strategy (NCPS) to improve both the functioning and the co-ordination of government departments in the fight against crime (see 1996/97 Survey, p79). In the period since the implementation of the NCPS a number of crime-fighting projects were introduced with most of these projects focusing on reforming the criminal justice system.

Some R508m from reconstruction and development programme funds would be used between 1997 and 2000 on 14 projects designed to reduce inadequacies in the criminal justice system. These projects included:¹⁰⁹ [¹⁰⁹ *The Star, The Citizen* 20 February 1997]

- an information management system which would include a computer database available to the departments of safety and security, justice, correctional services, and welfare (R267m);
- the introduction of an automated fingerprint identification system which would be linked to the information management system (R60m);
- human resource development in the Department of Justice to train more magistrates, state advocates, prosecutors, and interpreters (R21m);
- the upgrading of the court management system which would accelerate trials, thereby reducing costs (R43m);
- the upgrading of existing court infrastructure (R25m);
- the provision of secure-care facilities for juveniles (R33m);
- victim support and empowerment (R30m); and
- the upgrading of prison facilities and specifically the provision of high security measures at some 18 prisons (R29m).

Other initiatives allied to the NCPS included the announcement by the national commissioner of the South African Police Service (SAPS), Commissioner George Fivaz, in April 1997 of the establishment of a detective training academy (see *Training* below).¹¹⁰ [¹¹⁰ *Business Day* 3 April 1997]

Border Control Programme

In April 1997 the cabinet approved proposals to reduce the number of border posts open for bulk commercial traffic from 95 to 34.¹¹¹ [¹¹¹ *The Citizen* 3 June 1997]

In July 1997 an interdepartmental nationwide initiative was launched, targeting customs and immigration at major airports, harbours, and border posts in an attempt to recoup some of the estimated R17bn lost annually in customs revenue. At the time of the clampdown about 1% of passengers and goods arriving at Johannesburg International Airport were checked. The initiative aimed to bring this in line with the international norm of some 15%.¹¹² [¹¹² *The Star* 10 July 1997]

Firearms Programme

In December 1997 the Ministry for Safety and Security announced a programme aimed to reduce the proliferation of both legal and illegal firearms in South Africa. Inter alia, the programme provided for an increase in the maximum penalty for possession of illegal firearms from five to ten years in prison and provided that a person who negligently loses a firearm could face a maximum sentence of up to five years in prison.¹¹³ [¹¹³ *The Citizen, The Star, Business Day* 5 December 1997; information provided by Mr Riccardo De-Caris, Director: Legal Support Services, SAPS, 17 December 1997]

In February 1997 statistics published by the minister for safety and security, Mr Sydney Mufamadi, showed that some 127 000 people possessed ten or more firearms each while a further 62 people had between 50 and 648 weapons each. There were some 3.3m firearms registered in the names of 2m people. During 1996 a total of 195 639 licences were granted to new gun owners. There were 25 431 outstanding licence applications and 13 879 refusals.¹¹⁴ [¹¹⁴ *The Star, Business Day* 21 February 1997] According to the deputy minister for safety and security, Mr Joe Matthews, there were about 3.76m legally owned guns in December 1997.¹¹⁵ [¹¹⁵ *Business Day* 5 December 1997]

Statistics published by Mr Mufamadi in February 1997 revealed that more than 19 000 people with criminal records were licensed owners of firearms. In terms of the Arms and Ammunition Act of 1969 a person who is convicted of a criminal offence (even if a firearm is not used) may, at the discretion of the commissioner, be declared unfit to possess a firearm. The act makes provision for the types of criminal offences which may result in such a declaration of unfitness including, among other things, assault, high treason, kidnapping, murder, rape, robbery, and terrorism.¹¹⁶ [¹¹⁶ *The Star* 21 February 1997; Arms and Ammunition Act No 79 of 1969, section 11] The SAPS has initiated an investigation to ascertain whether or not any of those with criminal records, who possess licensed firearms, should be declared unfit in terms of the act.

In the same month Mr Mufamadi said that some 9 100 people who had been declared unfit to possess a firearm (without having committed a criminal offence) had been issued with licences. In terms of the act, a person may also be declared unfit to possess a firearm if he or she has threatened to harm either himself or herself or another person using a firearm; if the possession of a firearm is neither in that person's personal interest, nor in the interest of others owing to a dependence on drugs or alcohol; or if the person has previously failed to safeguard a weapon in his or her possession.¹¹⁷ [¹¹⁷ *Ibid*]

Kwazulu-Natal Initiatives

Although a series of talks were held between the African National Congress (ANC) and the Inkatha Freedom Party (IFP) in 1997 to put an end to violence in KwaZulu-Natal, no peace agreement had been achieved at the time of writing.

Among the peace proposals tabled by the ANC were the following:

- the withdrawal, by the ANC, of a court challenge to the House of Traditional Leaders in the province, which is headed by the leader of the IFP, Chief Mangosuthu Buthelezi;
- agreement that King Goodwill Zwelithini should have the right to appoint his own representatives to the House of Traditional Leaders. This would replace the current system in which members are nominated by an IFP-dominated body of chiefs;
- the allocation of a quarter of the ten portfolios in the KwaZulu-Natal provincial government to the ANC;
- an extension of the cutoff date for amnesty applications in the province beyond 10th May 1994, together with a special amnesty for those involved in acts of political violence in KwaZulu-Natal after the 1994 elections;
- the establishment of a special board, acceptable to both the ANC and IFP, to handle all disclosures and confessions by members in camera. The board would operate within the framework of the Truth and Reconciliation Commission who would nominate its members. Party members of both the ANC and IFP applying for special amnesty would have to make full disclosures to the board including, who their commanders were, the location of weapons and arms caches, the orders given and the nature of these orders and specific details concerning the units under their command and the source of their weapons;¹¹⁸ [118 *The Citizen* 9 June 1997] and
- a guarantee of a position at national level for Chief Buthelezi beyond 1999, which position would not be dependent on the vote ratio achieved by the IFP in the 1999 election.¹¹⁹ [119 *Sunday Tribune* 15 June 1997]

The peace proposals tabled by the IFP included:

- the development of Ulundi as the capital of KwaZulu-Natal;
- an ANC endorsement of a R70m debating chamber for the House of Traditional Leaders;
- the acceptance of the province's 300 chiefs as leaders of rural local government structures;
- the recognition of the IFP as a legitimate element of the liberation struggle, coupled with a demand that the ANC abandon its stance that the IFP had become a surrogate force of the apartheid regime;¹²⁰ [120 *Ibid* 22 June 1997]

- the recognition by the ANC of the kingdom of KwaZulu-Natal as well as the IFP's role in the governing of the province;¹²¹ [¹²¹ *The Citizen* 2 June 1997]
- an extension of provincial power particularly in respect of the public service and the police force through an amendment to the national constitution. This would allow the provinces to retain their public service commissions, and also reverse the 'nominal' policing powers which the provinces had;¹²² [¹²² *Business Day* 19 May 1997] and
- the recognition of the Zulu monarchy.¹²³ [¹²³ *Ibid*]

(See also chapter on *Politics* and section on *Political violence* above.)

Other Initiatives

Private Security Firms

According to the Security Officers' Board in March 1998 there were 4 813 active security businesses in South Africa. There were 121 311 active security officers employed by the private security industry. An additional 187 905 inactive, previously employed security guards were also registered with the board. Moreover, the board had registered a further 88 634 guards who had never been employed in the industry. In October 1997 the chairman of the board, Mr Don Masterson, estimated that the turnover of the industry was approximately R3.6bn per year. Owing to the high turnover rate of security companies, as well as the operation of firms which were not registered with the board, an accurate turnover figure could not be assessed.¹²⁴ [¹²⁴ *Financial Mail* 7 November 1997; fax communication from the Security Officers' Board, 30 March 1998]

Vigilante Actions

During the period under review vigilante action continued and new vigilante groups emerged because of the criminal justice system's perceived inability to combat crime.

A new vigilante group, consisting of black businessmen, known as the 'Mapoga-a-Matamaga' (meaning the Colours of the Tiger), was formed in August 1996 following the killing of six businessmen in Mpumalanga. According to its leader, Mr John Malolego, membership of the group had increased to 3000 in both Mpumalanga and the Northern Province. In May 1997 the group reportedly admitted to murdering at least five people whom they alleged the police had been either unwilling to arrest, or incapable of arresting. In July 1997 the SAPS revealed that some 80 members of the group had been arrested and had already appeared in court, and that other cases were pending. In the same month most of the leaders of the group were arrested and faced charges of murder, as well as allegations of assault, attempted murder and public violence.¹²⁵ [¹²⁵ *Saturday Star* 12 July 1997, *Northern Review* 18 July 1997]

In May 1997 a group calling itself the 'Soldiers of Islam', and having the same aims as the Western Cape-based antidrug group People Against Gangsterism and Drugs (Pagad), petrol-bombed the house of a suspected drug dealer in Lenasia (Gauteng). Several marches held by the group preceded this attack. A spokesman for the group said that they would continue to petrol-bomb houses belonging to drug dealers until the drug trade stopped.¹²⁶ [¹²⁶ *The Citizen* 7 May 1997]

Pagad, which had gained prominence in August 1996 (see 1996/97 Survey, pp85–86), continued its activities against gangsterism and drugs in South Africa during the period under review. During a briefing in the Western Cape in August 1997 Senior Superintendent Jeremy Veary noted that the attacks of Pagad appeared increasingly to be the work of trained professionals and that the patterns of Pagad's operations were changing. Snr Supt Veary reported that in the last eight months of 1996 Pagad had staged 112 marches to the homes of alleged drug dealers and gangsters and it had carried out some 38 acts of what he termed 'urban terrorism', including drive-by shootings, and petrol-bomb and hand-grenade attacks. In the first six months of 1997 the campaign of urban terrorism was intensified with 71 attacks recorded. While urban terrorist attacks increased, the number of marches dropped to 41. He also noted that there was an increase in the antistate content of Pagad's message. This he attributed to increasing frustration with the government's inability to combat drugs and crime.¹²⁷ [¹²⁷ *Ibid* 25 April 1997, 11 August 1997]

In August 1997 the SAPS in the Western Cape developed a new strategy to counter conflict between anticrime groups and gangsters, which involved the deployment of some 130 uniformed and plain clothes policemen to investigate gang and Pagad-related crime.¹²⁸ [¹²⁸ *Cape Argus* 8 August 1997]

In October 1997 the national commissioner of the SAPS, Commissioner George Fivaz, granted extraordinary policing powers to those members of the security services dealing with the conflict between members of Pagad and alleged gangsters. (In terms of the South African Police Act of 1995 powers could be granted to local police for cordon and search operations within specified areas without search warrants and these powers were granted to security services for operations in Silvertown on the Cape Flats.) Commissioner Fivaz said that these powers had not been granted for an indefinite period but that they would be used on an ongoing basis to deal with continued violence on the Cape Flats.¹²⁹ [¹²⁹ *The Citizen* 31 October 1997]

In the same month an agreement for constructive dialogue between the SAPS and members of Pagad was reached in Cape Town. The agreement would allow for co-operation between the police and Pagad in an attempt to deal with gangs and the proliferation of drugs in the Cape Flats area.¹³⁰ [¹³⁰ *Ibid* 4 October 1997] (See also *Gangs* above.)

South African Police Service

Policy

In March 1997 regulations restricting the use of force by police during arrest, which were issued in August 1996, came into effect. These restrictions prohibited police officers from shooting petty crime suspects during arrest. However, the restrictions did not preclude the use of lethal force in incidents where it was deemed necessary, for example in self-defence or in the defence of others. According to the regulations, all arrests should be made with minimum force. Force should only be used when arresting those suspected of violent crimes. The use of force which could result in the death of the suspect (for example, the use of a firearm) was limited to cases involving escape from custody, kidnapping, murder, public violence, rape, robbery, and treason. The introduction of these restrictions met with opposition from the South African Police Union, which argued that they removed the last available powers of members of the police. Some opposition parties (eg the National Party and the Inkatha Freedom Party) said that the new restrictions indicated a lack of concern for the safety of police officers.¹³¹ [¹³¹ Ibid 4 March 1997]

Training

In October 1997 South Africa's first detective academy was opened in Pretoria. Prior to the opening of this academy detective training courses had been conducted at other police training centres throughout the country. The academy would offer training to 90 students at a time and would address the needs not only of the South African Police Service (SAPS) but also of other southern African countries. The first group of students graduated in November 1997. Courses included, among other things, specialised topics such as arms proliferation, child protection, murder and robbery, and organised crime detection courses. The academy aimed to hold ten courses a year.¹³² [¹³² Ibid 21 October 1997, 28 November 1997; *The Star* 13 November 1997; telephonic interview with Captain Heydenrych: co-ordinator of training: violent crimes, Detective Training Academy, SAPS, 7 January 1998]

In December 1997 the national commissioner of the SAPS, Commissioner George Fivaz, announced that all detectives involved in the investigation of organised crime were to attend advanced training courses at the detective academy in Pretoria. This announcement came in the wake of the acquittal of two suspects in South Africa's largest armed robbery on the grounds that illegal investigative methods had been used by the police.¹³³ [¹³³ *The Citizen* 2 December 1997]

Personnel

The SAPS employed a total of 131 605 people on 12th November 1997. Of these 112 891 were functional police officers and 18 714 were civilians in support posts.¹³⁴ [¹³⁴ Information supplied by the human resource department, national headquarters SAPS, 25 November 1997]

Earlier, in May 1997, figures published by the minister for safety and security, Mr Sydney Mufamadi, showed that approximately 25 560 members of the police force performed administrative duties and that this figure represented some 22% of total personnel.¹³⁵ [¹³⁵ *Hansard* (NA:Q) 6 col 1267, 30 May 1997] In the same month Mr Mufamadi said that in 1997 the national ratio of police officers to members of the public

was 1:410. The provinces with the highest ratio of police officers to residents were Gauteng, with a ratio of one police officer to every 206 people and the Western Cape, with a ratio of 1:332. The Northern Province had the lowest ratio (1:646). The Eastern Cape, KwaZulu-Natal, and Mpumalanga also showed ratios lower than the national average.¹³⁶ [¹³⁶ *Cape Argus* 20 May 1997]

The table below shows the number of police officials (including office personnel), police stations, and community policing forums in December 1997:¹³⁷ [¹³⁷ Information provided by Senior Superintendent Johan Schnetler, research: national management services, SAPS, 3 February 1998]

SAPS personnel, police stations, and community policing forums: December 1997

Police officials^a

Civilians per police official

Police officials who worked overtime^b

Police stations

Community policing forums

Eastern Cape

17 141

436

7 456

205

187

Free State

10 615

318

3 601

116

97

Gauteng

29 926

284

15 813

123

123

KwaZulu-Natal

21 329

491

8 341

180

151

Mpumalanga

6 684

562

3 164

89

75

North West

9 897

409

4 890

90

88

Northern Cape

3 579

257

2 230

85

79

Northern Province

9 168

716

3 962

91

80

Western Cape

12 500

366

6 286

145

144

National head office

10 015

—

1 984

—

—

Total

130 854

392

57 727

1 123

1 024

a

Includes civilian personnel (15.8%).

b

Excludes the 20 677 civilian personnel listed as part of the total number of SAPS

Affirmative Action

In November 1997 it was announced that the SAPS aimed to ensure that by the year 2000 more than half of the positions in the police force would be occupied by blacks and that some 30% of members of the police force would be women. The policy also aimed to ensure that disabled people comprise some 2% of the force. In order to reach the required level of affirmative action appointments by the year 2000, some 70% of all intakes at entry level would be blacks, women, and the disabled. There would be preferential training programmes for affirmative action candidates. Moreover, affirmative action candidates would be given extra points when applying for senior positions to ensure that they had a more than average chance of being appointed.¹³⁸ [¹³⁸ *Saturday Star* 22 November 1997]

Recruitment

In May 1997 Mr Mufamadi announced the immediate lifting of the three-year moratorium on police recruitment. A total of 5 250 additional police members would be recruited at a cost of some R150m. Of those recruited 52% would be police officials and 48% would be civilians, thereby relieving existing officers of desk duty and increasing visible policing. Strict qualification requirements would be imposed, including that recruits must have a matric certificate, be in possession of a driver's licence, and have no criminal record. In response to the advertisement of 1 200 posts in August 1997, the SAPS received some 618 327 applications which resulted in significant delays in the filling of the vacant posts.¹³⁹ [¹³⁹ *Cape Times* 23 May 1997, *The Star* 11 August 1997]

In January 1998 the SAPS said that it would begin training 1 200 new recruits on 1st June 1998. The applications received for the posts had been screened and final selection would take place during February 1998, after which training would begin. Moreover, the SAPS would employ an additional 1 766 civilians from 1st April 1998 to relieve active police officers from performing administrative duties.¹⁴⁰ [¹⁴⁰ *The Citizen* 26 January 1998]

Dismissals, Resignations, and Retirements

A total of 3 772 members of the SAPS left the service during 1996. Some 845 members left because of medical unfitness or health problems, 122 reached normal retirement age, and 2 485 left for other reasons, the details of which were not specified. Stress-related symptoms accounted for the resignation of 182 members during 1996.¹⁴¹ [¹⁴¹ *Hansard* (NA:Q) 1 col 171, 28 February 1997] A further 1 757 police officials left the employ of the SAPS in the first four months of 1997.¹⁴² [¹⁴² *Hansard* (NA:Q) 6 col 1378, 4 June 1997]

In November 1997 a human resources spokesman for the SAPS, Superintendent Johan Small, said that an average of 500 policemen and women had left the employ of the SAPS every month for the past three years, for reasons ranging from resignation to dismissal, so reducing the staff contingent to some 135 000, of which approximately 20 000 were office bound. Sick leave, study leave, annual leave, and suspension from duty pending disciplinary action reduced further the efficacy of the 115 000 functional

police officers who remained in service.¹⁴³ [¹⁴³ *The Star* 11 November 1997]

Suicides

A total of 118 members of the SAPS committed suicide in the period 1st January to 31st October 1997. The Free State reported 21% of the suicides, followed by KwaZulu-Natal (20%), Gauteng (19%), the Eastern Cape (16%), the Western Cape (8%), the North West (8%), the Northern Cape (6%), and the Northern Province (3%). There were no suicides reported in Mpumalanga during the period under review.¹⁴⁴ [¹⁴⁴ *Beeld* 18 November 1997]

Murders

A total of 188 members of the SAPS died while on duty in 1997. Of these 47% were murdered, 43% died in motor vehicle accidents, and the remaining 9% died as a result of firearm accidents and other accidents.¹⁴⁵ [¹⁴⁵ Information provided by the SAPS, 5 May 1998]

The table below shows the number of police officers murdered from 1983 to 1997:¹⁴⁶ [¹⁴⁶ 1996/97 Survey, p793; p794 Crime Information Management Centre, April 1998]

MemYear

Number

Increase/ (decrease)^e

1983/84^a

48

N/A

1984/85^a

39

(19%)

1985/86^a

68

74%

1986^b

29

(57%)

1987^c

67

131%

1988^c

80

19%

1989^c

71

(11%)

1990^c

107

51%

1991^c

137

28%

1992^c

226

65%

1993^c

280

24%

1994^c

255

(9%)

1995^c

237

(7%)

1996^c

211^d

(11%)

1997^c

232

10%

Total

2 087

—

a

1st July–30th June.

b

1st July–31st December.

c

1st January–31st December.

d

Figures may differ from those in the 1996/97 Survey as they have been revised.

e

Increases and decreases for different years are not strictly comparable.

N/A – Not available.

Mandays Lost

During 1996 a total of 1.4m mandays were lost as a result of members of the SAPS taking sick leave. The number of mandays lost meant that each member of the SAPS took an average of nine days' sick leave in 1996.¹⁴⁷ [¹⁴⁷ *The Citizen* 22 May 1997]

Qualifications

According to the deputy national commissioner of the SAPS, Commissioner Zolisa Lavisa, a survey conducted by the SAPS showed that 100 police officers and 764 civilians working in support posts had passed standard 4 or less; 4 873 police officers and 2 978 civilians had either standard 5 or 6; and 6 284 civilians and 26 056 police officers had either standard 8 or less.¹⁴⁸ [¹⁴⁸ *This Week in Parliament*, issue No 9/97, 27 May 1997]

Voluntary Severance Packages

In response to a question in the National Assembly, Mr Mufamadi stated that during 1996, 1288 members of the SAPS had taken voluntary severance packages and 32 members had applied for early

retirement.¹⁴⁹ [¹⁴⁹ *Hansard* (NA:Q) 1 col 177, 28 February 1997]

In June 1997 an SAPS spokesman on human resources, Superintendent Johan Small, announced that a total of 3087 applications for voluntary severance packages had been approved by the police since 1st May 1997, at a cost of approximately R51m. Those granted severance packages included 1794 white men, 602 white women, 528 African men, 11 African women, 85 coloured men, six coloured women, 57 Indian men, and four Indian women. There were 1 147 applications still awaiting approval. Severance packages had been approved for one provincial commissioner, an assistant commissioner, seven directors, ten senior superintendents, 28 superintendents, 32 captains, 100 inspectors, and 38 sergeants. Because a large proportion of the applications came from members in middle-management positions, measures were introduced to alleviate the effect these departures would have on policing in the community. These included the moving of personnel within the SAPS to essential service-providing sectors, the staggering of approval of severance packages in key posts and policing areas, and recruitment policies which would target specific personnel needs within the SAPS.¹⁵⁰ [¹⁵⁰ *The Star*, *Business Day* 25 June 1997; *The Citizen* 31 May 1997]

Police Conduct

A total of 15 326 members of the South African Police Service (SAPS) were charged in 1996 for crimes including assault, murder, rape, and reckless/negligent driving. The highest number of charges were laid in respect of reckless/negligent driving (3 862), followed by common assault (3 452), and assault with intent to inflict grievous bodily harm (1 216). Other crimes with which police officers were charged included child abuse, drug dealing, and theft of a firearm. Of those charged, 8 030 were prosecuted, 1 839 were convicted, 599 were suspended, and 115 were dismissed.¹⁵¹ [¹⁵¹ *Hansard* (NA:Q) 7 cols 1570–1573, 17 June 1997]

In the period 1st January to 8th May 1997, 4 525 members of the SAPS were charged with various crimes including corruption, driving while under the influence of alcohol, the possession of an unlicensed firearm, and robbery. Of those charged, 2 202 were prosecuted, 370 were convicted, 190 were suspended, and 23 were dismissed.¹⁵² [¹⁵² *Ibid*]

According to figures published by Mr Mufamadi, a total of 10 313 members of the SAPS were arrested from January 1996 to 8th May 1997—8 029 police officers were arrested during 1996 and 2 284 members were arrested in the period 1st January to 8th May 1997. The crimes for which they were arrested included 107 armed robberies, 92 housebreakings, 101 robberies, 95 stock thefts, 71 vehicle thefts, 653 general thefts, and 193 cases of corruption. Of the members arrested during this period 4% were convicted. However, the spokesman for the national commissioner of the SAPS, Director Joseph Ngobeni, said that this conviction figure was misleading as there were cases whose outcomes were still pending.¹⁵³ [¹⁵³ *The Star* 27 November 1997]

In May 1997 Mr Mufamadi said that a total of 120 members of the SAPS national protection service,

which was established to protect South Africa's highest office bearers, as well as visiting heads of state, had criminal records for crimes including attempted murder, culpable homicide, and rape. Of those members with criminal records five had been convicted of attempted murder, one of culpable homicide, two of rape, and two of kidnapping. Eight members had been convicted for assault, ten for theft, 13 for drunken driving, and 33 for reckless/negligent driving. Moreover, there were some 200 members currently facing charges relating to a range of serious crimes.¹⁵⁴ [¹⁵⁴ *Cape Argus* 20 May 1997]

Deaths in Police Custody

A total of 210 deaths occurred in police custody in 1996. These deaths resulted from murder (1), assault (8), fatal wounds (124), suicide (32), burning (1), natural causes (26), vehicle accidents (2), injuries sustained before arrest (7), fracture to the skull (1), drowning (1), intoxication (1), and unknown causes (6).¹⁵⁵ [¹⁵⁵ *Hansard* (NA:Q) 6 cols 1297–1298, 30 May 1997]

According to a report issued by the Independent Complaints Directorate in July 1997, some 191 people died either while in police custody or as a result of police action from April to June 1997.¹⁵⁶ [¹⁵⁶ *Sowetan* 9 July 1997] Of the 191 deaths reported, 56 took place while the victim was in police custody, while the remaining deaths were as a result of police action. In response to the report, the SAPS made the following information available concerning the circumstances surrounding these deaths: of the 56 victims who died while in police custody 12 died as a result of possible negligence, 14 as a result of injuries sustained while in custody, seven because of injuries sustained before their arrest, seven of natural causes, and 16 allegedly committed suicide. Of those people killed in police action, 73 were shot during the course of arrest, 32 were killed as a result of other 'intentional shootings', six were shot during the course of an investigation, six were shot as a result of possible negligence, and one was shot while allegedly committing a crime.¹⁵⁷ [¹⁵⁷ *Ibid* 23 July 1997]

Confidence in the Police

A survey conducted in October 1996 by the Human Sciences Research Council and the Institute for Security Studies revealed a decline in confidence in the SAPS. A total of 67% of white respondents believed that the police force was no longer effective in protecting the public from crime. About 53% of coloured respondents and 36% of Asian respondents held the same view. Some 38% of African respondents said that the police had become more effective while 36% felt that their efficacy had declined. A total of 42% of the survey respondents in nine provinces believed that police efficiency had declined, in contrast to the 32% who believed that police effectiveness had improved. The research team concluded that a loss of confidence in the ability of the police force to protect ordinary citizens from crime was an area of concern as it could lead to an increase in vigilante action. Conversely, the increased confidence evidenced among most African respondents showed the potentially higher legitimacy of the SAPS among the African population.¹⁵⁸ [¹⁵⁸ *The Citizen* 30 May 1997]

Local Police Forces

In March 1997 the premiers of the nine provinces adopted a resolution calling on the central government to grant greater policing powers to the provinces which would allow them to deal more effectively with the crimes specific to each province. In order to decentralise the nationally led police force the minister for safety and security, Mr Sydney Mufamadi, proposed to amend the South African Police Service Act of 1995 to give local councils the authority to establish their own police forces. The amendment would allow municipal policing as long as the council in question had the resources to provide such policing on a 24-hour basis throughout its area of jurisdiction. It would also allow the national police commissioner to determine national standards for local police forces, as well as provide for intervention should those standards not be met. At the time of writing the proposed amendments had not been tabled in Parliament.¹⁵⁹ [¹⁵⁹ *The Star* 17 March 1997, *Finance Week* 19 June 1997]

Proposed legislation allowing for the establishment of city police forces also contained provisions which would allow for the continued operation of the Durban City Police, which had contributed to the drop in crime levels on the Durban beach front through increased foot patrols and the installation of a camera surveillance system (see also *Fast Facts*, December 1997).¹⁶⁰ [¹⁶⁰ South African Police Service Amendment Bill, *Government Gazette* no 18 384, 31 October 1997]

In August 1997 it was announced that Kempton Park (east Rand) would be permitted to establish its own city police force pending amendments to the South African Police Service Act of 1995. Members of the Kempton Park city police force underwent training, including special weapons training, a tactics course and training in court procedure. Members of the city police were granted the same powers as peace officers, which would enable them to make arrests and perform other functions normally performed by the police. They had also embarked on training volunteers in both paramedical and firefighting skills.¹⁶¹ [¹⁶¹ *The Star* 4 August 1997]

In the same month a plan providing for the establishment of a city police force for Johannesburg was agreed to, in principle, by the SAPS chief executive officer, Mr Meyer Kahn. If implemented the city police force would act in concert with the national police force in providing both visible policing and professional crime prevention.¹⁶² [¹⁶² *The Citizen* 12 August 1997] Earlier, in July 1997, the strategic executive of the metropolitan public safety and emergency services announced that the Greater Johannesburg Transitional Metropolitan Council and the Gauteng legislature were finalising legislation which would provide for the establishment of a city police force. Funding for the force would be provided by the council and the private sector. The size of the force would be determined by guidelines from national and provincial bodies.¹⁶³ [¹⁶³ *The Star* 1 July 1997]

Justice

Policy

In March 1997 a judgement was handed down by the Pretoria High Court which found that the 1995 affirmative action policy implemented in the Department of Justice discriminated against white men. The minister of justice, Mr Dullah Omar, said in a statement that the department would continue to apply the affirmative action policy to ensure that the justice institutions were representative of the population in terms of both sex and race (see also chapter on *Employment*).

In the same month the department introduced an official plan to reduce the number of white state advocates. Among other things, the plan proposed that:¹⁶⁴ [¹⁶⁴ Ibid 27 November 1997]

- of the 120 state advocate positions 24 would be held by whites, 60 by blacks, and 36 by women (of whom half should be black);
- of the 41 approved deputies' posts nine would be allocated to whites, 20 to blacks, and 12 to women (at least half of whom should be black); and
- of the 104 senior state advocates posts 32 would be held by whites, 52 by blacks, and 20 by women (at least half of whom should be black).

In a related development the Public Service Laws Amendment Act was assented to by the president in October 1997. The act contained an 'affirmative action clause' aimed to guarantee that affirmative action positions or promotions in the public service could not be challenged in court.¹⁶⁵ [¹⁶⁵ *The Mercury* 7 March 1997] (See also chapter on *Employment*.)

In August 1997 Mr Omar announced a comprehensive plan to deal with shortcomings of the Department of Justice. The plan included, among other things, the appointment of some 400 prosecutors, 200 magistrates and 500 administrative staff, and allowed for the building of an additional 72 magistrate's courts. The plan, which would cost about R300m a year, would also examine means of improving the salaries of state prosecutors.¹⁶⁶ [¹⁶⁶ *The Star* 4 August 1997, *Beeld* 5 August 1997]

In the same month the pre-trial services project was launched by Mr Omar. The project aimed, among other things, to increase the number of serious repeat offenders held without bail pending trial, to reduce the number of awaiting-trial prisoners held on minor charges without bail, to increase the appearance rate of defendants released pending trial on minor charges, and to reduce the waiting time spent at court for both complainants and witnesses. Magistrates, bail officers, police, prosecutors, probation officers, and community volunteers would be involved in the project. Pilot projects for the pre-trial services project would be conducted in Johannesburg, Port Elizabeth, and the Transkei or Venda.¹⁶⁷ [¹⁶⁷ *The Citizen* 19 August 1997]

In November 1997 a government study group recommended the creation of some 4 000 additional

justice posts, to facilitate the effective operation of the justice system. The study group recommended that additional prosecutors' posts be created. The recommendations were accepted by the cabinet in November 1997. The cabinet requested that a staggered approach be adopted regarding the appointments.¹⁶⁸ [¹⁶⁸ *Business Day* 27 November 1997]

In January 1998 Mr Omar announced that the Department of Justice was investigating the introduction of a compulsory one-year internship for law students as part of their training. However, the matter was still under discussion and should a decision be taken to implement the internship, it would take some years to do so, Mr Omar said.¹⁶⁹ [¹⁶⁹ *The Citizen* 13 January 1998]

Legislation

All new legislation pertaining to justice is discussed in the legislation section at the beginning of the chapter (see *Legislation* above).

Personnel

The Department of Justice reported in June 1997 that in the first six months of the year seven senior advocates, seven junior advocates, and ten assistant state attorneys left the department—these resignations brought the number of vacancies within the department to 21 for senior prosecutors, 81 for prosecutors, 19 for senior state advocates, and four for assistant state attorneys.¹⁷⁰ [¹⁷⁰ *Business Day* 26 June 1997]

Statistics published regarding the composition of the Department of Justice by race and sex showed that of the six directors general three were African, one was Indian, and one was a coloured person. Some 47% of head office posts were occupied by Africans, 29% by whites, 14% by coloured people, and 9% by Indians. Moreover, of the 60 management posts some 18% were occupied by women. Of the 1 387 magistrates employed by the department, 30% were African men, 4% were African women, 48% were white men, 14% were white women, 2% were coloured men, 0.4% were coloured women, 1% were Indian men, and 0.9% were Indian women. Of the 194 regional court magistrates, 9% were African men, 85% were white men, 4% were white women, one was a coloured man, one was an Indian man, and four were Indian women. There were no African or coloured women employed by the department as regional court magistrates. By January 1997 some 25 black people had been appointed as permanent judges to the High Courts. (See section on *Policy* above.)¹⁷¹ [¹⁷¹ *Cape Argus* 6 August 1997]

In January 1998 Mr Omar announced that the Department of Justice would suspend overtime payments until March 1998 as it no longer had funds available.¹⁷² [¹⁷² *The Citizen* 13 January 1998] Later, in the same month, Mr Omar announced that R5m had been approved for the payment of overtime to prosecutors, and state advocates as well as other legal personnel. This decision followed a work-to-rule implemented by prosecutors and state advocates in response to the suspension of overtime payment in January

1998.173 [¹⁷³ Ibid 30 January 1998]

Prosecution and Conviction Rates

According to a report published by the Central Statistical Service in December 1997, there were a total of 350 201 prosecutions in 1994/95. Of the total number of people prosecuted, 260 887 (74.5%) were convicted, 88578 (25.3%) were discharged, 607 (0.2%) died, and 277 (0.08%) were found to be mentally disordered or retarded. According to the report, convictions dropped by 18% in 1994/95 compared with 1993/94 (318068).

There were 7 891 prosecutions for rape or attempted rape during 1994/95, resulting in 3714 convictions (47%). Incidents of assault (with intent to inflict grievous bodily harm) recorded 45739 prosecutions with 30 834 convictions (67%). There were 4 372 prosecutions for murder with 2 357 convictions (54%). Prosecutions for incidents of housebreaking (including business and residential premises) amounted to 35 237 of which 26 560 (75%) resulted in convictions.

Of the total number of convictions in 1994/95, 9% were recorded for children between the ages of seven and 18 years, and 14% were recorded for young adults between the ages of 18 and 20 years. The highest number of convictions recorded related to property (50%) and included crimes such as housebreaking and theft; followed by personal relations (25%), including crimes such as assault, crimen injuria, kidnapping, and murder; communal life (13%), including crimes such as child abuse, drug possession, indecent assault, and rape; social affairs (8%), including driving under the influence of alcohol or drugs, and reckless and negligent driving; government authority and good order (4%), including crimes such as corruption, high treason, public violence, and terrorism; and economic affairs (0.4%), including crimes such as illegal trading in precious metals and stones.

The highest proportion of convictions was recorded in the Western Cape (24%), followed by Gauteng and KwaZulu-Natal (16% each). The lowest proportion of convictions was recorded in the North West (5%).¹⁷⁴ [¹⁷⁴ Central Statistical Service, *Crimes: Prosecutions and Convictions With Regard to Certain Offences*, CSS report no 00-11-01 (1994/95)]

Trials

State v Dirk Johannes Coetzee and Others

In May 1997 Mr Dirk Coetzee, a self-confessed former 'hit-squad' commander, was found guilty of murdering a human rights lawyer, Mr Griffiths Mxenge, in Umlazi township (Durban) in November 1981. He was found guilty along with two of his four co-accused, both former askaris, Mr Butana Almond Nofemela, who at the time of sentencing was already serving a life sentence for murder, and Mr David Ntshaveni Tshikalanga. (Askaris are former members of the African National Congress (ANC) who changed sides during the anti-apartheid struggle and joined the security police.) Two former

security branch members, Messrs Johan van der Hoven and Andy Taylor, were acquitted. On 8th August 1997 the court recorded that the Truth and Reconciliation Commission (TRC) had granted amnesty to Messrs Coetzee, Nofemela, and Tshikalanga, on the grounds that they were acting under orders and that their submissions to the TRC satisfied the conditions required for amnesty. There was accordingly no need to pass sentence and the proceedings were terminated (see also chapter on *Politics* and 1996/97 Survey, p101).¹⁷⁵ [¹⁷⁵ *The Natal Witness* 16 May 1997, *The Citizen* 6 May 1997, *City Press* 10 August 1997, *Sowetan* 12 August 1997]

State v Johannes Benjamin van der Westhuizen and Others

Messrs Johannes van der Westhuizen, Nicolaas Barnard, and Abraham Myburgh faced 18 charges, including murder, attempted murder, terrorism, and sabotage for detonating two bombs in a shopping centre in Worcester (Western Cape) on Christmas eve in 1995 which killed four people and left 17 injured. Mr van der Westhuizen pleaded not guilty to all charges. Mr Justice J J Fagan entered pleas of not guilty on behalf of Messrs Barnard and Myburgh (who were already serving sentences of 50 years each for their roles in pre-election bombings in Gauteng) who had refused to plead. In October 1997 the three co-accused were found guilty on four counts of murder, two counts of attempted murder, three counts of sabotage as well as on counts of the illegal possession of firearms and explosives. Each of the co-accused was sentenced to four life sentences. In August 1997 Mr Daniel Coetzee was sentenced, in a separate trial, to 40 years for his role in the bombings. He was found guilty on four counts of murder as well as on counts of attempted murder and terrorism.¹⁷⁶ [¹⁷⁶ *The Citizen* 27 August 1997, *The Argus* 16 September 1997, *The Star* 23 October 1997, *Sowetan* 24 October 1997]

Prison Population Reduction and Releases

On 31st December 1996 the prison population totalled 125 750—an increase of 12% over the 112 572 prisoners in December 1995. The number of awaiting-trial prisoners increased by some 18% between January 1996 (28 262) and December 1996 (33 424).¹⁷⁷ [¹⁷⁷ *Hansard* (NA:Q) 1 cols 271–272, 13 March 1997; Department of Correctional Services, annual report 1996] The daily average of prisoners (sentenced and unsentenced) during 1996 was 118 731—an increase of 8% over the daily average of 110 069 in 1995.¹⁷⁸ [¹⁷⁸ Department of Correctional Services, annual report 1996]

A report by the Department of Correctional Services noted that on 31st December 1996 there was accommodation for 94 329 prisoners, and that the national average of cell occupancy was 133% (33% overpopulation), with the Northern Province showing the highest provincial ratio of overpopulation—60%, followed by the North West (49%), Gauteng (38%), and the Western Cape (35%).¹⁷⁹ [¹⁷⁹ *Hansard* (NA:Q) 1 cols 271–272, 13 March 1997] A total of 33 424 (27%) were unsentenced prisoners in 1996 and 92 326 (73%) were sentenced prisoners. Some 98% of the unsentenced prisoners were men and 2% were women, while 97% of the sentenced prisoners were men and 3% were women.¹⁸⁰ [¹⁸⁰ Department of Correctional Services, annual report 1996]

According to the report, there were 10 547 youth offenders serving sentences on the last day of 1996. These juveniles ranged in age from 7 to 20 years.¹⁸¹ [¹⁸¹ Ibid] The number of sentenced youth offenders increased by 19% over those in custody in 1995 (8 858). There were also 872 unsentenced juveniles being held in custody in December 1996. The number of unsentenced youths in custody showed a drop of 83% over the 1995 figure of 5 220.¹⁸² [¹⁸² Ibid; Department of Correctional Services annual report 1995]

According to the minister of correctional services, Dr Sipo Mzimela, the total number of prisoners in custody on the 31st March 1997 was 130 452—an increase of 4% over the 125750 in custody on 31st December 1996.¹⁸³ [¹⁸³ *Hansard* (NA:Q) 5 cols 854–865, 13 May 1997]

In 1996 the estimated gross daily cost of keeping a prisoner was R61.30.¹⁸⁴ [¹⁸⁴ *Hansard* (NA:Q) 1 col 150, 21 February 1997] This figure remained consistent with the daily cost in 1995 and amounted to some R7.2m a day calculated on the daily average number of prisoners for 1996 (118 731). In the financial year 1996/97 the estimated gross daily cost of keeping a prisoner increased by 7.4% to R65.85, amounting to some R8.4m per day calculated on the daily average number of prisoners in March 1997 (128 942).¹⁸⁵ [¹⁸⁵ Department of Correctional Services, annual report 1996]

A total of 42 120 prisoners were released on parole in 1996.¹⁸⁶ [¹⁸⁶ *Hansard* (NA:Q) 3 col 470, 15 April 1997] A further 9128 prisoners were released on parole during the period 1st January to 31st March 1997.¹⁸⁷ [¹⁸⁷ *Hansard* (NA:Q) 5 col 982, 19 May 1997]

The total supervision population (ie prisoners on parole or under correctional supervision) on 31st December 1996 was 54 152—32% more than on 31st December 1995. Some 22% of the supervision population were probationers, 43% were parolees, 8% were probation absconders being sought, and 27% were parole absconders being sought.¹⁸⁸ [¹⁸⁸ Department of Correctional Services, annual report 1996]

The president did not grant amnesty to any prisoners during the period under review.¹⁸⁹ [¹⁸⁹ Ibid]

Prisons

On 31st December 1996 there were 229 prisons in South Africa, of which 213 were for male prisoners, eight for female prisoners and six for male youth.¹⁹⁰ [¹⁹⁰ Ibid]

Closure of Prisons

Two correctional facilities were closed in 1996, according to the Department of Correctional Services. The closure of the Umzinto Prison (KwaZulu-Natal) in March 1996 resulted in a loss of accommodation for 99 prisoners. This prison was closed as it did not comply with standards for the humane detention of prisoners and could not be renovated cost-effectively. On 31st December 1996, the department vacated Robben Island, which resulted in the loss of accommodation for a further 330 prisoners. Robben Island

had been declared a national monument and was to be developed into a world heritage site and national museum.¹⁹¹ [¹⁹¹ Ibid] As a result of these closures accommodation in prisons was reduced by 429 places.

New Prisons

The Department of Correctional Services said that new facilities able to accommodate some 6096 prisoners were planned for completion during 1997. These included facilities at Goodwood and Malmesbury in the Western Cape, Pietermaritzburg and Empangeni in KwaZulu-Natal, and a youth development facility in Baviaanspoort in Gauteng. A new facility at Voorberg in the Western Cape had been completed in 1996 and provided accommodation for 1 348 prisoners.¹⁹² [¹⁹² Ibid]

In October 1997 Goodwood Medium Security Prison was opened in Cape Town. The facility made provision for the accommodation of 1 692 male prisoners at a cost of R90m and targeted the rehabilitation of prisoners through training.¹⁹³ [¹⁹³ *Saturday Star* 4 October 1997]

In September 1997 the minister of correctional services, Dr Sipo Mzimela, opened South Africa's first closed maximum security unit (Cmax), which is housed in Pretoria Central Prison. According to the Department of Correctional Services, the facility would house, among others, South Africa's most dangerous and violent criminals, escapees, and prisoners who had violated prison regulations. At the time of writing Dr Mzimela had declined to tell the public what the criteria for incarceration in Cmax were. Security measures at the facility included prisoner isolation, cordoned-off exercise yards, plastic cutlery, specially developed hand and leg irons, video surveillance, prison staff armed with stun guns, electrified riot shields, and bullet and stab-proof vests. Prisoners would not be permitted to shave or smoke.¹⁹⁴ [¹⁹⁴ *Sowetan* 23 September 1997]

Human rights groups expressed concern that the facility was punitive and was a form of cruel and inhuman punishment which denied prisoners their basic human rights as contained in the constitution.¹⁹⁵ [¹⁹⁵ *The Citizen* 27 September 1997] Dr Mzimela said that the facility was necessary to deal with the violent behaviour of some prisoners. It was designed to protect both personnel and other inmates from the most violent prisoners, as well as to prevent escapes. (See also *Frontiers of Freedom*, First Quarter 1998.)¹⁹⁶ [¹⁹⁶ *Cape Times* 15 October 1997] In a related development Dr Mzimela announced in December 1997 that by January 1999 some 50% of South Africa's estimated 7 000 most dangerous criminals (criminals who participated in violence, victimisation, and gangsterism within prisons) would be kept in closed maximum security and super maximum security prisons.¹⁹⁷ [¹⁹⁷ *Business Day* 4 December 1997]

Privatisation of Prisons

In April 1997 Dr Mzimela announced plans to enter into a joint venture with the private sector to design, build, finance, operate, and manage seven new prisons. The aim of this venture was to reduce the financial burden on the government, which did not have the funds available to build new prisons. The

private companies would be responsible for the supply, training and payment of staff, thereby reducing state expenditure and creating additional employment. The construction of these new prisons would also reduce overcrowding in South Africa's public correctional facilities.¹⁹⁸ [¹⁹⁸ *The Star* 16 April 1997]

The Department of Correctional Services announced in December 1997 that the first three privately managed prisons in South Africa could be completed as early as 1999. The tendering process for the establishment of three 1500-bed prisons in Boksburg (east Rand), Bloemfontein (Free State), and Louis Trichardt (Northern Province) had not been finalised at the time of writing.¹⁹⁹ [¹⁹⁹ *Ibid* 2 December 1997]

Escapes

The number of prisoners who escaped from prison during the period 1995–96 is shown in the table below:²⁰⁰ [²⁰⁰ Department of Correctional Services, annual report 1995; annual report 1996]

Prison escapees: 1995–96

1995

1996

Increase

From prison

417

458

9.8%

Outside prison (work teams)^a

658

665

1.1%

Outside prison (hospital custody, courts or under escort)

102

121

18.6%

Absconders and erroneous releases

70

101

44.3%

Total

1 247

1 345

7.9%

a

This figure includes both permanent and temporary members of work teams.

The number of prisoners who escaped during 1996 increased by 8% over the number in 1995. The escapes were attributed to the negligence of personnel, poor conditions of building structures, insufficient security fences and poor lighting, detention of more hardened and dangerous prisoners, and the overpopulation of cells (which adversely affected supervision, control, searching, and security).²⁰¹ [²⁰¹ Department of Correctional Services, annual report 1996] The highest proportion of escapes occurred in Gauteng (27%), followed by KwaZulu-Natal (17%), and the Eastern Cape (16%). The lowest proportion of escapes took place in the Northern Cape (2%).²⁰² [²⁰² *Hansard* (NA:Q) 2 col 324, 20 March 1997] According to Dr Mzimela, there were ten incidents of escapes in 1996 in which the escapees were assisted by members of the department. These incidents accounted for the escape of 16 prisoners, all of whom had either been arrested for or convicted of serious crimes.²⁰³ [²⁰³ *Ibid* col 372, 26 March 1997]

Figures published by the Department of Correctional Services in January 1998 showed that 1050 prisoners escaped in 1997—a drop of 22% as compared with 1996. Earlier, in December 1997, figures published by the department showed that prison escapees as a proportion of the total prison population

had declined from 3% in 1975 to 0.8% in 19

The table below shows the number of escapees, the daily average of the prison population, escapees as a proportion of the daily average, as well as the increase/decrease in escapees between 1977/78 and 1997:205 [²⁰⁵ Information provided by the Department of Correctional Services, 11 February 1998]

<i>TotYear</i>
Prison escapees
Increase/ (decrease)
Daily average prison population
Escapees as a proportion of daily average
1977/78
1 859
N/A
99 292
1.9%
1978/79
1 781
(4.2%)
98 292
1.8%
1979/80
1 598
(10.3%)

100 677

1.6%

1980/81

1 371

(14.2%)

100 533

1.4%

1981/82

1 256

(8.4%)

87 539

1.4%

1982/83

1 090

(13.2%)

101 302

1.1%

1983/84

1 019

(6.5%)

107 174

1.0%

1984/85

1 027

0.8%

108 955

0.9%

1985/86

1 007

(1.9%)

111 410

0.9%

1986/87

963

(4.4%)

114 098

0.8%

1987/88

702

(27.1%)

111 481

0.6%

1988/89

575

(18.1%)

111 557

0.5%

1989/90

663

15.3%

110 194

0.6%

1990/91

746

12.5%

101 775

0.7%

1991/92^b

1 126

50.9%

102 268

1.1%

1993

1 171

4.0%

111 798

1.0%

1994

1 233

5.3%

110 933

1.1%

1995

1 247

1.1%

110 069

1.1%

1996

1 345

7.9%

118 731

1.1%

1997

1 050

(21.9%)

135 000^c

0.8%

a

Figures from 1977/78 to 1991 cover a 12-month period from 1st July of a particular year to 30th June of the following year. Figures prior to 1994 do not include the former 'independent' homelands.

b

Figures supplied are for the period 1st July 1991 to 31st December 1992. This allowed for all subsequent figures to be given in terms of a calendar year.

c

Provisional daily average figure.

The following graph shows the total escapees from South African prisons between 1977/78 and 1997:

In an effort to curb the number of escapes from prisons the department spent some R30.4m on electric fencing at 19 prisons throughout South Africa during 1997. A further R58.2m was allocated for fencing at a further 21 prisons during 1998.²⁰⁶ [*The Citizen* 11 November 1997]

Escapes from Police Custody

According to a report issued by the South African Police Service (SAPS) in September 1997, a total of 2 271 incidents involving the escape of 3 386 detainees from police custody were reported in the period January 1996 to March 1997—a monthly average of some 226. (However, the statistics were not complete as not all police stations had replied to a questionnaire sent out by the Crime Information Management Centre.) In 1996, a total of 1763 incidents were reported, in which some 2 664 detainees escaped from police custody—amounting to an average of 222 detainees escaping a month or seven a

day. Some 44% of escapees had been arrested in connection with assault with intent to cause grievous bodily harm, 9% with rape, 9% with armed robbery, 8% with murder, and 4% with attempted murder.²⁰⁷ [207 SAPS, *Report on the Incidence of Serious Crime: January to June 1997*, September 1997]

While the report covered both 1996 and the first quarter of 1997, the statistics provided showed a continuing trend in the increase of escapes from police custody. During the first three months of 1997 a total of 508 incidents of escape were reported, an increase of 22% over the 415 incidents in the same period in 1996. The number of escapees also increased from 640 in the first quarter of 1996 to 722 the first quarter of 1997—an increase of 13%.²⁰⁸ [208 Ibid]

Assaults in Prisons

According to a report published by the Department of Correctional Services, 394 incidents of assault by members of the department on prisoners were reported during 1996. This figure showed a 58% decrease over the 945 assaults reported during 1995. Moreover, 2 252 assault incidents involving attacks by prisoners on other prisoners were reported during the same period—a drop of 29%. Incidents of assault by prisoners on members of the department increased by 240% from 20 incidents in 1995 to 68 incidents in 1996.²⁰⁹ [209 Department of Correctional Services, annual report 1996]

Personnel

The total number of staff employed by the Department of Correctional Services in December 1996 was 29 608. By the end of October 1997 the total number of employees had increased marginally to 29 611.²¹⁰ [210 Information provided by the Department of Correctional Services, 10 November 1997] In April 1997, the minister of correctional services, Dr Sipo Mzimela, said that the Department of Correctional Services had a shortage of 7 440 personnel. The highest shortage was that of correctional officers (6 288).²¹¹ [211 *Hansard* (NCOP:Q) 1 cols 71–72, 21 April 1997]

The department stated that in 1996 the ratio of offenders to personnel was 5.77:1. In line with the department's programme of affirmative action, which aims to achieve an employment ratio of 70:30 in favour of underrepresented groups, 615 African, 422 coloured, 351 white, and 35 Asian personnel were appointed, while 469 members of the under-represented groups were promoted during the period under review.²¹² [212 Department of Correctional Services, annual report 1996]

On average some 2 424 employees of the department were absent on each working day during the period 1st May 1996 to 30th April 1997. This amounted to a loss of some 768 490 mandays during this period. The reasons for the absence of employees during this period were annual leave (406 281 days), sick leave (273 542 days), special leave (36 456 days), unpaid leave (30 127 days), leave in lieu of overtime (21 147 days), and suspension (937 days). During 1996 a total of 3 681 mandays were lost as a result of illegal strike action.²¹³ [213 Ibid]

In July 1996 the department introduced payment for overtime in an attempt to reduce the number of mandays lost as a result of leave taken in lieu of overtime. The high proportion of days taken as sick leave was attributed to the fact that department employees worked in difficult and dangerous circumstances which had seen an increase in stress-related illness. However, the department would investigate employees' abusing their sick leave entitlement.²¹⁴ [²¹⁴ Ibid; *The Citizen* 13 August 1997]

South African National Defence Force

Policy

The *White Paper on National Defence for the Republic of South Africa*, which was accepted by both houses of Parliament in May 1996, provided for the commissioning of a defence review which would elaborate on the policy framework contained in the white paper (see 1996/97 Survey, p107). The first and second reports of the defence review were published in May 1997.

The defence review made a number of recommendations, including that:²¹⁵ [²¹⁵ *Cape Times* 4 June 1997; Defence Review Work Group, *Defence Review: First and Second Reports*, 26 May 1997]

- the defence force maintain and develop capabilities and skills required to contribute to regional security;
- the composition of the South African National Defence Force (SANDF) be centred on a small regular force component which would be supported by a larger part-time force;
- the secondary functions of the SANDF be performed through the utilisation of its core defence capabilities. However, the review allowed for the potential addition of force structures for functions such as peace support operations and troop deployment in co-operation with the South African Police Service (SAPS); and
- the SANDF rely on the core force defence capabilities in deployment against internal threats to the constitutional order. Again the review allowed for the addition of force structures in the event that these should be required.²¹⁶ [²¹⁶ Defence Review Work Group, *Defence Review: First and Second Reports*, 26 May 1997]

The recommendations regarding force structure, which it was estimated would require some 22000 full-time and 69 400 part-time combat personnel, included:²¹⁷ [²¹⁷ *Cape Times* 4 June 1997; Defence Review Work Group, *Defence Review: First and Second Reports*, 26 May 1997]

- an army rapid deployment force, which would consist of a mechanised infantry brigade, a parachute

brigade, and a special forces brigade backed by three part-time brigades;

- 14 light infantry battalions, 12 motorised infantry battalions, and 183 area protection units which would support the rapid deployment force;
- the air force, which would consist, among other things, of 16 light fighters, 32 medium fighters, 16 light reconnaissance aircraft, six long-range maritime patrol aircraft, ten short-range maritime patrol aircraft, some 100 helicopters, 44 transport aircraft, and nine voluntary squadrons;
- a navy, which would consist of four submarines, four corvettes, six strike craft, one combat support ship, eight minesweeper vessels, two inshore patrol vessels, and 39 harbour patrol vessels; and
- medical services, which would consist of one full-time and one part-time medical battalion group.

The defence review's recommendations on the size and structure of the SANDF were based on the primary function of self-defence as outlined in the white paper (all other functions performed by the SANDF would be considered secondary functions).

Legislation

No legislation relating to the defence force was tabled during the period under review.

Personnel

On 1st May 1997 there were a total of 99 663 members in service in the South African National Defence Force (SANDF). Of these 77 882 were soldiers and 21 781 were civilians.²¹⁸ [²¹⁸ Defence Review Work Group, *Defence Review: First and Second Reports*, 26 May 1997]

Of the 9 388 commissioned officers in the SANDF, 8 033 were members of the former South African Defence Force, 1 079 were from Umkhonto we Sizwe (Umkhonto), and 306 were from the Azanian People's Liberation Army (Apla).²¹⁹ [²¹⁹ *Sowetan* 30 September 1997]

In July 1997 the SANDF announced plans to recruit more blacks into the voluntary part-time force. At the time of the announcement there were 48 345 part-time force members—32339 whites, 11 516 Africans, 4 277 coloured people, and 213 Indians.²²⁰ [²²⁰ *Ibid* 11 July 1997]

In August 1997 the minister of defence, Mr Joe Modise, said that some 1366 members of the SANDF were absent without leave daily. Soldiers were absent most often because they were either attending traditional gatherings such as funerals or were being held in detention. Other reasons given for the level of absenteeism were transport problems, financial and domestic difficulties, substance abuse, and

insubordination. A further 258 employees were absent per day for medical reasons. A total of 324 931 working days were lost through unauthorised leave, which accounted for some 2% of the actual working days available. According to the minister, members absent in excess of 183 days are subject to dismissal.²²¹ [²²¹ *Die Burger* 13 August 1997]

Restructuring and Integration

In March 1997 Mr Modise announced that the territorial headquarters and part-time forces would be restructured and streamlined to cut costs and improve efficiency. New management processes at a regional level would follow the consolidation of command and management functions at a national level. The integration of structures including a joint operations centre servicing the army, navy, air force, and medical services had facilitated the abolition of duplications within the command echelons.

Expenditure savings were expected to reach R300m as a result of the restructuring process.²²² [²²² *Business Day* 27 March 1997]

Voluntary Severance Packages

The voluntary severance package was introduced in the SANDF with effect from August 1996. In addition, an announcement was made that a number of army units would either be closed or amalgamated in order to reduce spending. Some 75 units would be affected and the number of permanent force members and civilian personnel affected was estimated to be 2 328.²²³ [²²³ *Hansard* (NA: Q) 3 cols 522–523, 16 April 1997]

In September 1997, 14 642 members from all sectors of the service had applied for severance packages. The Department of Defence said that the army registered the highest number of applications (10555) with 8 764 approvals, the air force 1 853 with 674 approvals, the navy 710 with 219 approvals, the medical services 800 with 536 approvals, the intelligence division 707 with 74 approvals, and the chaplain general 17 all of which were approved.²²⁴ [²²⁴ *The Citizen* 3 September 1997] In a statement issued in September 1997 the SANDF said that the applications of some 850 officers had been approved, including 247 majors, 383 lieutenant colonels, 167 colonels, and 36 brigadiers.²²⁵ [²²⁵ *Business Day* 3 September 1997]

The defence review revealed that of the 6 106 voluntary severance package applications which had been approved between 31st August 1996 and 1st May 1997, 18 applications had been made by former Umkhonto cadres and three by former cadres of Apla.²²⁶ [²²⁶ Defence Review Work Group, *Defence Review First and Second Reports*, 26 May 1997]

Downsizing of the Defence Force

The process of integrating members of the armed forces of the ‘independent’ and non-independent

homelands, as well as cadres from the liberation armies, had increased the number of soldiers in the SANDF to almost 100 000 by May 1997. The defence review proposed a downsizing formula which would ensure that the defence force was not only representative of the population, but that former statutory and non-statutory forces were given equitable representation.²²⁷ [²²⁷ Ibid]

The table below shows the composition of the SANDF on 1st May 1997, by former force of origin (including civilians) and the proposed downsizing:²²⁸ [²²⁸ Ibid]

Composition of the SANDF by force of origin (1st May 1997) and after downsizing^a

Actual numbers

Proposed numbers after downsizing

South African Defence Force

64 516

37 759

Umkhonto we Sizwe

11 919

10 604

Azanian People's Liberation Army

4 239

4 122

Former 'independent' and non-independent homeland defence forces

9 108

8 461

KwaZulu self-protection forces

1 459

1 958^b

Members and civilians employed by the SANDF

8 422

7 795

Total

99 663

70 699^c

a

Includes civilian employees.

b

The formula for downsizing specifies that equitable representation of the former statutory and non-statutory forces must be achieved, which may account for a higher figure for the Kwa- Zulu-Natal self-protection forces after downsizing.

c

As calculated by the South African Institute of Race Re

In May 1997 the SANDF announced that it intended reducing the conventional armed forces by approximately 30 000 members during the period 1997–99. At the time of this announcement the SANDF was made up of 57450 Africans, 30 340 whites, 11 300 coloured personnel, and 910 Indians. The proposed future force would be reduced to 45 729 Africans, 17 217 whites, 7 225 coloured people, and 530 Indians.²²⁹ [²²⁹ *Sowetan* 19 May 1997] In January 1998 the chief of the SANDF, General Georg Meiring, announced that the proposed downsizing of the SANDF would begin by March of 1998. The SANDF would be reduced by some 20 000 personnel. The retrenchments would take place following a decision by the Council on Defence taken in December 1997, and should be completed by 1st April 1999.²³⁰ [²³⁰ *The Star* 20 January 1998]

Integration

The final intake of former Umkhonto and Apla cadres took place in April 1997. According to Colonel Rex Kroucamp, this brought the level of integrated Umkhonto soldiers to some 18300, and Apla soldiers to some 5 700. However, about 14 500 former Umkhonto cadres and 3 600 former Apla cadres whose names appeared on the Certified Personnel Register had not reported for either integration or demobilisation.²³¹ [²³¹ Ibid 25 March 1997, *Die Burger* 25 April 1997] In September 1997 the minister of defence, Mr Joe Modise, said that a total of 25 233 (60%) of the 42266 registered Umkhonto and Apla members had exercised their right to either integration or demobilisation.²³² [²³² *Sowetan* 30 September 1997]

Deployment of Troops

According to the chief of the SANDF, General Georg Meiring, more than 6000 troops had been deployed to assist with crime prevention each day during 1997. Most of the full-time and part-time troops had been deployed in the Northern Province, KwaZulu-Natal, and Gauteng. In addition, the air force had undertaken 1 285 operational flying hours in crime prevention operations, as well as 2 882 hours patrolling South Africa's borders. Flights totalling 307 hours had also been undertaken while assisting the navy with coastal patrols. The South African Medical Services had deployed 400 members to provide medical support to both defence force and police members.²³³ [²³³ *The Citizen* 22 January 1998]

Paramilitary Groups

At the time of writing there was no information available about paramilitary groups.

Intelligence

Policy

In February 1997 the Intelligence Review Commission, which was chaired by Mr Vusi Pikoli, and had been appointed by the minister of justice, Mr Dullah Omar, in July 1996 to examine both the present and future roles of the National Intelligence Agency (NIA) and the South African Secret Service (SASS), published its findings. The review dealt with issues including current legislation pertaining to the NIA and the SASS; current intelligence priorities; the intelligence requirements of government; the organisational structures, capabilities and staffing levels of the intelligence establishment; and the policies and management of the services.²³⁴ [²³⁴ Ibid 19 February 1997] In line with the recommendations made by the commission Mr Omar announced that the NIA and the SASS would continue to function as independent services: the NIA would continue to operate as a domestic intelligence service and the SASS as a foreign intelligence service. Moreover, both services would intensify their efforts to collect intelligence on crime to support the police's crime intelligence task. Consideration would be given to legislation which would regulate the conduct of private intelligence and security companies, as well as the activities of former members of state intelligence and security establishments.²³⁵ [²³⁵ Ibid; *Cape Times* 20

February 1997]

Key directives from the commission included, that:

- all intelligence work performed by the NIA and the SASS on behalf of the government would be subject to approval, ratification and/or amendment by the cabinet;
- a single national independent signals intelligence capacity would be established to combine the capabilities of both national intelligence structures;
- the directors general of the NIA and the SASS would conduct an audit of all human resources and covert structures employed by the services; and
- the directors general also had to ensure that no official documentation was destroyed in contravention of proper procedures and that the directors general had to submit for approval a declassification policy of documentation held.

The intelligence priorities targeted for 1997 included domestic security and stability, specifically regarding taxi violence, political violence, 'third-force' activities and the illegal arms trade, as well as organised crime and corruption in the public service.²³⁶ [²³⁶ *Cape Times* 20 February 1997]

In July 1997 the minister for safety and security, Mr Sydney Mufamadi, announced that the government would consider the introduction of legislation to stop intelligence agents who had left the service from selling information to international intelligence agencies or from using the information in transnational crime syndicates.²³⁷ [²³⁷ *The Star* 17 July 1997]

Policy Review

While the bulk of policy formulation on security issues took place prior to the period under review, the various departments of the criminal justice system continued to implement the policies and projects identified under the National Crime Prevention Strategy of May 1996. Although the government continued to claim successes in the fight against crime, the feeling among South Africans was that the police were not adequately protecting them from criminals and that crime was not decreasing. Vigilantism and acts of mob violence associated with 'informal justice' were indicative of a pervasive dissatisfaction with the operation of the criminal justice system.

The difficulty encountered by the police in the implementation of crime prevention policy was due primarily to shortages in trained personnel, high levels of absenteeism, and insufficient visible policing as some 20 000 police officials were office-bound.

In an effort to enhance visible policing and improve crime prevention, the minister for safety and security, Mr Sydney Mufamadi, approved a proposed amendment to the South African Police Service Act of 1995 which would allow for the establishment of metropolitan police forces.

In 1997 a number of pieces of legislation aimed at curbing violent crime were introduced in Parliament. The legislation targeted convicted criminals through the introduction of a non-parole period into their sentences to ensure that they served longer periods before being considered for parole. People suspected of, and charged with, serious crimes would also be subject to more severe bail conditions in an effort to ensure that, if deemed necessary for public safety, they remain in custody while awaiting trial. However, personnel shortages in the Department of Justice, which contributed to delays in the hearing of trials and their resolution, as well as the stricter bail conditions, saw an increase in the number of awaiting trial prisoners in prisons that were already overcrowded. In December 1996 more than a quarter of the people held in correctional facilities were awaiting trial.

Legislation passed in 1997 instituted minimum sentences for those convicted of serious crimes—with premeditated murder and gang-rape warranting a minimum sentence of life imprisonment. The harsher penalties were juxtaposed against declining prosecution and conviction rates.

In an attempt to enhance the legitimacy of the judiciary by securing community participation in the lower courts, the minister of justice, Mr Dullah Omar, proposed the appointment of lay assessors in criminal trials for crimes against the person. However, this system could present obstacles by eroding the independence of the lower courts. Moreover, the assertion that assessors would be selected for their ‘representativeness in the community’ could open avenues for conflict where the assessor and the accused came from socio-economically different backgrounds or from rival groups (be these ethnic or political).

Furthermore, lay assessors would be able to acquit the accused over the objections of the presiding magistrate if they believed that the denial of guilt, by the accused, was credible. Conversely, the assessors may convict in a case where the presiding officer would have decided to acquit. The decisions taken by presiding officers rely on court experience which would not be available to untrained assessors. Moreover, assessors, drawn from the same community as the accused, may be at risk of intimidation resulting in the acquittal of an accused guilty of the crime with which he has been charged. On the other hand, populist pressure on the assessors may result in the conviction where the accused is in fact innocent. The input of assessors in the determination of sentence would also be superfluous as existing procedure allows for a relevant witness to present evidence regarding the feelings of the community, which is used by the court in determining an equitable sentence.

The proposed introduction of a ‘super’ attorney general under the National Prosecuting Authority Bill presented the problem of potential political appointments and removed the security of tenure of current attorneys general by placing them under pressure to perform to the satisfaction of the government in order that they qualify for a second term of office. In contrast, the Attorney General Act of 1992 gave both independence and security of tenure to all attorneys general.

Legislation providing for the building and operation of prisons by private enterprise was passed in 1997. This was expected to reduce the financial burden on the state and alleviate the overcrowding of South African prisons. During 1996 South African prisons housed one third more prisoners than they had been built for.

In September 1997 the Department of Correctional Services created much controversy when it opened South Africa's first closed maximum security prison. The opening of this facility raised issues regarding the basic human rights of prisoners and the introduction of what could, in terms of the constitution, be considered cruel and inhuman punishment—for example, solitary confinement in a small cell for 23 hours a day and a prohibition on shaving and smoking.

POPULATION

Bird's Eye View

Preliminary results of the 1996 census were published by the Central Statistical Service in June 1997, providing information on the size of the population, the male/female distribution, the provincial breakdown, and the level of urbanisation. The size of the population was calculated at 37.9m in 1996, 4.2m fewer than previously estimated. Certain organisations, among them the South African Institute of Race Relations, questioned the accuracy of the result, saying that it was unlikely that previous censuses overestimated the population by 10%. The final results were expected in September 1998. Because most organisations were waiting for the final results of the census, very few published demographic information and projections during the period under review.

The preliminary results of the census indicated that the total fertility rate (the number of children a woman is expected to have in her lifetime) in South Africa was dropping faster than previously estimated. A post-enumeration survey showed declining fertility during the five years prior to the census, indicating that the annual population growth rate was about 1.9%.

The preliminary data also showed that the population was more urbanised than previously estimated. About 55% of the population was living in urban areas.

In April 1998 the final white paper on population policy was tabled in Parliament. Its thrust was the improvement in quality of life of individuals as opposed to past policies which aimed to curtail fertility through the provision of contraceptive services.

The Department of Home Affairs published a *Draft Green Paper on International Migration* in May 1997, detailing different measures to deal with three different categories of immigrants—legal immigrants, refugees, and unauthorised migrants or illegal immigrants.

Speculation on the number of illegal immigrants in the country and their effect on the economy and

society continued during the period under review.

The Identification Act of 1997 provided for the implementation of a home affairs national identification system, whereby all South African citizens would be issued with a single, machine-readable identity card. The system, to be introduced from 1999, would, among other things, make it more difficult for illegal immigrants to gain access to social services paid for by the South African taxpayer, according to the minister of home affairs, Chief Mangosuthu Buthelezi.

South Africa experienced a net loss of people through emigration for the fourth consecutive year in 1997. This was the longest consecutive period of net loss since the Second World War. The proportion of economically active emigrants also increased, contributing to the country's shortage of skills.

Key Points

- Preliminary results of the 1996 census found that there were 37.9m people in South Africa in 1996—4.2m or 10% fewer than previously estimated.
- The Central Statistical Service (CSS) said that the total fertility rate (the number of children a woman is expected to have in her lifetime) in South Africa was dropping faster than previously estimated. The total fertility rate across all races dropped from 4.2 children per woman in 1980 to 3.2 in 1995.
- A post-enumeration survey conducted after the 1996 census showed declining fertility during the five years prior to the census, indicating that the annual population growth rate was about 1.9%—lower than various earlier estimates.
- Preliminary results of the 1996 census showed that there were 1.5m more women than men in South Africa. Gauteng was the only province where there were more men than women.
- According to the CSS, 148 148 civil marriages were registered in 1995, while 31 592 divorces were granted.
- Preliminary results of the 1996 census found that the South African population was more urbanised than previously estimated. Some 55.4% of the population was urbanised in 1996, compared with 1995 estimates of 52% by the Development Bank of Southern Africa and 50% by the CSS.
- The Department of Home Affairs said that in 1997, 10 079 people officially emigrated from South Africa, while 4 532 immigrated. This resulted in a net loss of 5 547 people.
- South Africa experienced a net loss of more than 2 000 economically active people every year since 1994.

- According to the Department of Home Affairs, 14 107 people were granted South African citizenship in 1996.
- The department said that 175 577 people were exempted from repatriation and granted permanent residence in 1997. This figure included a number of citizens from member states of the Southern African Development Community who were granted permanent residence in terms of a policy announcement made in June 1996 by the minister of home affairs. Some 176 351 illegal immigrants were repatriated in 1997, a drop of 2% on the 1996 figure.
- According to the United Nations Development Programme, in 1994 South Africa (0.716) ranked third in sub-Saharan Africa in terms of the human development index (HDI), after the Seychelles (0.845) and Mauritius (0.831). (The HDI is a measure of socio-economic development and indicates a country's position on a scale of 0–1, with zero indicating the lowest level of human development, and one, the highest.)

Policy

Draft Green Paper on International Migration

A Draft Green Paper on International Migration was published by the Department of Home Affairs in May 1997. It proposed measures to regulate the flow of people into and out of the country. The paper identified different measures to deal with the three categories of immigrants identified.

Firstly, legal immigrants to South Africa, ie people entering the country legally with the intention of settling permanently, should be regulated through the introduction of a labour-market related point system by which immigrants with skills, expertise, and resources could be recruited to make a contribution to the development of the country. Secondly, the burden of refugee protection should be shared with other member countries of the Southern African Development Community (SADC). The third stream of immigrants, namely illegal immigrants, should in part be dealt with by giving increased opportunities for legal participation in the South African labour market to bona fide economic migrants from SADC countries. These migrants should have no intention of settling in the country permanently .

The paper proposed that a new immigration policy should strengthen the government's capacity to act more effectively against illegal immigrants but should be rights-based, ie 'government action should be restrained in favour of the rights of unauthorised immigrants'. This would include due process, administrative review, and the right to information. The paper stated that until there was greater economic parity in the SADC region, it would be premature to open up South Africa's borders for the free movement of people.¹ [¹ Department of Home Affairs, Draft Green Paper on International Migration, *Government Gazette* no 18033, 30 May 1997]

Draft White Paper on Population Policy

The Ministry for Welfare and Population Development published a *Draft White Paper on Population Policy* in August 1997. The paper stated that the objectives of population policy would be to systematically integrate population factors into all government policies, plans, programmes, and strategies aimed at enhancing quality of life. Furthermore, various programmes would be designed and implemented to deal with national population concerns such as poverty, environmental stability, unwanted fertility, migration and urbanisation, employment, and education. (See also 1996/97 Survey, pp4–5.) The final white paper was presented to Parliament in April 1998. The policy was a departure from past policies which ‘aimed at curtailing fertility through the provision of contraceptive services’, according to the minister of welfare and population development, Ms Geraldine Fraser-Moleketi.² [2 Ministry for Welfare and Population Development, *Draft White Paper on Population Policy*, 20 August 1997; *Business Day* 24 April 1998]

Legislation

Identification Act of 1997

The Identification Act was assented to by the president in December 1997. It provided for the implementation of a home affairs national identification system whereby all South African citizens would be issued with a single, machine-readable identity card. The card would contain the thumbprint and photograph of the holder. The system would be introduced from 1999. The act also provided for the compilation and maintenance of a population register (ie a record of the demographics of the South African population).³ [3 Identification Act, no 68 of 1997, *Government Gazette*, no 18485, 3 December 1997; *Business Day*, *The Citizen* 5 November 1997]

South African Citizenship Amendment Act of 1997

The South African Citizenship Amendment Act was assented to by the president in November 1997. The act, among other things, enhanced the powers of the minister of home affairs (conferred by the South African Citizenship Act of 1995—see 1995/96 Survey, p6) to prevent a South African from losing his or her citizenship if such a person performed a ‘voluntary act’ which indicated use of other citizenship, voting in another country, or using a non-South African passport to travel. South African citizens who wished to travel abroad on another passport would still have to apply for exemption from the Department of Home Affairs. The minister could, however, ‘at any time withdraw an exemption’ or ‘amend or supplement any condition on which any such exemption was granted’.⁴ [4 South African Citizenship Amendment Act no 69 of 1997, *Government Gazette* no 18479, 28 November 1997, *Finance Week* 30 October 1997]

Employment Equity Bill

The Employment Equity Bill, published by the Department of Labour in November 1997, aimed to eliminate workplace discrimination and ensure ‘equitable representation’ for black people, women and

the disabled at all levels of employment.

Chapter three of the bill stated that designated employers (ie those who have 50 employees or more), would be required to classify their employees by race, gender and disability to determine the 'degree of under-representation' of people from these designated groups.

Concern was expressed by, among others, the South African Institute of Race Relations, at this apparent reintroduction of race classification.⁵ [5 Dr AJ Jeffery, special research consultant, South African Institute of Race Relations, 'The Employment Equity Bill of 1997: A Briefing to Business', Hilton International Hotel, 29 January 1998] (See chapter on *Employment*.)

Population Statistics

The 1996 Census

In June 1997 the Central Statistical Service (CSS) published preliminary data from the 1996 census providing information on the size of the population, the male/female distribution, the provincial breakdown, and the level of urbanisation. Final results were expected in September 1998. They would contain information on, among other things, age, home language, income, level of education, race, and religion. Because the final census figures were not published in 1997, no new demographic statistics from research organisations became available in that year. The information on the following pages is either from the preliminary results of the census or based on other figures published by the CSS, or the most recent figures published by other organisations.

Population Size

The preliminary census data found that there were 37.9m people in South Africa in 1996—4.2m or 10% fewer than previously estimated. (Mid-year projections based on the 1991 census indicated that there were some 42.1m people in South Africa in 1996.) According to the CSS, the lower-than expected figure was not only because of lower fertility rates—but could also be the result of inaccurate assumptions regarding fertility rates, mortality rates, and net migration used in population projections in the early 1990s (for example, figures used for the African fertility rate were too high, the CSS said).

Certain organisation, among them the South African Institute of Race Relations, questioned the accuracy of the results, saying that it was unlikely that previous censuses could have overestimated the size of the population by more than 10%. The head of the CSS, Dr Mark Orkin, insisted that the 1996 census provided the 'first accurate, non-racial figures' and that the census undercount, estimated at 6.8% overall, was an internationally acceptable level for developing countries.

The table below shows the estimated size of the population by province in October 1995 and 1996, as calculated by the CSS:⁶ [6 Central Statistical Service (CSS), *Census '96: Preliminary Estimates of the Size of the Population*

of South Africa, June 1997; Fast Facts No 8 1997]

Estimated population size by province: 1995 and 1996^a

Province

Preliminary census data 1996

Proportion of total

October Household Survey 1995

Proportion of total

Census gain/ (loss)^c

Eastern Cape

5 865 000

15.5%

6 559 000

15.8%

(694 000)

Free State

2 470 000

6.5%

2 773 000

6.7%

(303 000)

Gauteng

7 171 000

18.9%

7 063 000

17.0%

108 000

KwaZulu-Natal

7 672 000

20.3%

8 761 000

21.1%

(1 089 000)

Mpumalanga

2 646 000

7.0%

3 025 000

7.3%

(379 000)

North West

3 043 000

8.0%

3 326 000

8.0%

(283 000)

Northern Cape

746 000

2.0%

741 000

1.8%

5 000

Northern Province

4 128 000

10.9%

5 560 000

13.4%

(1 432 000)

Western Cape

4 118 000

10.9%

3 736 000

9.0%

382 000

Total^b

37 859 000

100.0%

41 544 000

100.0%

(3 685 000)

a

Adjusted for undercount

b

Figures may not add up owing to rounding.

c

Gain or loss when compared with October Household Survey figures for 1995. Mid-year estimates for 1996, which put the population at 42.1m people, were not available by province.

The graph below shows the proportional distribution of the population by province according to the preliminary figures of t

Population Trends and Forecasts

Fertility Rate

Preliminary census data published by the CSS in June 1997 indicated that the total fertility rate (the number of children a woman is expected to have in her lifetime) in South Africa was dropping faster than previously estimated. Calculations by the CSS in 1997 found that the rate across all races dropped from 4.2 children per woman in 1980 to 3.2 in 1995. A post-enumeration survey conducted after the census showed declining fertility during the five years prior to the census, indicating that the annual population growth rate was about 1.9%—lower than various earlier estimates. (Forecasts of South

African population growth by the World Bank, based on 1991 census data, showed that the growth rate would drop to 1.9% only between 2000 and 2005.)⁷ [⁷ Ibid]

Infant Mortality Rate

See chapter on *Health*.

Life Expectancy

Life expectancy projections were expected to change once the final results of the 1996 census became available.

The following table (compiled before the preliminary census figures were available) shows estimated life expectancies at birth by race and sex from 1991 to 2026, according to the Institute for Futures Research at the University of Stellenbosch (IFR):⁸ [⁸ 1996/97 Survey, pp14–15]

Life expectancy by race and sex: 1991–2026

1991–96 (Years)

1996–2001 (Years)

2001–06 (Years)

2006–11 (Years)

2011–16 (Years)

2016–21 (Years)

2021–26 (Years)

African

Male

59.8

61.2

62.6

63.9

65.3

66.6

68.0

Female

66.8

68.0

69.2

70.4

71.6

72.8

74.0

Average

63.2

64.5

65.8

67.1

68.4

69.6

70.9

Asian

Male

65.3

66.7

68.2

69.6

71.1

72.5

74.0

Female

72.5

73.7

75.0

76.2

77.5

78.7

80.0

Average

68.8

70.2

71.5

72.8

74.2

75.6

76.9

Coloured

Male

58.5

60.6

62.7

64.7

66.8

68.9

71.0

Female

66.7

68.4

70.1

71.8

73.6

75.3

77.0

Average

62.5

64.4

66.3

68.2

70.1

72.0

73.9

White

Male

69.5

70.3

71.0

71.8

72.5

73.3

74.0

Female

76.6

77.2

77.8

78.3

78.8

79.4

80.0

Average

73.0

73.6

74.3

75.0

75.6

76.3

76.9

South Africa

Male

60.9

62.2

63.5

64.8

66.1

67.4

68.8

Female

68.0

69.2

70.3

71.5

72.6

73.7

74.8

Average

64.4

65.6

66.9

68.1

69.3

70.5

71.7

The table below (also pre-census) provides life expectancy forecasts by province from 1991 to 2026,

accord

Life expectancy by province: 1991–2026

Province

1991–96 (Years)

1996–2001 (Years)

2001–06 (Years)

2006–11 (Years)

2011–16 (Years)

2016–21 (Years)

2021–26 (Years)

Eastern Cape

63.7

65.0

66.2

67.5

68.8

70.0

71.3

Free State

64.4

65.5

66.7

67.9

69.1

70.3

71.5

Gauteng

65.8

66.9

68.1

69.1

70.3

71.3

72.4

KwaZulu-Natal

64.3

65.5

66.7

68.0

69.2

70.4

71.6

Mpumalanga

64.1

65.3

66.5

67.7

69.0

70.2

71.3

North West

63.9

65.1

66.4

67.6

68.8

70.0

71.2

Northern Cape

64.3

65.7

67.2

68.7

70.2

71.6

73.1

Northern Province

63.5

64.8

66.0

67.3

68.5

69.8

71.0

Western Cape

64.9

66.4

67.8

69.3

70.8

72.2

73.7

South Africa

64.4

65.6

66.9

68.1

69.3

7

Population Growth

The following table shows the estimated average annual population growth in various years as calculated by different organisations:¹⁰ [¹⁰ CSS, *Census '96*, June 1997; Fast Facts No 8 1997]

Estimated average annual population growth rate

Preliminary census data (Central Statistical Service) 1996

1.90%

Central Statistical Service 1995

2.06%

Institute for Futures Research 1991–96

2.02%

Development Bank of Southern Africa 1985–95

2.59%

The table below shows the mid-year estimates of the total population by race from 1991 to 1995 and the

increase over that period, as calculated by the CSS prior to the 1996 census:

Mid-year estimates of the South African population: 1991–95

African

Coloured

Indian/ Asian

White

Total^a

Annual growth

1991

28 618 000

3 314 000

994 000

5 086 000

38 012 000

N/A

1992

29 325 000

3 365 000

1 008 000

5 121 000

38 819 000

2.12%

1993

30 035 000

3 414 000

1 024 000

5 156 000

39 628 000

2.08%

1994

30 746 000

3 461 000

1 038 000

5 191 000

40 436 000

2.04%

1995

31 461 000

3 508 000

1 051 000

5 224 000

41 244 000

2.00%

Increase:

1991–95

9.9%

5.9%

5.7%

2.7%

8.5%

—

a

Figures may not add up owing to rounding.

The Bureau of Market Research (BMR) at the University of South Africa provided the following breakdown (pre-census) of the average annual growth rate by province and race between 1991 and

Average annual growth rate: 1991–96

Province

African

Asian

Coloured

White

Average

Eastern Cape

2.1%

1.5%

1.3%

0.4%

2.0%

Free State

2.1%

N/A

1.1%

0.5%

1.9%

Gauteng

2.5%

1.9%

1.7%

0.7%

1.9%

KwaZulu-Natal

2.5%

1.1%

1.4%

0.5%

2.2%

Mpumalanga

2.5%

1.2%

1.0%

0.6%

2.3%

North West

2.1%

0.9%

1.4%

0.2%

1.9%

Northern Cape

1.6%

1.0%

1.0%

0.5%

1.1%

Northern Province

2.6%

1.3%

0.9%

0.7%

2.6%

Western Cape

3.8%

3.0%

1.5%

1.1%

1.8%

Total

2.4%

1.3%

1.4%

0.7%

2.1%

N/A – Not available.

The bar graph below shows the average annual growth rate of the population in each province from

The BMR said that at the current average annual population growth rate of 2.1% the South African population would double in the next 33 years (ie by 2029). While the African population would double in 29 years, the white population would double in 100 years. The coloured and Asian populations would double in 50 and 52 years respectively. (The estimates did not take into account the effect of AIDS on the population and the influx of large numbers of illegal immigrants.)¹³ [¹³ Ibid]

The Impact of Aids on Population Growth

An analysis of the impact of AIDS on the southern African population led the Population Reference Bureau in Washington DC to reduce its estimate of the South African population in 2010 by some 11.8m. The 1997 edition of the *World Population Data Sheet* projected that South Africa's population would reach some 45.7m in 2010—21% people fewer than its estimate the previous year of 57.5m in 2010. The bureau said that evidence was mounting that the prevalence of AIDS had risen to the point where it was going to have this kind of 'catastrophic effect' on population growth.¹⁴ [¹⁴ *The Citizen* 8 May 1997, *Business Day* 9 May 1997] (See also chapter on *Health*.)

Population Control

The Ministry for Welfare and Population Development published a *Draft White Paper on Population Policy* in August 1997. The paper stated that strong fertility control measures were not acceptable as part of population policy as they were not reconcilable with sustainable human development and human rights. Instead, emphasis would be placed on providing equal access to reproductive health care. Quality of care, free choice, access to information, and the availability of a full range of contraceptive methods were of crucial importance, the paper said (see also *Policy* above).¹⁵ [¹⁵ Ministry for Welfare and Population Development, *Draft White Paper on Population Policy*, 20 August 1997]

Male/female Distribution

The table below shows the male/female distribution of the population according to the preliminary results of the 1996 census.¹⁶ [¹⁶ CSS, *Census '96*, June 1997; Fast Facts No 8 1997]

Male/female distribution in South Africa: 1996

Province

Male

Proportion

Female

Proportion

Majority^a

Total^b

Eastern Cape

2 703 000

46.1%

3 162 000

53.9%

459 000 (F)

5 865 000

Free State

1 219 000

49.4%

1 251 000

50.6%

32 000 (F)

2 470 000

Gauteng

3 651 000

50.9%

3 520 000

49.1%

131 000 (M)

7 171 000

KwaZulu-Natal

3 583 000

46.7%

4 089 000

53.3%

506 000 (F)

7 672 000

Mpumalanga

1 288 000

48.7%

1 357 000

51.3%

69 000 (F)

2 646 000

North West

1 493 000

49.1%

1 550 000

50.9%

57 000 (F)

3 043 000

Northern Cape

366 000

49.1%

380 000

50.9%

14 000 (F)

746 000

Northern Province

1 878 000

45.5%

2 250 000

54.5%

372 000 (F)

4 128 000

Western Cape

1 982 000

48.1%

2 135 000

51.8%

153 000 (F)

4 118 000

South Africa^b

18 163 000

48.0%

19 695 000

52.0%

1 532 000 (F)

37 859 000

a

The numerical difference between the male (M) and the female (F) populations.

b

Figures may not add up owing to

The greatest disparity between the number of men and women in 1996 was in the Northern Province. The number of 'additional' females in the province (372 000) was equivalent to 20% of the male

population there. Gauteng (51%) was the only province that had proportionally more males than females.

Religion

The following table shows the most popular religions or denominations in South Africa in 1991, the latest year for which figures were available (figures are based on the 1991 census but include 1993 estimates on Venda and exclude the other former 'independent' homelands):¹⁷ [¹⁷ 1996/97 Survey, p22]

Religious affiliation: 1991^a

African

Indian

Coloured

White

Total

Christian

African independent churches

6 968 084

0

0

0

6 968 084

Dutch Reformed^b

1 064 709

0

563 783

1 595 021

3 223 513

Gereformeerde

0

0

0

119 859

119 859

Nederduitsch Hervormde

0

0

0

246 188

246 188

Afrikaans churches^c

0

1 375

0

0

1 375

Roman Catholic

1 790 160

13 800

233 364

315 092

2 352 416

Methodist

1 384 046

1 861

94 833

333 926

1 814 666

Anglican^d

647 268

4 635

232 493

291 679

1 176 075

Apostolic Faith Mission

135 687

0

63 005

225 046

423 738

Lutheran

686 219

1 618

81 161

0

768 998

Presbyterian

308 028

834

0

89 922

398 784

Congregational

238 065

0

129 104

0

367 169

Full Gospel

0

21 677

0

0

21 677

Other Christian churches^e

1 436 617

79 260

713 283

725 875

2 955 035

Subtotal

14 658 883

125 060

2 111 026

3 942 608

20 837 577

Hindu

0

385 679

0

0

385 679

Islamic

0

166 609

157 801

0

324 410

Jewish

0

0

0

65 373

65 373

Non-Christian but unspecified

31 498

6 895

5 675

7 050

51 118

Subtotal

31 498

559 183

163 476

72 423

826 580

Unspecified and no religion

7 502 899

302 420

1 006 046

1 046 754

9 858 119

Total

22 193 310

986 799

3 280 548

5 061 785

31 522 442

^a Figures may not add up owing to rounding.

^b Refers to Nederduitse Gereformeerde Kerk.

^c Red I^e I

Marital Status

The table below shows the number of marriages that were registered (figures exclude customary or religious marriages) and the number of divorces granted from 1991 to 1995 (the latest date for which figures were available):¹⁸ [¹⁸ CSS, *Bulletin of Statistics*, vol 31 no 1, March 1997; CSS, *Marriages and divorces 1995*, Statistical Release PO307, 10 December 1996]

Registered^a marriages and divorces: 1991–95

Number of marriages^b

Increase

Number of divorces^c

Increase/ (decrease)

1991

108 929

–

23 865

–

1992

111 557

2.4%

28 264

18.4%

1993

120 159

7.7%

26 616

(5.8%)

1994

133 309

10.9%

29 878

12.3%

1995

148 148

11.1%

31 592

5.7%

a

Civil marriages only. Excludes religious and customary marriages.

b

Figures for the years 1991–93 exclude the former ‘independent’ homelands.

c

Figures for the years 1991–93 exclude Africans and the former ‘independent’ homelands.

In 1995 some 53% of divorces were granted to whites, 26% to Africans, 16% to coloured people, and 5% to Asians. The number of divorces in 1995 was equivalent to 21% of marriages in that

Language

The tables below provide a breakdown of the distribution of home languages by province in 1994, the latest year for which figures were available:²⁰ [20 1996/97 Survey, pp24–25]

Proportional distribution of home languages in each province: 1994^a

Province

Afrikaans

English

A/E^b

Ndebele^c

Northern Sotho

Southern Sotho

Eastern Cape

8.93%

3.86%

0.08%

0.00%

0.01%

0.14%

Free State

15.09%

1.52%

0.10%

0.20%

0.92%

59.27%

Gauteng

19.72%

17.19%

0.39%

0.85%

8.43%

11.52%

KwaZulu-Natal

1.93%

16.84%

0.07%

0.00%

0.04%

0.35%

Mpumalanga

8.57%

1.83%

0.08%

6.43%

15.98%

2.79%

North West

9.00%

1.04%

0.08%

0.03%

0.73%

3.23%

Northern Cape

68.42%

2.74%

0.11%

0.00%

0.13%

0.74%

Northern Province

3.64%

0.65%

0.02%

1.37%

62.48%

0.91%

Western Cape

61.81%

20.71%

0.71%

0.00%

0.05%

0.27%

Proportion of total

14.97%

9.52%

0.19%

0.83%

9.9

Proportional distribution of home languages in each province: 1994^a (continued)

Province

Swazi

Tsonga

Tswana

Venda

Xhosa

Zulu

Other^d

Eastern Cape

0.00%

0.00%

0.01%

0.00%

86.69%

0.06%

0.17%

Free State

0.20%

0.64%

4.81%

0.04%

9.25%

5.99%

1.98%

Gauteng

1.22%

3.89%

7.38%

1.16%

6.08%

19.36%

2.82%

KwaZulu-Natal

0.03%

0.03%

0.01%

0.00%

1.20%

78.67%

0.82%

Mpumalanga

25.15%

11.52%

1.89%

0.11%

1.45%

22.15%

2.04%

North West

0.27%

0.81%

78.91%

0.12%

4.18%

0.56%

1.02%

Northern Cape

0.01%

0.14%

19.56%

0.01%

6.37%

0.27%

1.50%

Northern Province

0.32%

26.47%

1.91%

1.01%

0.22%

0.41%

0.59%

Western Cape

0.01%

0.02%

0.05%

0.00%

15.46%

0.08%

0.82%

Proportion of total

2.25%

4.69%

9.07%

0.35%

18.13%

22.00%

1.26%

a

Figures should add up horizontally but may not, owing to rounding.

b

Afrikaans/English. Afrikaans and English are spoken equally in the home.

c

Includes Northern and Southern Ndebele.

d

Includes, among others, Dutch, German, Greek, Italian, Portuguese, French, Tamil, Hindi, Telegu, Gujarati, Urdu

Age

The following tables provide provincial breakdowns of the age profile of South Africa in 1996, as calculated (pre-census) by the Institute for Futures Research (IFR) at the University of Stellenbosch.²¹ [21 Ibid, p26]

Age profile by province:a 1996

Province

0–14 years

15–64 years

65+

Eastern Cape

37.9%

56.8%

5.3%

Free State

32.8%

63.2%

4.0%

Gauteng

27.0%

68.2%

4.8%

KwaZulu-Natal

37.1%

58.7%

4.2%

Mpumalanga

37.0%

59.6%

3.4%

North West

34.6%

61.3%

4.1%

Northern Cape

31.1%

63.9%

5.0%

Northern Province

43.1%

53.2%

3.7%

Western Cape

28.3%

66.2%

5.5%

South Africa

34.9%

60.6%

4.5%

a

Figures may not add up owing to

The following table shows an age profile by race in 1996, as calculated (pre-census) by the IFR: ²² [22
Ibid, p27]

Age profile by race: 1996^a

0–14

15–64

65+

African

38%

59%

4%

Asian

28%

68%

4%

Coloured

31%

65%

4%

White

21%

69%

10%

South Africa

35%

61%

5%

a

Figures may not add up owing to round

Education Levels

See chapter on *Education*.

Economic Status

See chapter on *Employment*.

Human Development Index

The human development index (HDI) is a measure of socio-economic development. It is a composite of three factors: life expectancy, per capita income and level of education. The HDI indicates a country's position on a scale of 0–1. Countries with an HDI below 0.5 are considered to have a low level of human development, those between 0.5 and 0.8 a medium level, and those above 0.8 a high level.

According to the United Nations Development Programme (UNDP), South Africa had an HDI of 0.716 in 1994 (the latest date for which figures were available). South Africa ranked 90th out of 175 countries. South Africa ranked third in sub-Saharan Africa after the Seychelles (0.845) and Mauritius (0.831).²³ [23 United Nations Development Programme (UNDP), *Human Development Report 1997*, Oxford University Press, New York, 1997] However, there were significant disparities between the development of 'advantaged and disadvantaged' population groups in South Africa, according to the UNDP. The report estimated that one in four South Africans lived on less than R4.50 a day.²⁴ [24 Ibid]

The table below compares various countries according to their level of human development in 1994, as reported by the UNDP:²⁵ [25 *The Citizen* 13 June 1997]

Human development index of various countries: 1994

Ranking

HDI value

High human development

4

United States

0.942

7

Japan

0.940

14

Australia

0.931

15

United Kingdom

0.931

19

Germany

0.924

26

Singapore

0.900

32

Republic of Korea

0.890

50

Mexico

0.853

59

Thailand

0.833

60

Malaysia

0.832

Medium human development

67

Russian Federation

0.792

68

Brazil

0.783

74

Turkey

0.772

90

South Africa

0.716

97

Botswana

0.673

99

Indonesia

0.668

108

China

0.626

109

Egypt

0.614

118

Namibia

0.570

129

Zimbabwe

0.513

Low human development

132

Ghana

0.468

134

Kenya

0.463

138

India

0.446

141

Nigeria

0.393

143

Zambia

0.369

149

Tanzania

0.357

152

Madagascar

0.350

159

Uganda

0.328

161

Malawi

0.320

166

Mozambique

0.281

All developing countries

0.576

Least developed countries

0.336

Sub-Saharan Africa

0.380

Industrial countries

0.911

World

0.764

The graph below shows the level of human d

Urbanisation

The preliminary results of the 1996 census provided the following breakdown of the urban and non-urban distribution of the population by sex and province:²⁶ [²⁶ CSS, *Census '96*, June 1997; Fast Facts No 8 1997]

Urban/non-urban^a distribution of the population by province: 1996^b

Province

Male

Female

Total^c

Proportion of total

Eastern Cape

Urban

1 025 000

1 163 000

2 188 000

37.3%

Non-urban

1 678 000

1 999 000

3 677 000

62.7%

Total

2 703 000

3 162 000

5 865 000

100.0%

Free State

Urban

816 000

902 000

1 718 000

69.6%

Non-urban

403 000

349 000

752 000

30.4%

Total

1 219 000

1 251 000

2 470 000

100.0%

Gauteng

Urban

3 511 000

3 400 000

6 911 000

96.4%

Non-urban

140 000

120 000

260 000

3.6%

Total

3 651 000

3 520 000

7 171 000

100.0%

KwaZulu-Natal

Urban

1 615 000

1 726 000

3 341 000

43.5%

Non-urban

1 968 000

2 363 000

4 331 000

56.5%

Total

3 583 000

4 089 000

7 672 000

100.0%

Mpumalanga

Urban

500 000

514 000

1 014 000

38.3%

Non-urban

788 000

843 000

1 632 000

61.7%

Total

1 288 000

1 357 000

2 646 000

100.0%

North West

Urban

522 000

538 000

1 060 000

34.8%

Non-urban

971 000

1 012 000

1 983 000

65.2%

Total

1 493 000

1 550 000

3 043 000

100.0%

Northern Cape

Urban

256 000

279 000

535 000

71.7%

Non-urban

110 000

101 000

211 000

28.3%

Total

366 000

380 000

746 000

100.0%

Northern Province

Urban

233 000

257 000

490 000

11.9%

Non-urban

1 645 000

1 993 000

3 638 000

88.1%

Total

1 878 000

2 250 000

4 128 000

100.0%

Western Cape

Urban

1 773 000

1 929 000

3 703 000

89.9%

Non-urban

209 000

206 000

415 000

10.1%

Total

1 982 000

2 135 000

4 118 000

100.0%

South Africa^c

Urban

10 252 000

10 708 000

20 960 000

55.4%

Non-urban

7 911 000

8 987 000

16 898 000

44.6%

Total

18 163 000

19 695 000

37 859 000

100.0%

a

The Central Statistical Service defined an urban area as one which is run by a municipality or an established local authority, and a non-urban area as one which is run by a regional body or other type of authority such as a tribal one.

b

Adjusted for undercount.

c

F

The following graph shows the proportion of the population urbanised by province in 1996:

Preliminary census data showed that the population of South Africa was more urbanised than some previous estimates suggested. Census data found that 55.4% of the population was urbanised in 1996, compared with 1995 estimates of 52.2% by the Development Bank of Southern Africa, 49.7% by the Central Statistical Service, and 62% by the Africa Institute of South Africa.²⁷ [²⁷ Ibid]

Emigration and Immigration

Emigration refers to self-declared status and does not include South African citizens who leave permanently under the pretext of temporary visits. Immigration refers to the legal application by people to enter and reside permanently in the country and therefore excludes illegal immigration.

Policy

A Draft Green Paper on International Migration was published by the Department of Home Affairs in May 1997. The paper proposed measures to regulate the flow of people into and out of the country (see *Policy* above).²⁸ [²⁸ Department of Home Affairs, Draft Green Paper on International Migration, *Government Gazette* no 18033, 30 May 1997]

Trends

South Africa experienced a net loss of people in every year between 1994 and 1997. This was the longest consecutive period of net loss since the Second World War. An investigation by the South

African Institute of Race Relations into the records of emigration at various high commissions and embassies in South Africa revealed that in most instances their figures were much higher than those recorded by the Central Statistical Service (CSS). This indicated that a number of South African citizens who were declaring that they were leaving the country on a temporary visit, were in fact emigrating. For example, according to the CSS, 1767 South Africans emigrated to Australia in 1996, while the Australian High Commission's records show that 3 200 South Africans landed in Australia as immigrants in that year. The following table provides a breakdown of the number of immigrants to, and emigrants from, South Africa from 1940 to 1997 as well as the net gain or loss of people, according to the CSS:²⁹ [29 Fast Facts No 8 1996; CSS, *South African Labour Statistics*, 1994; CSS, *Tourism and Migration, September 1997*, Statistical Release PO351, 18 December 1997; fax communication from the Department of Home Affairs, 17 April 1998; telephone interviews with the Australian High Commission, Canadian High Commission and the South African Jewish Board of Deputies, 20 May 1998]

Immigration and emigration: 1940–97

Immigrants

Emigrants

Net gain/(loss)

1940

3 526

2 723

803

1941

1 964

2 428

(464)

1942

1 991

2 021

(30)

1943

994

2 167

(1 173)

1944

1 049

2 459

(1 410)

1945

2 949

4 881

(1 932)

1946

12 030

9 095

2 935

1947

29 827

8 040

21 787

1948

36 734

7 623

29 111

1949

15 576

9 403

6 173

1950

13 663

14 956

(1 293)

1951

15 890

15 546

344

1952

18 975

9 877

9 098

1953

17 267

10 324

6 943

1954

16 719

11 461

5 258

1955

16 684

12 636

4 048

1956

15 238

13 031

2 207

1957

14 631

11 034

3 597

1958

14 701

8 954

5 747

1959

12 598

9 502

3 096

1960

9 805

12 705

(2 900)

1961

16 373

15 046

1 327

1962

20 972

9 162

11 810

1963

38 013

7 272

30 741

1964

40 896

8 293

32 603

1965

38 337

9 479

28 858

1966

48 051

10 289

37 762

1967

38 937

11 289

27 648

1968

40 548

10 945

29 603

1969

41 446

9 313

32 133

1970

41 523

9 278

32 245

1971

35 845

8 407

27 438

1972

32 776

7 884

24 892

1973

24 016

6 401

17 615

1974

35 910

7 428

28 482

1975

50 464

10 255

40 209

1976

46 239

15 641

30 598

1977

24 822

26 000

(1 178)

1978

18 669

20 686

(2 017)

1979

18 680

15 694

2 986

1980

29 365

11 363

18 002

1981

41 542

8 791

32 751

1982

45 784

6 832

38 952

1983

30 483

8 247

22 236

1984

28 793

8 550

20 243

1985

17 284

11 401

5 883

1986

6 994

13 711

(6 717)

1987

7 953

11 174

(3 221)

1988

10 400

7 767

2 633

1989

11 270

4 911

6 359

1990

14 499

4 722

9 777

1991

12 379

4 256

8 123

1992

8 686

4 289

4 397

1993

9 824

8 078

1 746

1994

6 398

10 235

(3 837)

1995

5 064

8 725

(3 661)

1996

5 407

9 708

(4 301)

1997^a

4 532

10 079

(5 547)

The graph below shows the number of immigrants to South Africa and the number of people who officially left the country between 1940 and 1997:

Economically Active People

The following table provides a breakdown by occupation of the net gain/(loss) of economically active people from 1990 to 1996: 30 [30 CSS, *Tourism and Migration, January and February 1997*, Statistical Release PO351, 22 May 1997]

Net gain/(loss) of economically active people by occupation: 1990–96

Year

1990

1991

1992

1993^a

1994

1995

1996

Total

Professional^b

887

1 031

710

N/A

(857)

(882)

(1 127)

(238)

Managerial^c

598

561

278

N/A

(148)

(290)

(271)

728

Clerical and sales

1 349

1 042

471

N/A

(608)

(611)

(606)

1 037

Transport^d

26

75

44

N/A

(26)

(34)

(5)

80

Services

209

191

126

N/A

(7)

(23)

(32)

464

Agricultural

63

59

(2)

N/A

6

(21)

(10)

95

Artisan and apprentice

797

506

181

N/A

(218)

(216)

(222)

828

Production

221

163

97

N/A

9

18

30

538

Occupation unspecified

200

404

150

N/A

(443)

(705)

(925)

(1 319)

Total

4 350

4 032

2 055

N/A

(2 292)

(2 764)

(3 168)

2 213

a

For a period in 1993 the Department of Home Affairs utilised a computerised system to record the number of travellers to and from South Africa. A distinction could not be made between emigrants and other departing South African citizens/residents.

b

Includes semi-professional and technical.

c

Includes administrative and executive.

d

Includes delivery and co

According to the CSS, a total of 5 163 economically active people (53% of all emigrants) emigrated from South Africa in 1996—an increase of 14% on the 1995 figure.³¹ [³¹ Fax communication from the Department of Home Affairs, 17 April 1998] The Department of Home Affairs said that in 1997, 5 574 economically active people emigrated, while 1 766 immigrated, resulting in a net loss of 3 808 economically active people.³² [³² CSS, *Tourism and Migration, January and February 1997*, Statistical Release PO351, 22 May 1997; CSS, *Tourism and Migration, May 1996*, Statistical Release PO351, 29 August 1996; CSS, *Tourism and Migration, January 1995*, Statistical Release PO351, 22 May 1995; CSS, *Tourism and Migration, December 1994*, Statistical Release PO351, 2 May 1995; CSS, *Tourism and Migration, December 1991*, Statistical Release PO351, 19 March 1992; fax communication from the Department of Home Affairs, 17 April 1998]

Between 1994 and 1997 South Africa experienced a net loss of more than 2 000 economically active people a year. (See also chapter on *Employment*.)

The following chart shows the net gain or loss of economically active people between 1990 and 1997:

Immigration

Legal Immigration

Permanent Residence

According to the Department of Home Affairs, 175 577 people were exempted from repatriation and granted permanent residence in 1997, compared with 89 746 in 1996. This included the 124 073 citizens from member states of the Southern African Development Community (SADC) who received permanent residence following a policy announcement by the minister of home affairs, Chief Mangosuthu Buthelezi, in June 1996 (see also 1996/97 Survey, pp35–36). In terms of the announcement, citizens of SADC states in South Africa who complied with certain conditions could, for a certain period only, apply for exemption from repatriation and acquire permanent residence. A total of 201602 applications were received by 29th November 1996 (the cutoff date).³³ [³³ Department of Home Affairs, annual report, 1996; fax communication from the Department of Home Affairs, 17 April 1998] (See 1996/97 Survey, pp35–36.)

It also included 51 504 migrant mineworkers from neighbouring countries who qualified for permanent residence in terms of a November 1995 agreement between the National Union of Mineworkers, the president, Mr Nelson Mandela, and Chief Buthelezi.³⁴ [³⁴ Department of Home Affairs, annual report, 1996]

Illegal Immigration

A *Draft Green Paper on International Migration* was published by the Department of Home Affairs in May 1997. According to the green paper, unauthorised migrants should in part be dealt with by giving (on a temporary basis) increased opportunities for legal participation in the South African labour market to bona fide economic migrants from SADC countries who had no intention of settling in the country permanently. The paper proposed that new immigration policy should be enforced more effectively, but should be rights-based, ie ‘government action should be restrained in favour of the rights of unauthorised immigrants’. The paper stated that until there was greater economic parity in the SADC region, it would be premature to open up South Africa’s borders for the free movement of people. (See also *Policy* above.)³⁵ [³⁵ Department of Home Affairs, Draft Green Paper on International Migration, *Government Gazette* no 18 033, 30 May 1997]

The minister of home affairs, Chief Mangosuthu Buthelezi, said in April 1997 that it was imperative that illegal immigrants did not have access to social services paid for by the taxpayer. The introduction of a new national identification system (see *Identification Act of 1997* above), would discourage illegal immigrants from using fraudulent identity documents and would make social services largely inaccessible to them.³⁶ [³⁶ *The Star* 30 April 1997]

In May 1997 the cabinet approved a policy which would tighten border control. This initiative was part of the national crime prevention strategy, and aimed, among other things, to curb the inflow of illegal immigrants into the country. The number of land border posts through which bulk commercial goods could be imported or exported, would be reduced from 52 to 19. The international airports authorised to clear international flights would be reduced from 36 to 10.³⁷ [³⁷ *The Citizen* 1 May 1997, *The Star* 13 October 1997]

Repatriation and Deportation

Repatriation is the process whereby a person who has illegally entered a country or whose temporary residence has expired is restored to his/her country of origin. Deportation is where a person is sent back to his/her country of birth from the country where he/she is legally resident if his/her presence in that country becomes undesirable for some reason, or if he/she commits a criminal offence. The person receives a fine or sentence in court, and is not allowed to re-enter the country from which he/she was deported.

According to the Department of Home Affairs, 176 351 illegal immigrants were repatriated in 1997, compared with 180 713 in 1996—a drop of 2%. Most repatriations in 1997 were to Mozambique (83%), Zimbabwe (12%) and Lesotho (2%).³⁸ [³⁸ Department of Home Affairs, annual report, 1996]

In 1997, 851 deportation orders were issued, 178 of which were executed (orders can be carried out only after offenders have served their sentences).³⁹ [³⁹ Ibid]

Policy Review

The Department of Welfare published a draft white paper on population policy in 1997. The main objective of policy would be to systematically integrate population factors into all government policies, plans, programmes and strategies. The paper stated that strong fertility control measures were not acceptable as part of population policy because they were not reconcilable with sustainable human development and human rights. Emphasis should rather be placed on providing equal access to reproductive health care.

The controversy surrounding the number of illegal immigrants in the country and their effect on the economy and society continued during the period under review. The minister of home affairs and various political groupings continued to call for the removal of illegal immigrants from the country.

A Draft Green Paper on International Migration was published by the Department of Home Affairs detailing measures to regulate the flow of people into and out of the country. Illegal immigrants should in part be dealt with by giving increased opportunities for temporary legal participation in the South African labour market to bona fide economic migrants from SADC countries. These economic migrants should not have any intention of settling in the country permanently. According to the paper, until there was greater economic parity in the SADC region it would be premature to open up South Africa's borders to allow the free movement of people.

The paper proposed the introduction of a labour-market related point system to recruit legal immigrants with the skills and expertise needed to contribute to the development of the country. This would address the skill shortage in the economy. However, this process could be hampered by an incomplete and ineffective labour market data collection system. According to the head of the Department of Economics

at the University of the Witwatersrand, Professor Charles Simkins, immigration policy should focus on getting skilled people 'from anywhere we can'. In 1997 South Africa experienced a net loss of people through emigration. This was the fourth consecutive year of net loss.

The Identification Act of 1997 provided for the new national identification system whereby all South African citizens would receive a single, machinereadable identity card containing the thumbprint and photograph of the holder. According to the minister of home affairs, Chief Mangosuthu Buthelezi, the new system would make it more difficult for illegal immigrants to gain access to social services paid for by the South African taxpayer.

Key Projections

- According to the Bureau of Market Research at the University of South Africa, at an average annual growth rate estimated at 2.1% in 1996 the South African population would double in the next 33 years.
- While the African population would double in 29 years, the white population would double in 100 years. The coloured and Asian populations would double in 50 and 52 years respectively. (The estimates did not take into account the effect of AIDS on the population and the influx of large numbers of illegal immigrants.)
- An analysis of the impact of AIDS on the southern African population led the Population Reference Bureau in Washington DC (United States) to reduce its estimate of the South African population by some 21%. According to the revised estimate, South Africa's population would reach some 45.7m in 2010, compared with an earlier estimate of 57.5m.
- According to the Institute for Futures Research at the University of Stellenbosch, the average life expectancy at birth for the South African population would increase from 64.4 years in 1991 to 71.7 years in 2026. The average life expectancy of Africans would increase from 63.2 to 70.9 years, while that of coloured people would increase from 62.5 to 73.9 years.
- By 2026, people in the Western Cape would have an average life expectancy of 73.7 years (the highest in the country), compared with 71 years in the Northern Province (the lowest), the IFR said.

EDUCATION

Bird's Eye View

Teacher rationalisation, which included voluntary severance packages and redeployment, dominated much of the education debate in the period under review. In February 1997 the minister of education, Professor Sibusiso Bengu, acknowledged that the severance deal offered to teachers had failed to attract

the teachers at whom it was aimed. Teacher redeployment was delayed for most of the year as the Department of Education and the Grove Primary School in the Western Cape were involved in legal action regarding redeployment. In November both parties reached an agreement which allowed schools to reject unsuitable teachers on the redeployment lists (previously schools could appoint teachers on these lists only, regardless of their qualifications) and advertise posts.

In the same month the department announced that it had abolished national pupil/teacher ratios and that provincial departments would henceforth determine how many teachers they could afford.

Various policy documents were published by the department addressing issues ranging from school funding to adult basic education. A report on further education provided for the expansion of the publicly funded college sector as well as the development of community colleges. In October the final draft of an adult education strategy aiming to reach some 2.5m adults by 2001 was published.

The department also published two documents on a new language policy, which allowed schools to determine their medium of instruction.

The first phase of Curriculum 2005 was implemented in 1998, starting with grade 1. The department published a draft document on school funding, in terms of which provincial education departments would target the poorest 40% of schools for redress.

Two important acts were assented to by the president during 1997. The Education Laws Amendment Act enabled public schools to appoint additional teachers at their own expense. The Higher Education Act set out the establishment of a single co-ordinated system of higher education.

In August 1997 a survey of some 32000 education institutions found 'serious shortcomings' in schools, ranging from poor access to water, telephones and electricity to the poor condition of many school buildings. Dr Luis Crouch, an economic adviser to the department, said that R3bn would be needed a year over the next decade to eliminate the backlogs in education.

In 1997 senior certificate pass rates dropped to below 50% for the first time since 1979 (the earliest year for which national pass rates were available). Some 47% of all pupils passed the examination, while 12% of those gained university exemption.

The department changed certain terminology as a result of the introduction of Curriculum 2005. 'Standards' became 'grades', covering grade 1 to grade 12 (previously standard 10) and pupils became 'learners'.

Key Points

- In 1997, 47% of candidates who wrote the senior certificate examinations passed, a drop of eight

percentage points from 1996. The number of candidates who obtained matriculation exemption (ie a senior certificate pass good enough to qualify them for university) also dropped, from 16% in 1996 to 12% in 1997.

- Between 1979 and 1997 the number of candidates writing the senior certificate examinations increased by 552%, the number passing the examination increased by 253% and the number obtaining matriculation exemption increased by 112%.
- The number of pupils passing the senior certificate examinations dropped from 287 343 in 1994 to 261 992 in 1997 (by 9%). The number receiving matriculation exemption dropped from 88 497 in 1994 to 68 975 in 1997 (by 22%).
- The total number of degrees, diplomas and certificates awarded by technikons increased by 74% in 1990–95, while the total number awarded by universities increased by 29%.
- Of the total number of degrees, diplomas and certificates awarded by universities and technikons in 1995, 53% went to whites, and 35% to Africans.
- According to the Human Sciences Research Council, in 1995 altogether 476 712 people held degrees in South Africa. Some 28% of the degrees were in literature and philosophy, 12% in commerce, 9% in the natural sciences, and 8% in education.
- According to the *School Register of Needs Survey*, in 1995, 12% of schools had no sanitation facilities, 24% had no water within walking distance, and 59% had no electricity.
- In 1996 there were some 12m pupils enrolled at schools in South Africa, of whom two thirds were in primary school.
- According to Professor Sibusiso Bengu, minister of education, overenrolment of pupils at schools, owing to the high failure rate, which led many pupils to repeat grades, wasted some R1bn annually.
- A report published by the Education Foundation showed that although 85% of maths teachers were professionally qualified as teachers, only 50% had specialised in maths. Similarly, 84% of science teachers were professionally qualified as teachers but only 42% were qualified in science.
- In 1997 Africans comprised 14% of instruction and research staff at universities and 12% at technikons.
- The number of people who completed apprenticeship contracts dropped by 21% from 1991 to 5554 in 1996.

Human Resources

Qualification Profile of the Population

Level of Education

According to the 1995 *October Household Survey*, an annual sample survey done by the Central Statistical Service (CSS), in 1995 some 2.8m people over 20 years old had no education. Some 4m people over 20 years old had matriculation only. About 2m people had some form of post-matriculation education. The following table gives the education levels of the population over 20 years of age in 1995 (the latest year for which figures were available):¹ [¹ 1996/97 Survey, pp151-152]

Education levels of people 20 years and older: 1995^a

African

Coloured

Indian

White

Total

No education

2 640 000

182 000

34 000

8 000

2 864 000

Grade 1 – standard 1

706 000

96 000

6 000

4 000

813 000

Standard 2

776 000

82 000

9 000

2 000

868 000

Standard 3

801 000

108 000

12 000

5 000

927 000

Standard 4

979 000

169 000

23 000

10 000

1 181 000

Standard 5

1 233 000

235 000

34 000

14 000

1 516 000

Standard 6

1 533 000

305 000

71 000

176 000

2 084 000

Standard 7

1 056 000

186 000

36 000

104 000

1 382 000

Standard 8/NTC1^b

1 472 000

231 000

90 000

649 000

2 442 000

Standard 9/NTC2

1 242 000

100 000

44 000

158 000

1 543 000

Standard 10/NTC3

2 110 000

268 000

207 000

1 545 000

4 131 000

Diploma/certificate with standard 9 or less

110 000

9 000

3 000

50 000

173 000

Diploma/certificate with matriculation

634 000

78 000

39 000

549 000

1 300 000

Degree

188 000

24 000

35 000

403 000

649 000

Other

1 000

0

0

4 000

5 000

Unspecified

194 000

8 000

1 000

19 000

223 000

Total

15 676 000

2 079 000

644 000

3 700 000

22 100 000

^a Figures may not add up owing to rounding^b NTC — national technical certificate.

Women constituted 61% of people with no education and men 39%. People with matriculation were almost equally divided between men (51%) and women (49%). However, more men (62%) than women (

The bar chart below compares the education levels of Africans and whites in 1995:

Artisans

According to the CSS, in 1995 there were 1.2m craft and related trade workers in South Africa, an increase of 2.5% over 1994. Of those, 53% were African, 28% were white, 14% were coloured people

and 5% were Indian.³ [³ Ibid]

Literacy

A report entitled *A Survey of Adult Basic Education in South Africa in the 90s*, published in 1996 by the Joint Education Trust, defined illiteracy as fewer than seven years of formal schooling (that is less than grade 7 level—previously standard 5) or its equivalent. The report estimated that in 1994 there were approximately 7.5m people aged 15 and older who were illiterate or ‘severely under-educated’. Nearly 3m were totally unschooled and another 4.5m had so little primary education that they were considered ‘barely literate’. With an estimated adult population of nearly 26m, the figures represented an adult illiteracy rate of 29%. However, the report said that of the 7.5m illiterate people only 5.3m were ‘potential’ participants in adult basic education as the remaining 2.2m illiterate people were either of subnormal intelligence or over 65 years of age. ⁴ [⁴ 1996/97 Survey, p152]

Teachers

In 1995, 8% of teachers in six of the provinces were unqualified (ie they had no teaching qualification, although they might have had other qualifications). Some 27% of teachers were considered underqualified (less than matric and a three-year teaching qualification), while 65% were fully qualified. (No information was available on teacher qualifications in the Eastern Cape, KwaZulu-Natal and the Western Cape.)

The following table provides a breakdown of the proportion of qualified, underqualified, and unqualified teachers in six of the provinces in 1995 (the latest year for which figures were available):⁵ [⁵ Information provided by the Department of Education, 15 September 1997]

Teacher qualifications by province: 1995^a

Proportion of teachers^b *unqualified*

Proportion of teachers^c *underqualified*

Proportion of teachers^d *qualified*

Free State

Public schools

9.4%

40.7%

50.0%

Independent schools

22.2%

15.0%

62.8%

Gauteng

Public schools

3.7%

18.9%

77.4%

Independent schools

21.5%

6.7%

71.8%

Mpumalanga

Public schools

14.2%

23.2%

62.6%

Independent schools

11.7%

4.0%

84.2%

North West

Public schools

12.5%

33.7%

53.8%

Independent schools

14.1%

18.4%

67.5%

Northern Cape

Public schools

12.5%

22.6%

64.9%

Independent schools

32.7%

5.1%

62.2%

Northern Province

Public schools

4.1%

28.5%

67.5%

Independent schools

22.3%

10.7%

67.0%

Total

Public schools

7.7%

27.4%

64.9%

Independent schools

21.1%

7.6%

71.3%

Total for six provinces

8.2%

26.7%

65.1%

a

At the time of writing no information was available for the Eastern Cape, KwaZulu-Natal and the Western Cape. Figures should add up horizontally but may not owing to rounding.

b

Teachers with no teaching qualification. This included teachers who had degrees but no official teacher training qualification. Particularly in the case of independent schools many teachers classified as 'unqualified' were in fact qualified in their particular field but did not have any official teaching qualification.

c

Teachers with less than matric and a three-year teaching qualification.

d

Teachers with matric and a minimum of a three-year teaching qualification.

The graph below shows the proportion of qualified teachers in public school

Types of Qualification

Graduates

According to a register of graduates compiled by the Human Sciences Research Council (HSRC), some 476712 people held degrees in South Africa in 1995 (although some information was still outstanding—see table below). The register included people who had obtained degrees but had emigrated or died without notification being given to the HSRC.

Literature and philosophy degrees comprised the greatest single proportion (28%). Some 12% of all degrees held were in commerce, followed by the natural sciences (9%) and education (8%). The majority of degrees (73%) were held by whites. Africans held 14% of degrees. Some 5% and 3% of degrees were held by Indians and coloured people respectively. (Some 5% of degrees were held by people who did not specify race.) Men held comparatively more degrees (56%) than women (42%), while the sex of 2% was unspecified. The majority of degrees awarded (74%) were bachelor degrees.

About 21% were honours degrees. Together masters and doctoral degrees comprised only 5% of all degrees held. The table below gives a breakdown of the number of degrees held in 1995 (the latest figures available), according to the HSRC register:⁶ [6 Information provided by Mr Johan Jacobs, Human Sciences Research Council (HSRC), 30 January 1998]

<i>Typ</i>
African
Coloured
Indian
White
Unspecified
Total
Accounting, management and administration
804
416
1 834
23 496
735
27 285
Administration
2 002
169
388

2 057

211

4 827

Agriculture, forestry and food technology

654

21

13

8 999

146

9 833

Architecture

49

47

81

4 865

554

5 596

Commerce

4 278

1 165

2 655

46 431

3 900

58 429

Dentistry

221

115

293

3 044

195

3 868

Economics

69

163

17

2 667

101

3 017

Education

12 560

2 207

3 559

17 629

1 669

37 624

Engineering

455

315

634

25 829

768

28 001

Fine arts

218

106

130

5 660

217

6 331

Home economics

53

4

5

1 524

6

1 592

Land surveying

18

5

8

698

19

748

Law

3 827

755

1 743

21 480

1 846

29 651

Library and information

295

87

66

2 213

111

2 772

Literature and philosophy^b

29 028

6 379

6 135

86 871

7 390

135 803

Medicine and optometry

1 039

529

2 106

20 463

1 261

25 398

Natural sciences

3 319

1 457

2 373

35 428

1 960

44 537

Nursing

4 734

384

249

4 516

284

10 167

Other human sciences

37

102

130

3 224

170

3 663

Other health sciences

429

229

481

7 289

423

8 851

Personnel management

90

1

7

839

38

975

Pharmacy

191

156

825

4 979

339

6 490

Quantity surveying

35

13

61

1 786

116

2 011

Social work

2 192

437

559

5 921

348

9 457

Theology

438

197

68

5 412

99

6 214

Town and regional planning

52

17

20

1 599

35

1 723

Veterinary sciences

36

3

10

1 784

16

1 849

Total

67 123

15 479

24 450

346 703

22 957

476 712

a

Data for the following universities are not complete: University of Transkei — no information since 1988; Rand Afrikaans University — no information for 1989 and 1990; University of the North — no information since 1992; and University of Natal — no information since 1993; universities of Durban-Westville and the Witwatersrand — no information for 1995. Data for graduates from the universities of Cape Town, North West, Port Elizabeth, Potchefstroom, Rhodes, Stellenbosch, and Vista include figures for 1996.

b

Includes degrees in communication, clinical psychology, counselling psychology, development studies, journalism, languages, literature, media studies, mental health, philosophy, political science, police sciences, social sciences and translation.

The following table provides a proportional breakdown of the types of degrees held by the South African population in 1995:⁷ [⁷ Ibid]

Typ

African

Coloured

Indian

White

Unspecified

Total

Accounting, management and administration

1.2%

2.7%

7.5%

6.8%

3.2%

5.7%

Administration

3.0%

1.1%

1.6%

0.6%

0.9%

1.0%

Agriculture, forestry and food technology

1.0%

0.1%

0.1

2.6%

0.6%

2.1%

Architecture

0.0%

0.3%

0.3%

1.4%

2.4%

1.2%

Commerce

6.4%

7.5%

10.9%

13.4%

17.0%

12.3%

Dentistry

0.1%

0.7%

1.2%

0.9%

0.8%

0.8%

Economics

0.1%

1.1%

0.1%

0.8%

0.4%

0.6%

Education

18.7%

14.3%

14.6%

5.1%

7.3%

7.9%

Engineering

0.7%

2.0%

2.6%

7.4%

3.3%

5.9%

Fine arts

0.3%

0.7%

0.5%

1.6%

0.9%

1.3%

Home economics

0.1%

0.0%

0.0%

0.4%

0.0%

0.3%

Land surveying

0.0%

0.0%

0.0%

0.2%

0.1%

0.2%

Law

5.7%

4.9%

7.1%

6.2%

8.5%

6.2%

Library and information

0.4%

0.6%

0.3%

0.6%

0.5%

0.6%

Literature and philosophy

43.2%

41.2%

25.1%

25.1%

32.2%

28.5%

Medicine and optometry

1.5%

3.4%

8.6%

5.9%

5.5%

5.3%

Natural sciences

4.9%

9.4%

9.7%

10.2%

8.5%

9.3%

Nursing

7.1%

2.5%

1.0%

1.3%

1.2%

2.1%

Other human sciences

0.1%

0.7%

0.5%

0.9%

0.7%

0.8%

Other health sciences

0.6%

1.5%

2.0%

2.1%

1.8%

1.9%

Personnel management

0.1%

0.0%

0.0%

0.2%

0.2%

0.2%

Pharmacy

0.3%

1.0%

3.4%

1.4%

1.5%

1.4%

Quantity surveying

0.1%

0.1%

0.2%

0.5%

0.5%

0.4%

Social work

3.3%

2.8%

2.3%

1.7%

1.5%

2.0%

Theology

0.7%

1.3%

0.3%

1.6%

0.4%

1.3%

Town and regional planning

0.1%

0.1%

0.1%

0.5%

0.2%

0.4%

Veterinary sciences

0.1%

0.0%

0.0%

0.5%

0.1%

0.4%

Total^b

100.0%

100.0%

100.0%

100.0%

100.0%

100.0%

a

Data for the following universities are not complete: University of Transkei — no information since 1988; Rand Afrikaans University — no information for 1989 and 1990; University of the North — no information since 1992; and University of Natal — no information since 1993; universities of Durban-Westville and the Witwatersrand — no information for 1995. Data for graduates from the universities of Cape Town, North West, Port Elizabeth, Potchefstroom, Rhodes, Stellenbosch, and Vista include figures for 1996.

b

Figures may not add up owing to rounding.

The chart below provides a breakdown of the top eight types of degrees held by South Africans in 1995:

The number of degrees held increased by 41 648 or 10% from 1994 to 1995. The increase is slightly lower than the 44 305 degrees awarded in 1995 (see also *University degrees, diplomas and certificates awarded* below). However, figures for 1994 and 1995 were not strictly comparable, as some universities had failed to submit their figures to the HSRC for those years, while others had already submitted figures for the following years.

Artisans

At the time of writing there was no information available on the number of qualified artisans in South Africa. However, figures compiled by the South African Institute of Race Relations between 1980 and 1996 indicated that since 1980, 99398 people had passed trade tests, which qualified them as artisans (this excluded figures for 1987 and 1988) (see *Trade tests passed* below).

Education Output

Senior Certificate Pass Rate

In 1997, 47% of candidates who wrote the senior certificate examinations passed (based on preliminary figures)—a drop of eight percentage points over 1996. The number of candidates who obtained matriculation exemption (ie high enough marks to gain entry into university) also dropped, from 16% in 1996 to 12% in 1997.

The table below shows a breakdown of the number of senior certificate candidates, the pass rate and matric exemptions from 1979 to 1997 (including the former homelands):⁸ [8 Research Institute for Education Planning, University of the Orange Free State, Education and Manpower Development, various years; information provided by the Department of Education, 8 January 1998]

Senior certificate results: 1979–97

CanPass^a

Matric exemption^b

Number

Proportion

Number

Proportion

1979

85 276

74 313

87%

32 460

38%

1980

109 807

82 597

75%

34 011

31%

1981

125 291

88 639

71%

34 742

28%

1982

139 488

95 916

69%

35 289

25%

1983

154 245

104 183

68%

37 666

24%

1984

167 842

113 852

68%

40 787

24%

1985

164 967

110 810

67%

41 164

25%

1986

193 369

133 373

69%

48 025

25%

1987

245 509

170 856

70%

60 195

25%

1988

291 349

199 742

69%

68 700

24%

1989

316 842

185 092

58%

61 223

19%

1990

360 452

191 249

53%

60 281

17%

1991

408 468

221 407

54%

73 054

18%

1992

448 491

250 527

56%

75 601

17%

1993

472 458

242 310

51%

68 820

15%

1994

495 408

287 343

58%

88 497

18%

1995

531 453

283 742

53%

78 821

15%

1996^c

518 032

278 958

55%

79 768

16%

1997^d

556 246

261 992

47%

68 975

12%

a

Proportion of total candidates who passed the senior certificate examinations.

b

Proportion of total candidates who obtained a matriculation exemption.

c

The proportion of candidates who passed and who obtained matriculation exemption excluded those who were awaiting results at the time.

d

Figures for 1996 and 1997 were preliminary and consisted of full-time students who wrote six or more subjects. It excluded supplementary examinations.

The graph below shows the number of senior certificate passes and exemptions f

The following table shows the senior certificate results by province for the period 1994–97:⁹ [9 Information

provided by the Department of Education, 8 January 1998; CSS, Census 96: Preliminary estimates of the size of the population of South Africa, June 1997]

Senior certificate results by province: 1994–1997

Number of candidates

Proportion passed

Proportion with matriculation exemption

Eastern Cape

1994

73 728

57%

14%

1995

67 397

48%

11%

1996

66 809

49%

11%

1997

76 700

45%

9%

Free State

1994

30 278

56%

15%

1995

33 147

50%

12%

1996

35 554

51%

12%

1997

40 027

42%

11%

Gauteng

1994

75 266

61%

21%

1995

79 215

58%

19%

1996

72 959

61%

20%

1997

75 700

52%

17%

KwaZulu-Natal

1994

75 409

68%

26%

1995

87 053

69%

25%

1996

86 608

62%

23%

1997

104 434

53%

18%

Mpumalanga

1994

40 113

48%

11%

1995

45 479

38%

8%

1996

41 731

47%

10%

1997

37 734

46%

9%

North West

1994

34 984

70%

23%

1995

41 950

66%

17%

1996

46 349

70%

17%

1997

48 534

50%

11%

Northern Cape

1994

5 855

78%

21%

1995

6 529

75%

17%

1996

7 111

74%

18%

1997

7 604

64%

15%

Northern Province

1994

129 951

44%

12%

1995

138 816

38%

8%

1996

126 081

39%

8%

1997

127 337

32%

6%

Western Cape

1994

29 824

86%

29%

1995

31 867

83%

27%

1996

34 830

80%

35%

1997

37 197

76%

24%

South Africa

1994

495 408

58%

18%

1995
531 453
53%
15%
1996^a
518 032
55%
16%
1997^a
556 246^b
47%
12%

a

Figures for 1996 and 1997 consisted of full-time pupils who wrote six or more subjects.

b

The total figure for South Africa included some 1 000 pupils who were awaiting their results. However, provincial figures excluded these pupils.

The graph below compares s

According to the Independent Examinations Board (IEB), which ran national public examinations in schools and adult education centres, the number of schools writing the IEB examinations had increased from 29 in 1995 to 93 in 1997 (by 221%). The total number of pupils writing the examinations had increased from 1 335 to 4268 full-time pupils over the same period (by 220%). In 1997, 96% of

candidates writing the IEB examinations passed, 81% receiving matriculation endorsement. Altogether 2005 distinctions were obtained. The rest of the examinations were set by the nine provincial education departments, the 'Beweging vir Volkseie Onderrig' and 'the School of Tomorrow'.¹⁰ [¹⁰ Independent Examinations Board Press Release, 1997 IEB Senior Certificate Examination Results, 23 December 1997; information provided by the South African Certification Council, 21 April 1998]

Trends in Senior Certificate Output

In the period 1979–97 the number of candidates writing the senior certificate examinations increased by some 552%. The number who passed the examination over the same period increased by 253%, while the number obtaining matriculation exemption increased by 112%.¹¹ [¹¹ Personal communication with Ms Helen Perry, Department of Education, 12 January 1998]

In 1997 the overall senior certificate pass rate dropped to 47%, eight percentage points lower than in 1996 and the first time since 1979 that it dropped below 50%. From 1980 to 1988 the overall pass rate varied from a high of 75% in 1980 to a low of 67% in 1985. Thereafter it dropped to below 60%, reaching a low of 51% in 1993. From 1994 the pass rate dropped consistently, from 58% in 1994 to 47% in 1997 (with the exception of an increase in 1996 to 55%). Overall matriculation exemption declined from 38% in 1979 to 12% in 1997.

Trade Tests Passed

In 1996 some 11000 apprentices wrote trade tests to qualify as nationally recognised artisans. Of these, 62% passed—an increase of 40% over the number who had passed in 1995 (see *Industrial training and apprenticeship* below).

The following table shows the number of people who wrote trade tests and the number who passed between 1980 and 1996:¹² [¹² 1996/97 Survey, p164; Department of Labour, annual report 1996, 1997]

Trade tests written and passed: 1980–96

Year

Written

Passed

Proportion passed

Tests passed increase (decrease)

1980

9 016

5 033

55.8%

N/A

1981

9 098

5 299

58.2%

5.3%

1982

10 604

5 892

55.6%

11.2%

1983

12 757

6 531

51.2%

10.8%

1984

14 577

7 243

49.7%

10.9%

1985

16 565

8 404

50.7%

16.0%

1986

14 757

7 693

52.1%

(8.5%)

1987

N/A

N/A

N/A

N/A

1988

N/A

N/A

N/A

N/A

1989

14 431

6 716

46.5%

N/A

1990

12 885

6 095

47.3%

(9.2%)

1991

12 785

6 220

48.7%

2.0%

1992

14 285

7 276

50.9%

17.0%

1993

16 599

9 371

56.5%

28.8%

1994

10 617

5 943

56.0%

(36.6%)

1995

8 271

4 872

58.9%

(18.0%)

1996

10 974

6 810

62.1%

39.8%

N/A – Not available.

The graph below shows trade tests passe

Teacher Qualifications Obtained

A spokesman for the Department of Education, Mr M Loots, said in September 1997 that the department was unable to provide figures on the total number of teachers who had qualified in 1996 or earlier as it had not established a data base to monitor teacher output.¹³ [¹³ Personal communication with Ms M Loots, Department of Education, 15 September 1997]

Technikon Degrees, Diplomas and Certificates Awarded

In 1995 a total of 19665 degrees, diplomas and certificates were awarded by technikons in South Africa, compared to 16336 in 1994.

Degrees, diplomas and certificates in public administration were the single most popular in 1995, comprising 28% of all degrees, diplomas and certificates awarded in that year. (In 1990 public administration comprised only 8% of all degrees, diplomas and certificates awarded.) Degrees, diplomas and certificates in commerce comprised 26% of total awards made in 1995—22% in 1990. Degrees, diplomas and certificates awarded in engineering were the third most popular in 1995 (15% of the total), but had dropped from 26% of the total in 1990. The table below gives a breakdown of the number of degrees, diplomas and certificates awarded by technikons from 1990 to 1995:¹⁴ [¹⁴ 1996/97 Survey, p165; information provided by the Department of Education, 19 September 1997]

Degrees, diplomas and certificates awarded by technikons: 1990-95^a

1990

1991

1992

1993

1994

1995

Agriculture^b

408

368

427

469

419

592

Architecture^c

492

527

619

694

710

492

Commerced^d

2 471

3 028

3 275

3 762

4 171

5 067

Communication

216

243

279

340

297

216

Computer science^e

537

552

613

602

657

697

Education

235

267

216

231

299

504

Engineering

2 914

2 973

3 506

3 698

3 889

2 976

Health sciences

1 131

1 305

1 329

1 518

1 607

1 422

Home economics

442

505

575

545

690

560

Industrial arts

199

237

260

285

272

171

Languages^f

10

7

51

51

51

94

Law

5

8

484

29

63

55

Library and museum sciences

63

51

57

69

69

88

Life and physical sciences

471

452

747

574

667

344

Mathematics

30

27

22

47

79

37

Philosophy, religion and theology

5

7

7

4

16

21

Physical education^g

9

6

12

17

25

20

Psychology

9

6

25

30

26

10

Public administration

954

888

631

944

1 137

5 442

Social sciences

196

268

396

427

594

327

Visual/performing arts

520

556

516

586

598

530

Total^h

11 314

12 279

14 048

14 922

16 336

19 665

a

Figures for 1995 exclude graduates from Eastern Cape Technikon, Natal Technikon, Peninsula Technikon and Border Technikon. The Department of Education noted that figures were preliminary. Comparisons with previous years were therefore not entirely accurate.

b

Includes renewable natural resources.

c

Includes environmental design (eg quantity surveying, building management and town planning).

d

Includes business and management sciences.

e

Includes data processing.

f

Includes linguistics and literature.

g

Includes health education and leisure.

h

A formula was used by the Department of Education to calculate the above figures. They therefore may not add up to the totals given. The totals are nevertheless accurate. The total for 1995 was calculated by the South African I

The number of degrees, diplomas and certificates awarded by technikons increased by 74% in the period 1990–95. Between 1990 and 1995 degrees, diplomas and certificates awarded in public administration rose by 470%. The increase in output in commerce and education more than doubled in the same period. Computer science increased by 30%, while engineering hardly increased at all (2%).

University Degrees, Diplomas and Certificates Awarded

In 1995 a total of 57126 degrees, diplomas and certificates were awarded by universities in South Africa—almost the same number as in the previous year but an increase of 29% over the 44371 awarded in 1990.

The total number of degrees, diplomas and certificates awarded by universities increased by 29% from 1990 to 1995. In 1990 the single largest proportion of degrees, diplomas and certificates awarded was in education (23%), followed by commerce (15%). In 1995 degrees awarded in education still comprised the single largest proportion (28%), and degrees in commerce were the second most popular (14%).

While the number of engineering degrees, diplomas and certificates awarded increased by 11% from 1990 to 1995, they comprised only 4% and 3% of the total number of degrees, diplomas and certificates awarded respectively in those years. Similarly, degrees, diplomas and certificates awarded in maths increased by 16% from 1990 to 1995 but constituted only between 1% and 2% of all degrees awarded in those years. The number of degrees, diplomas and certificates awarded in life and physical sciences dropped from 5% of all degrees in 1990 to 4% in 1995. Over the same period the number of degrees, diplomas and certificates awarded in public administration increased by 49%.

The following table gives a breakdown of the type of degrees, diplomas and certificates awarded by universities from 1990 to 1995 (excluding the former 'independent' homelands):¹⁵ [¹⁵ 1996/97 Survey, pp167, 168; information provided by the Department of Education, 19 September 1997]

Degrees, diplomas and certificates awarded by universities in South Africa: 1990-95^a

1990

1991

1992

1993

1994

1995

Agriculture^b

620

684

615

588

574

405

Architecture^c

642

687

728

666

862

659

Commerce^d

6 511

7 378

7 997

8 448

8 277

8 213

Communication

350

429

460

483

466

530

Computer science^e

786

839

853

923

967

861

Education

10 406

11 839

12 459

12 615

14 295

16 043

Engineering

1 698

1 793

1 943

2 013

2 098

1887

Health sciences

3 889

4 000

4 157

4 035

4 397

4 609

Home economics

164

183

221

199

189

177

Industrial arts

0

1

0

0

0

8

Languages^f

2 763

3 460

3 627

3 853

4 063

3 752

Law

2 848

3 460

3 626

4 060

4 348

3 813

Library and museum sciences

343

438

455

360

413

341

Life and physical sciences

2 339

2 505

2 541

2 618

2 645

2 447

Mathematics

674

802

836

874

853

779

Military science

16

14

3

5

7

2

Philosophy, religion and theology

1 066

1 161

1 073

1 124

1 229

1 257

Physical education

291

295

393

381

399

345

Psychology

2 608

3 060

3 146

3 308

3 472

3 519

Public admin- istration

1 173

1 436

1 481

1 452

1 516

1 749

Social sciences

4 444

5 032

5 121

5 322

5 364

5 037

Visual/performing arts

717

721

774

729

690

693

Total^h

44 371

50 237

52 458

54 081

57 124

57 126

a

Figures for 1995 graduates exclude the universities of Natal, the North and the North West. Figures are therefore not strictly comparable to previous years.

b

Includes renewable natural resources.

c

Includes environmental design.

d

Includes business and management sciences.

e

Includes data processing.

f

Includes literature and linguistics.

g

Includes health education and leisure.

h

The Department of Education used a formula when calculating the above figures. They therefore do not add up to the totals given. The totals are nevertheless accurate. The total for 1995 was calculated by the South African In

All Higher Education Awards

The total number of degrees, diplomas and certificates awarded by universities and technikons increased by 16%, between 1992 and 1995. Awards in public administration increased the most (240%), followed by education (31%). However, in 12 fields there were fewer awards made in 1995 than in 1992. The table below shows the total number of degrees, diplomas and certificates awarded by universities and technikons in 1992 and 1995:¹⁶ [16 1994/95 Survey, pp230, 233; information provided by the Department of Education, 19 September 1997]

Degrees, diplomas and certificates awarded by universities and technikons: 1992 and 1995

1992

1995

Increase/(decrease)1992–95

Agriculture

1 042

997

(4.3%)

Architecture

1 290

1 150

(10.9%)

Commerce

11 273

13 283

17.8%

Communication

738

746

1.1%

Computer science

1 466

1 558

6.3%

Education

12 675

16 548

30.6%

Engineering

5 450

4 863

(10.8%)

Health sciences

5 486

6 029

9.9%

Home economics

796

738

(7.3%)

Industrial arts

260

179

(31.2%)

Languages

3 678

3 847

4.6%

Law

4 110

3 868

(5.9%)

Library and museum sciences

511

431

(15.7%)

Life and physical sciences

3 293

2 791

(15.2%)

Mathematics

858

816

(4.9%)

Military science

3

2

(33.3%)

Philosophy, religion and theology

1 080

1 279

18.4%

Physical education

405

365

9.9%

Psychology^a

—

3 527

N/A

Public administration

2 113

7 190

240.3%

Social sciences

8 688

5 362

(38.3%)

Visual/performing arts

1 290

1 222

(5.3%)

Total^b

66 506

76 791

15.5%

a

The number of psychology degrees, diplomas and certificates awarded in 1992 were included under social sciences. No comparison is therefore possible with 1995 figures.

b

The Department of Education used a formula to calculate the totals. Figures may therefore not add up. The totals are

Universities awarded about 74% of total degrees, diplomas and certificates in 1995. The table below shows the total number of degrees, diplomas and certificates awarded by universities and technikons in 1995, according to race:¹⁷ [¹⁷ Information provided by the Department of Education, 19 September 1997]

Degrees, diplomas and certificates awarded by universities and technikons: 1995^a

African

Coloured

Indian

White

Total

Agriculture

184

9

0

804

997

Architecture

121

36

47

946

1 150

Commerce

2 047

542

811

9 883

13 283

Communication

132

8

49

557

746

Computer science

123

57

149

1 229

1 558

Education

11 928

1 101

814

2 705

16 548

Engineering

594

136

307

3 826

4 863

Health sciences

1 896

327

533

3 273

6 029

Home economics

106

49

42

541

738

Industrial arts

4

7

5

163

179

Languages

2 311

179

149

1 208

3 847

Law

774

210

306

2 578

3 868

Library and museum sciences

142

30

21

238

431

Life and physical sciences

561

274

237

1 719

2 791

Mathematics

135

27

63

591

816

Military science

0

0

0

2

2

Philosophy, religion and theology

509

85

45

640

1 279

Physical education

19

7

13

326

365

Psychology

866

299

229

2 133

3 527

Public administration

2 526

543

535

3 586

7 190

Social sciences

1 931

375

376

2 680

5 362

Visual/performing arts

95

41

44

1 042

1 222

Total^b

27 004

4 342

4 775

40 670

76 791

a

Figures exclude graduates from the universities of Natal, the North and the North West, as well as Eastern Cape Technikon, Peninsula Technikon, Natal Technikon and Border Technikon. Institutions located in the former 'independent' homelands also did not submit information. The Department of Education noted that figures for technikon qualifications were preliminary. Comparisons with previous years were therefore not entirely accurate.

b

Totals as calculated by the South African Insti

The graph below shows the degrees, diplomas, and certificates awarded by universities and technikons for 1995:

Of the total number of degrees, diplomas and certificates awarded in 1995, 53% went to whites, down from 56% in 1994, while 35% went to Africans, up from 30% in 1994. Some 6% went to coloured people (unchanged from 1994) and 6% to Indians (down from 8% from 1994). Some 22% of awards at universities and technikons in 1995 were made in education, 17% in commerce, 9% in public administration and 8% in health sciences. Only 4% of all awards made were in life and physical sciences, and 1% in maths.

The table below shows how the racial composition of these degrees, diplomas and certificates has changed over time. (Note that figures for the various years were incomplete as individual higher education institutions failed to provide information on the number of degrees, diplomas and certificates awarded. However, the table gives a reliable indication of trends over time):¹⁸ [18 1993/94 Survey, p740, p743; 1994/95 Survey, pp230, 233; 1995/96 Survey, p108; 1996/97 Survey, p169; information provided by the Department of Education 19 September 1997]

Proportional breakdown of degrees, diplomas and certificates awarded by universities and technikons by race: 1991–95^a

African

Coloured

Indian

White

1991

23.7%

6.7%

5.6%

64.0%

1992

25.6%

6.7%

5.6%

62.0%

1993

26.9%

6.0%

6.0%

61.1%

1994

30.3%

5.8%

7.6%

56.3%

1995^b

35.2%

5.7%

6.2%

53.0%

a

Figures should add up horizontally but may not owing to rounding. Figures for 1991–94 exclude higher education institutions in the former ‘independent’ homelands.

b

Figures for 1995 exclude the universities of Natal, the North and the North West, as well as Border Technikon, Eastern Cape Technikon, Natal Technikon and Peninsula Technikon.

The graph below shows the racial breakdown of degrees, diplomas, and certificates, awarded by universities and technikons in 1991

Between 1991 and 1995, total awards obtained by Africans increased by 82%, while total awards to whites increased by 2%. In 1991 Africans obtained 24% of all awards in South Africa, and in 1995 they obtained 35% of all awards. Whites obtained 64% of all awards in 1991, and 53% in 1995. Awards obtained by coloured people dropped by one percentage point between these years, while the awards obtained by Indians increased by less than one percentage point.

The table below shows trends in tertiary awards from 1991 to 1995:¹⁹ [19 Information provided by the Department of Education, 19 September 1997; 1993/94 Survey, pp740, 743]

Trends in tertiary awards: 1991–95a

Number of awards: 1991

Proportion of total 1991

Number of awards: 1995

Proportion of total 1995

Increase in number of awards 1991–95

Increase (decrease) 1991–95

African

14 798

24%

27 004

35%

12 206

82.5%

Coloured

4 190

7%

4 342

6%

152

3.6%

Indian

3 511

6%

4 775

6%

1 264

36.0%

White

40 013

64%

40 670

53%

657

1.6%

Total

62 512

100%

76 791

100%

14 279

22.8%

a

Includes degrees, diplomas and certificates awarded by universities and technikons in 1991 and 1

Educational Resources

Finance

The Budget

The director general of finance, Ms Maria Ramos, said in October 1997 that the government had decided to implement a medium-term expenditure framework (MTEF) from 1998/99 which would consist of a three-year rolling budget. This would give departments and provinces a longer term in which to plan and assess their priorities and to implement them. The present one-year budgeting system limited opportunities for prioritisation and often resulted in budget rollovers (see also chapter on *The Economy*).²⁰ [²⁰ *Business Report* 31 October 1997]

In 1998/99 a total amount of R46.8bn was allocated to education, according to the functional

classification of the budget. This amounted to 23% of the total budget (up from 21% in 1997/98) and 7% of gross domestic product (GDP), (a marginal increase of 0.4 percentage points from 1997/98).²¹ [²¹ Department of Finance, *Budget Review 1998*, 1998]

In 1997/98 a total amount of R40.3bn was allocated to education (some 21% of the total budget and 7% of GDP). This was an increase of 3% over the R39.2bn allocated in 1996/97, according to the functional classification of the budget.²² [²² Department of Finance, *Budget Review 1997*, March 1997]

In terms of the MTEF, which set out three-year spending plans for national and provincial governments, spending on education would increase from R46.8bn in 1998/99 to R52.2bn in 2000/01 (in nominal terms). The average annual growth rate in education expenditure would be 3.4% over this period. However, the MTEF envisaged that spending on education as a proportion of the total budget would drop from 22.8% in 1998/99 to 21.8% in 2000/01. Similarly, as a proportion of total GDP education spending would drop from 7% to 6.5% over the same period. According to the 1998 *Budget Review*, the increase in spending would be predominantly in university and technikon funding (between 7% and 10% annually)—to reflect ‘improved access to and rising demand’ for higher education. Provincial education spending would increase by a ‘modest’ 3% average over the three years because of ‘very substantial increases’ that have occurred in recent years.²³ [²³ *Ibid*] (See also chapter on *The Economy*.)

Allocations to Levels of Education

The table below gives a breakdown of the estimated expenditure on preprimary through to higher education from 1994/95 to 1997/98:²⁴ [²⁴ *Ibid*]

Estimated education expenditure: 1994/95–1997/98^a

1994/95

1995/96

1996/97

1997/98

Rm

Rm

Rm

Rm

Preprimary, primary and secondary

26 520

28 959

32 333

33 074

Higher

4 330

5 635

6 833

7 196

Total^b

30 850

34 594

39 166

40 271

a

Estimated education expenditure as set out in the functional classification of the budget. This included amounts allocated to education by other departments, for example by the Department of Labour for training purposes.

b

Figures may not add up owing to rounding.

The bar chart below shows the allocations to education from 1994/95 to 1

Higher Education

Expenditure on higher education as a proportion of total education expenditure increased from 14% in 1994/95 to nearly 18% in 1997/98. According to the 1997 *Budget Review*, the 1997/98 higher education programme included R5.4bn for transfers to universities. Of the amount, R200m was earmarked for the National Student Financial Aid Scheme. The general subsidy formula allocations to universities and technikons increased by 12% and would provide for an average funding level of 66% in 1997 (ie the amount allocated as a proportion of the tertiary funding requirement—down from a funding level of 68% in 1996/97).²⁵ [²⁵ 1996/97 Survey, p171; Department of Finance, *Budget Review*, March 1997]

Financial Assistance to Students

In 1996 some 67000 needy students at higher education institutions received loans from the National Student Financial Aid Scheme. A total amount of R300m was disbursed to students—an average of R4478 per student.²⁶ [²⁶ South African Chamber of Business, *This Week in Parliament*, 10 June 1997]

According to Mr Roy Jackson, head of the Tertiary Education Fund of South Africa (Tefsa), between 60000 and 70000 university and technikon students would receive financial aid in 1997/98. A total amount of R363m had been made available to assist needy students, of which the government donated R200m. The remainder came from donors. Each student would receive approximately R5500.²⁷ [²⁷ Information provided by Mr Roy Jackson, head of the Tertiary Education Fund of South Africa, 9 October 1997]

The Education Foundation said in October 1997 that institutions with a majority of black students received substantially more student aid from the government (excluding other sources of aid) than institutions with a substantial white enrolment. All institutions which received more than R1000 per capita in the form of student aid were traditionally black institutions. The University of Zululand received the highest per capita financial aid (R2098), followed by the universities of the North (R1998) and Fort Hare (R1698). The University of South Africa received the lowest per capita aid (R84), while the universities of Pretoria, Rand Afrikaans, and Stellenbosch all received less than R200 per capita.²⁸ [²⁸ The Education Foundation, *EduSource Data News*, October 1997]

The chief director of higher education, Mr Ahmed Essop, said in May 1997 that foreign students studying for undergraduate degrees at South African universities would no longer be subsidised by the government and would have to pay up to three times more for a degree than local students. However, students from member states of the Southern African Development Community would be supported as the government believed in 'regional co-operation and development'.²⁹ [²⁹ *Cape Times* 27 May 1997]

Provincial Allocations

From 1997/98 the central government allocated a lump sum to each province and each province then had to decide how to divide this sum up among its various votes. There is, therefore, no longer any information available on the amounts allocated to education in each province by the central government.

The nine provincial departments of education made the following allocations for education in 1996/97 and 1997/98:³⁰ [Gauteng Provincial Government, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Northern Province, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Eastern Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Free State, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of KwaZulu-Natal, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of Mpumalanga, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Northern Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Western Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; North West Province, *Estimate of Expenditure to be defrayed from the Provincial Revenue Fund during the Financial Year ending 31 March 1998*; personal communication with Mr B Molefe, Department of Finance, 18 November 1997]

Budgeted education expenditure by provinces: 1996/97 and 1997/98

1996/97

1997/98

Increase (decrease)

Rbn

Rbn

Eastern Cape

4.96

5.36

8.1%

Free State

2.05

2.14

4.4%

Gauteng

4.54

5.03

8.8%

KwaZulu-Natal

5.85

6.11

4.4%

Mpumalanga

2.00

1.68

(16%)

North West

2.26

2.68

18.6%

Northern Cape

0.64

0.69

7.8%

Northern Province

4.16

4.00

(3.8%)

Western Cape

3.17

3.30

4.1%

Total^a

29.61

30.99

4.7%

a

Figures may not add up owing to

Breakdown of Provincial Budgets

The table below gives a breakdown of the amounts allocated in 1997/98 by each province to the various sectors of education:³¹ [³¹ Various estimates of expenditure for the provinces 1997/98]

Breakdown of provincial education expenditure: 1997/98

Eastern Cape

Free State

Gauteng

Rm

Rm

Rm

Administration

314.1

138.6

97.7

Auxiliary/associated services

120.7

53.3

166.5

Nonformal education

90.3

15.9

57.9

Private schools

8.5

9.2

168.6

Public schools

4 476.6

1 759.3

3 980.7

Special schools

88.9

60.0

228.5

Teacher training

131.7

64.7

155.3

Technical colleges

126.3

39.9

175.9

Other^a

0.5

—

—

Total^b

5 357.1

2 140.9

5 031.1

a

Other expenses include the salaries of provincial MECs for education.

b

Figures may not add up owing to rounding.

– This particular item was not included in the relevant provin

Breakdown of provincial education expenditure: 1997/98 (continued)

KwaZulu-Natal

Mpumalanga

North West

Rm

Rm

Rm

Administration

214.3

44.1

275.2

Auxiliary/associated services

109.7

18.9

43.7

Nonformal education

20.7

39.8

32.2

Private schools

38.0

5.6

7.1

Public schools

5 325.5

1 429.1

2 200.3

Special schools

131.0

39.4

39.8

Teacher training

176.2

52.5

59.1

Technical colleges

93.3

49.4

18.2

Other^a

16.2

–

–

Total^b

6 124.7

1 678.7

2 675.6

a

Other expenses include salaries of provincial MECs for education.

b

Figures may not add up owing to rounding.

– This particular item was not included in the relevant provin

Breakdown of provincial education expenditure: 1997/98 (continued)

Northern Cape

Northern Province^c

Western Cape

Rm

Rm

Rm

Administration

47.0

622.5

152.8

Auxiliary/associated services

11.6

—

41.2

Nonformal education

6.7

22.6

18.8

Primary education

—

1 634.2

—

Private schools

3.2

—

40.9

Public schools

582.0

—

2 571.7

Secondary education

—

1 436.5

—

Special schools

17.6

65.8

256.1

Teacher training

8.1

170.0

62.8

Technical colleges

15.5

48.4

111.8

Other^a

0.3

0.3

47.3

Total^b

692.2

4 000.4

3 303.4

a

Other expenses include salaries of provincial MECs for education.

b

Figures may not add up owing to rounding.

c

The Northern Province did not allocate money to public and private schools but instead to primary and secondary

education. However, this would include money allocated to public and private education.

– This particular item was not included in the relevant prov

Most of the provincial education departments indicated that the amounts allocated to education in 1997/98 were insufficient to meet their needs.³² [³² *Business Day* 23 July, 8 August, 21 October 1997] According to *Beeld*, the nine provincial education departments would overspend by some R6.2bn in 1997/98 unless the government provided additional funds.³³ [³³ *Beeld* 25 July 1997] At the time of writing no comprehensive figures were available on the amounts by which the provinces overspent.

Per Capita Schooling Expenditure

In 1995/96 and 1996/97 the following amounts were spent per capita on education in each of the provinces:³⁴ [³⁴ Information provided by the Department of Education, 17 November 1997]

Per capita expenditure on education according to province: 1995/96 and 1996/97 a

1995/96 Rand/head

1996/97 Rand/head

Increase (decrease)

Proportion of national average

Eastern Cape

1 984

2 565

29.3%

91.0%

Free State

2 408

2 846

18.2%

100.9%

Gauteng

3 145

3 561

13.2%

126.3%

KwaZulu-Natal

2 213

2 441

10.3%

86.6%

Mpumalanga

2 065

2 513

21.7%

89.1%

North West

2 301

2 890

25.6%

102.5%

Northern Cape

4 093

3 819

(6.7%)

135.4%

Northern Province

1 823

2 307

26.5%

81.8%

Western Cape

3 950

4 522

14.5%

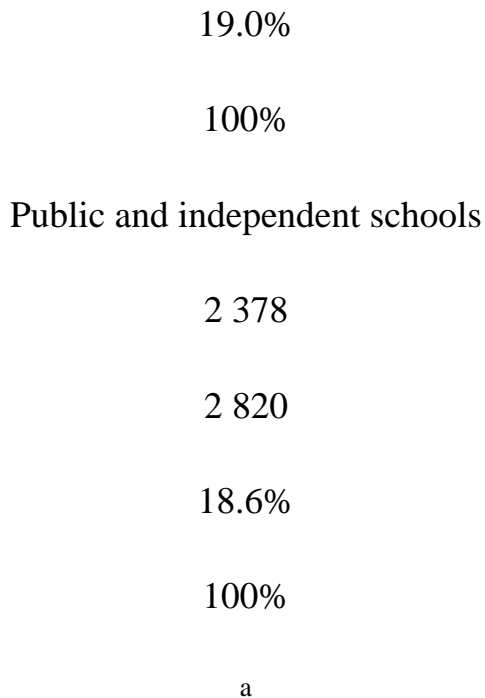
160.4%

National average

Public schools

2 384

2 838



Expenditure per full-time equivalent learner in nominal figures. Figures cover independent as well as public schools.

The average amount spent per head on public school education increased by 19%, from R2384 in 1995/96 to R2838 in 1996/97. If independent schools are included the average amount spent per head increased by 18.6%, from R2 378 to R2 820 over the same period. The average amount spent per head in the nine provinces increased by between 10% and 29% over the same period. The Northern Cape was the only province where the amount spent dropped, by some 7%. However, average spending per head on public education in the Northern Cape was 135% of the national average, the second highest after the Weste

The bar chart below shows the per capita expenditure on education for 1996/97:

Schooling

Much of the data on schooling came from the *School Register of Needs Survey*, which was published in August 1997 by the Department of Education and updated by the Human Sciences Research Council (HSRC) in 1998. The survey highlighted conditions in schools across South Africa. Information from the register should be regarded as preliminary, since institutions such as the HSRC and the Education Foundation were still cleaning the data at the time of writing. Information on certain issues was not available for all schools in the country for various reasons, including the failure of some schools to provide it.

With the introduction of Curriculum 2005 (see *Curriculum* below) the Department of Education changed certain terminology. 'Standards' became 'grades', covering grade 1 to grade 12 (previously standard 10) and 'pupils' became 'learners'. (The *Survey* retains the conventional terminology.)

Pupils

Enrolment

In 1996 some 12m pupils were enrolled at schools in South Africa (including independent schools). No comparisons with previous years were possible as different sources were used. The following table shows the number of enrolments in 1996 according to province (figures for 1997 were not available at the time of writing):³⁵ [35 Update of the *School Register of Needs Survey* by the HSRC, 20 April 1998]

Pupil enrolments by province: 1996^a

Primary school enrolments

Secondary school enrolments

Special, combined and intermediate school enrolments

Total enrolments

Proportion of total pupils

Primary/ secondary ratio

Eastern Cape

1 255 520

416 526

561 951

2 233 997

18.8%

3:1

Free State

453 977

234 325

101 631

789 933

6.6%

2:1

Gauteng

822 795

469 224

135 853

1 427 872

12.0%

2:1

KwaZulu-Natal

1 749 679

747 502

101 392

2 598 573

21.8%

2:1

Mpumalanga

564 218

265 017

75 358

904 593

7.6%

2:1

North West

555 695

218 289

184 136

958 120

8.1%

3:1

Northern Cape

124 011

49 182

23 248

196 441

1.7%

3:1

Northern Province

1 183 122

695 590

24 308

1 903 020

16.0%

2:1

Western Cape

556 041

256 617

72 758

885 416

7.4%

2:1

Total

7 265 058

3 352 272

1 280 635

11 897 965

100.0%

2:1

a

Includes pupils at both public and independent schools. Excludes pupils at technical colleges.

In 1996 two thirds of pupils were enrolled at primary school level and the remainder at secondary school level.

The 2:1 primary/secondary ratio in South Africa was strongly influenced by high population growth, high repeater rates and drop-out rates, according to the *School Register of Needs Survey*. The internationally accepted norm for this ratio was 3:1, ie meaning three pupils enrolled in the primary phase for every one secondary school enrolment. The larger the number of pupils in the primary phase for every one pupil in the secondary phase, the worse off the province was considered to be in terms of the flow to secondary education. The survey remarked that although the South African ratio was more favourable than the international norm, the high repeater rates in secondary schools distorted th

The minister of education, Professor Sibusiso Bengu, said in August 1997 that some 563 501 children between the ages of six and 14 were not attending school, based on figures provided in the 1995 *October Household Survey*. However, Professor Bengu cautioned that the figures were based on a sample and could therefore be 'subject to a sampling error'.³⁷ [³⁷ *Sowetan* 7 August 1997]

A study published by the Education Foundation in December 1997 found that a 'gross lack of access' to educational institutions was a 'largely mythical' problem in South Africa. However, the educational system was 'habitually clogged' with over-enrolment due to repetition. The clogging was particularly acute in grades 1, 8, and 12. The clogging robbed the education system of between 20% and 40% of its potential efficiency. According to the study, about 50% of African youth made it through the 12-year educational system to enrol for grade 12. However, only 25%–30% of all young adults obtained a pass in the grade 12 examinations. The study said that the youth invested more than 12 years of their lives at school, to achieve only a one in four or a one in three chance of entering adulthood with a grade 12 pass.³⁸ [³⁸ The Education Foundation, *EduSource Data News*, December 1997]

Professor Bengu said in December 1997 that over-enrolment at schools resulted in wastage of some R1bn a year. The average over-enrolment in grade 1 was about 67% nationally and as high as 100% in Mpumalanga. The main reasons for over-enrolment were cross-border migration, the enrolment of under-age pupils and repetition. The average over-enrolment in grade 12 was 10%, but stood at 45% in the Northern Province.³⁹ [³⁹ *Business Day* 11 December 1997]

Provision of Schools and Facilities

According to an economic adviser to the Department of Education, Dr Luis Crouch, the government would have to find an additional R3bn a year over the next decade to eliminate the backlogs in education. Estimates by the Department of Public Works showed that classroom backlogs alone could cost nearly R3bn to eliminate. The cost of building enough lavatories to meet a ratio of 20 pupils per lavatory could exceed R8bn, at an estimated cost of R3000 per lavatory. Special facilities such as libraries and laboratories would cost 'at least' R80000 each, according to Dr Crouch.⁴⁰ [⁴⁰ *Mail and Guardian* 8 August 1997]

Number of Schools

According to the *School Register of Needs Survey*, updated by the Human Sciences Research Council, in 1996 there were a total of 27066 schools (including independent schools) in South Africa. Nationally, 70% of schools were primary schools, 20% were secondary schools, 7% were combined schools (combining primary and secondary grades), 2% were intermediate schools (standard five to seven), and 1% were special schools.

The table below shows the number of schools by type of school and by province in 1996:⁴¹ [⁴¹ Update of the *School Register of Needs Survey* by the HSRC, 20 April 1998]

Number of schools by province:1996^a

Primary schools

Secondary schools

Combined schools

Special schools

Intermediate schools

Total

Eastern Cape

3 915

792

1018

24

167

5 916

Free State

2 438

259

148

18

35

2 898

Gauteng

1 410

535

206

60

18

2 229

KwaZulu-Natal

3 741

1 285

145

39

24

5 234

Mpumalanga

1 416

334

113

12

25

1 900

North West

1 621

321

120

39

312

2 413

Northern Cape

397

77

52

1

3

530

Northern Province

2 719

1 368

61

11

15

4 174

Western Cape

1 271

309

120

67

5

1 772

Total

18 928

5 280

1 983

271

604

27 066

a

Includes public and independent schools.

The table below shows the proportion of schools in each province according to their enrolm

Proportion of schools in each province by enrolment size: 1996^a

0–500 pupils

501–1 000 pupils

More than 1 000 pupils

Eastern Cape

71%

25%

4%

Free State

78%

13%

9%

Gauteng

38%

45%

17%

KwaZulu-Natal

56%

36%

9%

Mpumalanga

56%

32%

12%

North West

68%

25%

6%

Northern Cape

68%

24%

8%

Northern Province

61%

33%

6%

Western Cape

56%

29%

15%

South Africa

62%

30%

8%

a

Figures should add up horizontally but may not owing to

In 1996 a total of 1227 schools were platooning (ie two schools using the same building at different times and having different staff and pupils)—about 5% of all schools. The following table shows the number and proportion of schools in each province platooning in 1996:⁴³ [⁴³ Ibid]

Number of schools platooning: 1996^a

Number

Proportion

As a proportion of total schools in each province

Eastern Cape

197

16%

3%

Free State

100

8%

4%

Gauteng

176

14%

8%

KwaZulu-Natal

234

19%

5%

Mpumalanga

93

8%

5%

North West

136

11%

6%

Northern Cape

14

1%

3%

Northern Province

169

14%

4%

Western Cape

108

9%

6%

Total

1 227

100%

5%

a

Double shifts or use of the same premises for two schools (ie groups of

Pupil/classroom Ratios

In 1996 the overall pupil/classroom ratio varied from 31:1 in the Western Cape to 55:1 in the Eastern Cape. In four of the provinces, the Eastern Cape, KwaZulu-Natal, Mpumalanga and the Northern Province, the ratio was above the upper limit of 40:1 set by the Department of Education. However, the survey noted that ‘the indicator must be utilised with the greatest care, due to the cancelling effect on aggregated provincial levels’ (ie average provincial ratios concealed very high pupil/teacher ratios of individual schools in the provinces). The survey revealed that there was a countrywide shortage of more than 64000 classrooms—75% of which were in the Eastern Cape, KwaZuluNatal and the Northern Province. The table below shows the overall pupil/ classroom ratios and classroom shortages in 1996 by province (based on a pupil/classroom ratio of 40:1 in all schools):⁴⁴ [⁴⁴ Ibid]

Classroom ratios and shortages by province: 1996a

All instruction rooms^a

Classrooms and multipurpose rooms^b

Pupil/ classroom ratio^c

Class-room shortages^d

Proportion of total shortage^e

Eastern Cape

49 281

40 890

55:1

20 759

32%

Free State

24 563

21 030

38:1

3 132

5%

Gauteng

51 836

42 972

33:1

3 022

5%

KwaZulu-Natal

67 007

59 411

44:1

13 813

21%

Mpumalanga

22 554

20 270

45:1

4 954

8%

North West

26 767

24 309

39:1

3 819

6%

Northern Cape

7 824

6 314

31:1

417

1%

Northern Province

40 915

39 123

49:1

13 213

20%

Western Cape

37 711

27 336

32:1

1 613

3%

Total

328 458

281 655

42:1

64 742

100%

a

Includes art centres, audiovisual rooms, biology and science laboratories, cookery and wood- work centres, computer rooms, geography and history rooms, media centres (libraries), music rooms, needlework centres, permanent and prefabricated classrooms, service rooms (adjoining classrooms), skills centres for career education, technical drawing centres, typing rooms, workshops, and other rooms.

b

Includes permanent and prefabricated classrooms as well as history and geography multipurpose rooms.

c

The pupil/classroom ratio was calculated based on the number of permanent and prefabricated classrooms as well as history and geography multipurpose rooms, but excluding other types of specialised instruction areas

mentioned above.

d

The shortage of classrooms was based on a pupil/classroom ratio of 40 pupils per classroom. The classroom shortage was calculated for each school individually and then added together to determine the province's classroom shortage, thus only including schools with classroom shortages. Only permanent and prefabricated classrooms as well as history and geography multipurpose classrooms were included in determining the classroom shortage.

e

May not add up owing

Condition of School Buildings

The school register of needs survey revealed that almost 17% of school buildings in South Africa were in a 'weak to very weak' condition. The Northern Province, where 33% of school buildings were considered to be weak, faced the most serious problem. The following table provides a proportional breakdown of the condition of schools in each province:⁴⁵ [⁴⁵ Ibid]

Condition of school buildings by province: 1996a

Proportion in province in good – excellent condition

Proportion in province needing minor repairs

Proportion in province in weak – very weak condition

Eastern Cape

40%

45%

15%

Free State

38%

46%

16%

Gauteng

58%

36%

6%

KwaZulu-Natal

29%

48%

23%

Mpumalanga

41%

51%

8%

North West

48%

42%

10%

Northern Cape

40%

49%

11%

Northern Province

38%

30%

33%

Western Cape

80%

20%

1%

Total

42%

41%

17%

a

Proportions should add up horizontally but may not owing to r

Provision of Lavatories

There was a shortage of some 329 153 lavatories at schools in South Africa in 1996, according to the school register of needs survey. Pupil/lavatory shortages were calculated on the assumption that one lavatory would be sufficient for 20 pupils. According to this norm, provinces with the most severe shortages were KwaZulu-Natal (76 287 lavatories), the Northern Province (63 980 lavatories) and the Eastern Cape (69 822 lavatories). The table below shows the lavatory shortage in each province in 1996:⁴⁶ [Ibid]

Lavatory shortages at schools by province: 1996^a

Number

Proportion

Eastern Cape

69 822

21%

Free State

19 173

6%

Gauteng

26 966

8%

KwaZulu-Natal

76 287

23%

Mpumalanga

27 656

8%

North West

25 238

8%

Northern Cape

3 822

1%

Northern Province

63 980

19%

Western Cape

16 209

5%

Total

329 153

100%

a

The shortage of lavatories was based on a ratio of 20 pupils per lavatory in each school. Schools shortages were added to determine the toilet shortage per province.

Almost half of all schools (46%) had pit latrines, while 34% had a flush system. Less than 7% of all schools had either ventilated improved pit latrines or a bucket system. The remaining 12% of schools had no sanitation

Water Supply

According to the school register of needs survey, 24% of schools in the country had no water available within walking distance. The worst off provinces in terms of water availability were the Northern Province (49% of schools with no water), the Eastern Cape (34%), KwaZulu-Natal (24%) and the Free State (22%). Some 40% of all schools had water on site, 26% had water indoors, 8% had access to a

communal tap and 2% had other access to water, as indicated in the table below:⁴⁷ [47 Ibid]

Water availability at schools by province and by source: 1996a

Communal tap

Indoors

On site

Other water source

Not available

Eastern Cape

6%

9%

49%

2%

34%

Free State

15%

17%

46%

1%

22%

Gauteng

3%

55%

40%

0%

2%

KwaZulu-Natal

7%

31%

34%

4%

24%

Mpumalanga

9%

19%

55%

2%

17%

North West

8%

17%

67%

1%

7%

Northern Cape

4%

54%

38%

0%

4%

Northern Province

15%

21%

13%

1%

49%

Western Cape

1%

75%

20%

0%

4%

South Africa

8%

26%

40%

2%

24%

a

Figures should add up horizontally but may not owing to

Electricity Supply

Fewer than half of all schools in South Africa (41%) had power supply in 1996. The provinces most affected by the lack of power supply at schools were the Eastern Cape (82%), the Northern Province (79%) and KwaZulu-Natal (63%). Schools in Gauteng and the Western Cape generally had access to power supply, as indicated in the table below:⁴⁸ [48 Ibid]

Electricity supply at schools by province: 1996

Number of schools with electricity^a

Number of schools without electricity^b

Proportion in province without electricity

Eastern Cape

1 082

4 799

82%

Free State

1 200

1 663

58%

Gauteng

1 929

286

13%

KwaZulu-Natal

1 944

3 267

63%

Mpumalanga

957

931

49%

North West

1 004

1 382

58%

Northern Cape

412

111

21%

Northern Province

873

3 270

79%

Western Cape

1 553

202

12%

South Africa

10 954

15 911

59%

a

Includes only schools that are wired and supplied with electricity.

b

Includes schools that are wired but not supplied with ele

Telephone Access

The table below shows the proportion of schools in each province with access to telephones in 1996:⁴⁹
 [49 Ibid]

Schools with telephones: 1996

Number

Proportion

Eastern Cape

1 087

19%

Free State

722

25%

Gauteng

1 878

85%

KwaZulu-Natal

1 768

34%

Mpumalanga

695

37%

North West

859

37%

Northern Cape

399

77%

Northern Province

1 299

31%

Western Cape

1 544

88%

Total

10 251

38%

In six of the provinces, ie the Eastern Cape, Free State, KwaZulu-Natal, Mpumalanga, North West and Northern Province, less than 40% of schools had access to telephones. However, in the more urbanised provinces, ie Gauteng and the Western Cape, more than 85% of schools had access to

The graph below shows the proportion of schools by province without access to water, electricity or telephones in 1996:

Availability of Media Centres

The survey found that less than 50% of all primary schools had media centres (ie libraries), although the availability of media centres varied from between 2% of all primary schools in the Northern Province to

42% in the Western Cape. Secondary schools generally had better access to media centres. However, in only four provinces, the Free State, Gauteng, the Northern Cape and the Western Cape did more than 50% of secondary schools have media centres. In the Northern Province only 10% of secondary schools had media centres, followed by the Eastern Cape (26%) and KwaZulu-Natal (30%). The table below shows the proportion of schools with media centres in each province in 1996:⁵⁰ [⁵⁰ Ibid]

Proportion of schools with media centres: 1996

Primary schools

Secondary schools

Eastern Cape

4%

26%

Free State

4%

68%

Gauteng

34%

71%

KwaZulu-Natal

12%

30%

Mpumalanga

8%

40%

North West

6%

47%

Northern Cape

23%

74%

Northern Province

2%

10%

Western Cape

Availability of Furniture, Equipment and Materials

The school register of needs survey noted that the provision of media equipment (ie movable property which is not part of media collections) and media collections (ie books, videos, journals etc) was 'almost non-existent'. Of the total number of schools, 82% had no media equipment and 73% had no media collections as shown in the table below:⁵¹ [⁵¹ Ibid]

National provision of resources to schools: 1996

No provision

Inadequate provision

Adequate provision

Media collections^a

73%

17%

11%

Media equipment^b

82%

10%

8%

Equipment^c

73%

17%

10%

Materials^d

67%

22%

12%

Stationery

3%

35%

62%

Textbooks

2%

49%

49%

a

Media collections include computer programmes, journals, library books, records, transparencies, and videotapes.

b

Media equipment includes all movable property which is not part of media collections such as video recorders, television sets, and computers.

c

Equipment required for specialised classes, such as musical instruments, sewing and workshop machines, and typewriters.

d

Materials required for specialised subjects, such as ingredients for science experiments and cooking and baking ingredients for home economic classes.

Stationery was adequately provided to some 62% of schools. Only 49% of schools had adequate provision of textbooks. Of the total number of schools, 73% had no equipment and 67% had n

Private Schooling

Independent Schools

The following table shows the number of enrolments and teachers at independent schools in 1996. (Figures are, however, not entirely accurate because of the difficulty to classify certain schools as public or independent. For example, some Catholic schools were privately owned but situated on public land. There were no accurate figures available for the number of independent schools in South Africa at the time of writing):⁵² [⁵² Information provided by the HSRC, 15 October 1997]

Number of enrolments and teachers at independent schools: 1996

—————*Enrolments*—————

Teachers

Pupil/ teacher ratio (rounded)

Primary schools

Secondary schools

Combined and intermediate schools^a

Total

Eastern Cape

6 330

1 640

3 051

11 021

522

21:1

Free State

5 696

3 894

3 409

12 999

599

22:1

Gauteng

28 214

20 002

23 751

71 967

3 922

18:1

KwaZulu-Natal

120 984

49 273

8 557

178 814

5 990

30:1

Mpumalanga

2 915

2 512

2 581

8 008

347

23:1

North West

33 621

9 939

15 057

58 617

2 098

28:1

Northern Cape

64

706

447

1 217

81

15:1

Northern Province

24 339

8 119

3 034

35 491

1 263

28:1

Western Cape

5 638

976

4 465

11 079

805

14:1

Total^b

227 801

97 060

64 352

389 213

15 627

25:1

a

Combined schools include pupils from grade 1 through to grade 12. Intermediate schools consist of pupils in grades 7 to 9 (standards 5 to 7).

b

Figures are not comparable with 1995 as different methodologies were used.

KwaZulu-Natal had the largest proportion of independent school enrolments (46%) as well as 38% of all independent school teachers. Overall only 3% of all pupils in South Africa were enrolled at independent schools. Pupil/ teacher ratios at independent schools varied considerably between provinces—from 14:1

in the Western Cape to as high as 30:1 in KwaZulu-Natal. The average pupil/teacher ratio for all prov

Home-Based Schooling

According to the chairman of the Association of Home Schooling, Mr Leendert van Oostrum, in 1997 there were approximately 1500 home schooling families in South Africa. He estimated that up to 2500 pupils received home schooling. Between 10% and 30% of all home schooling families in South Africa were involved in organised home schooling, the remainder were home schooling 'underground'.⁵³ [⁵³ Personal communication with Mr Leendert van Oostrum, chairman of the Association for Home Schooling, 19 September 1997]

Teachers

In 1997 a new, unified and officially recognised teachers' council, the South African Council for Educators, was established by the Department of Education. The council was given powers to draw up rules and regulations for teachers, thus enabling the teaching profession to regulate itself. All teachers had to register with the council by the end of 1997. In this way the council would ensure that unauthorised teachers would not be able to teach illegally.⁵⁴ [⁵⁴ Wits Education Policy Unit, *Quarterly Review of Education and Training in South Africa*, 15 March 1997] The council had accepted a teacher code of conduct, which would come into effect in 1998. Teachers would not be allowed to abuse pupils physically or psychologically, could not infringe a pupil's right to privacy and would not be allowed to have sexual relationships with pupils.⁵⁵ [⁵⁵ The Education Foundation, *EduSource Data News*, August 1997]

Teacher Numbers

In 1996 there were approximately 375000 teachers employed at public and independent schools in South Africa.

The table below shows the number of teachers working at various types of schools in 1996 by province:⁵⁶ [⁵⁶ Update of the *School Register of Needs Survey* by the HSRC, 20 April 1998]

Teacher numbers by province and category: 1996

Primary

Secondary

Special

Combined

Intermediate

Total

Eastern Cape

33 878

14 396

331

12 542

2 077

63 224

Free State

13 829

7 665

350

2 827

495

25 166

Gauteng

26 413

18 854

1 403

4 914

516

52 100

KwaZulu-Natal

46 147

26 571

468

2 891

383

76 460

Mpumalanga

14 833

8 189

160

1 907

352

25 441

North West

17 732

8 133

338

1 832

4 952

32 987

Northern Cape

4 245

2 155

6

926

27

7 359

Northern Province

33 631

22 503

174

791

150

57 249

Western Cape

19 522

11 488

1 205

2 601

139

34 955

South Africa

210 230

119 954

4 435

31 231

9 091

Teacher Shortages

In January 1997 EduSource published a report entitled *Mathematics and Science Teachers: Demand, Utilisation, Supply, and Training in South Africa*. The report found that South Africa had a shortage of adequately trained teachers in these subjects. Class sizes in maths and science were above the government's recommended average of 35:1 in secondary schools. An analysis based on seven of the nine provinces found that in 1995, 68% of all maths classes and 74% of all science classes had more than 40 pupils per teacher. Estimates based on pupil/teacher ratios of 40:1 revealed that the country needed an additional 2000 maths and 2200 science teachers (assuming that the additional teachers taught maths and science full-time for 36 periods a week). However, more than 3000 maths and more than 5000 science teachers would be required if 85% and 75% of senior secondary pupils (grades 10–12) were to enrol in maths and science respectively.⁵⁷ [⁵⁷ EduSource, *Mathematics and Science Teachers: Demand, Utilisation, Supply, and Training in South Africa*, January 1997]

Teacher Training Facilities

In 1997 there were 82 state colleges of education. The number had dropped by 22% from 1994, when there were 105 colleges. Several colleges were closed down or amalgamated with other colleges during 1996 as provinces introduced measures to limit the intake of new teacher training students (see 1996/97 Survey, pp188–190). The table below shows the number of state colleges of education by province in 1994 and 1997:⁵⁸ [⁵⁸ Information provided by the Department of Education, 8 October 1997]

Number of state colleges of education: 1994 and 1997

1994

1997

Eastern Cape

22

20

Free State

8

8

Gauteng

14

10

KwaZulu-Natal

17

18

Mpumalanga

4

4

North West

8

7

Northern Cape

2

1

Northern Province

22

10

Western Cape

8

4

Total

105

82

The *National Teacher Education Audit*, published in 1995, said that there were 281 institutions providing teacher training in 1994, including private colleges, universities, technikons, the Department of Education and non-governmental organi

Teacher Qualifications

See also *Teacher qualifications obtained* above.

A report published by EduSource in 1997 found that most maths and science teachers were not qualified to teach these subjects. Although 85% of maths teachers were professionally qualified as teachers, only 50% had specialised in maths in their training. Similarly, while 84% of science teachers were professionally qualified, only 42% were qualified in science. An estimated 8000 maths and 8200 science teachers needed to be targeted for in-service training to address the lack of subject knowledge. In addition, teachers in these subjects generally had a low level of teaching experience. Over a third of

maths teachers, over 45% of general science teachers and almost 40% of physical science teachers had less than two years' experience teaching their subject. In this regard the report suggested that the possibility of paying teachers in these subjects differentiated salaries should be explored. It further suggested that consideration be given to establishing one or two specialist maths and science teacher education institutions in order to consolidate such training in fewer but better-resourced colleges of education.⁶⁰ [⁶⁰ EduSource, *Mathematics and Science Teachers: Demand, Utilisation, Supply and Training in South Africa*, January 1997]

Pupil/teacher Ratios

In 1996 all nine provinces had pupil/teacher ratios of below the official targets of 40 and 35 to one in primary and secondary schools respectively, according to information provided by the Human Sciences Research Council. These ratios were set in July 1996 by the Department of Education (1996/97 Survey, p190). Primary schools in KwaZulu-Natal and Mpumalanga had the highest pupil/ teacher ratios, with an average of 38 pupils per teacher. In secondary schools Mpumalanga had a ratio of 32:1—the highest of all secondary school ratios. However, provinces such as the Western Cape (22:1), the Northern Cape (23:1) and Gauteng (25:1) had secondary school pupil/teacher ratios well below the 35:1 prescribed by the government. The table below shows the pupil/teacher ratio by province in 1996:⁶¹ [⁶¹ Own calculations based on information provided by the HSRC, 20 April 1998]

Pupil/teacher ratios by province: 1996^a

Primary school ratio

Secondary school ratio

Eastern Cape

37:1

29:1

Free State

33:1

31:1

Gauteng

31:1

25:1

KwaZulu-Natal

38:1

28:1

Mpumalanga

38:1

33:1

North West

31:1

27:1

Northern Cape

29:1

23:1

Northern Province

35:1

31:1

Western Cape

28:1

22:1

South Africa

35:1

28:1

a

Includes special and independent schools where pupil/teacher ratios are generally below the 40:1 and 35:1 ratios set by the government. Ratios were calculated by the South African Institute of Race Relations.

See also *Independent schools* above.

In December 1997 Professor Bengu announced that the department had abolished national guidelines on pupil/teacher ratios.⁶² [⁶² *Business Day* 23 December 1997, *The Star* 24 December 1997] (See also *Teacher supply and redeploy*

Teacher Supply and Redeployment

By April 1997 more than 19000 teachers had applied for voluntary severance packages. Close to 16000 teachers had been granted packages at a total cost of R1.05bn to the government. Although some 24000 redeployment opportunities had been gazetted, no information was available on the number of redeployments that had taken place. The director of human resources in the Department of Education, Mr Duncan Hindle, said in January 1998 that according to the department's estimates, at least 5 000 teachers had been redeployed, but up to 10 000 still needed to be redeployed, especially into posts which had been provisionally filled by temporary teachers.⁶³ [⁶³ Personal communication with Mr Duncan Hindle, Department of Education, 12 January 1998]

The table below shows the estimated number of teachers in excess by province, the number of applications for voluntary severance packages, the number granted and the cost, as well as the number of redeployment opportunities gazetted by April 1997:⁶⁴ [⁶⁴ Information provided by the Department of Education, February, April 1997; *The Citizen*, *The Star* 11 November 1997]

Teacher redeployment statistics: April 1997

No of teachers in excess

No of voluntary severance applications

No of voluntary severances approved

Cost of voluntary severance packages granted (Rm)^a

No of redeployment opportunities gazetted^b

Eastern Cape

–

1 397

1 176

78.0

4 416

Free State

1 548

922

879

58.3

400

Gauteng

3 000

4 360

3 375

223.8

2 866

KwaZulu-Natal

—

3 200

3 100

205.6

7 000

Mpumalanga

—

1 032

8

0.5

N/A

North West

2 800

1 050

1 007

66.7

3 000

Northern Cape

1 400

522

513

34.0

298

Northern Province

–

630

170

11.2

2 149

Western Cape

5 932

6 195

5 613

372.3

4 157

Total

14 680

19 308

15 841

1 050.4

24 286

a

The average cost of each package amounted to R66 333.

b

By February 1997 some 260 teachers had applied for interprovincial redeployment. No figures were available on the number of teachers who were redeployed in 1997. Redeployment opportunities included the following:

- pos– A dash indicates that no figures were supplied by the Department of Education on excess teachers in particular provinces.

Mr Ihron Rensburg, the deputy director general of education, said in June 1997 that the delay in implementing the teacher redeployment policy was costing the state R47m a month as salaries were being paid to temporary teachers in posts reserved for redeployed teachers and to excess teachers awaiting redeployment.⁶⁵ [⁶⁵ *Business Day* 24 June 1997]

In August 1997 a provincial review report found that most provincial education departments felt that the implementation of voluntary severance packages had ‘drained them of vital skills and experience’.⁶⁶ [⁶⁶ *Eastern Province Herald* 21 August 1997] This was followed by announcements by several provinces in November that the services of temporary teachers would be suspended in 1998 owing to budgetary constraints. The South African Democratic Teachers’ Union (Sadtu) estimated that some 43 000 teachers would be affected by the suspension, many of whom had been in the employment of the state for several years. (However, estimates of the number of teachers to be affected ranged from 20 000 by the Department of Education to 43 000 by Sadtu).⁶⁷ [⁶⁷ *Business Day* 12 December 1997, *The Citizen* 24 December 1997] Sadtu said that a proper audit of all teaching staff should be held before any retrenchments were considered. According to the National Professional Teachers’ Organisation of South Africa (Naptosa), provinces were not overspending on education, but were provided with ‘totally inadequate funding to meet their true educational needs’. Mr Hindle said that temporary teachers had fixed-term contracts and that provinces were ‘simply honouring those contracts by allowing them to expire’. Mr Hindle did not know how many teachers would be affected as the plan was a ‘provincial initiative’.⁶⁸ [⁶⁸ *Business Day*, *The Citizen* 13 November 1997] In January 1998 Sadtu said that it had reached agreement with seven provinces (excluding Gauteng and the Western Cape), to rehire temporary teachers or to postpone plans to allow their contracts to expire.⁶⁹ [⁶⁹ *Business Day* 16 January 1998] It was reported that Gauteng rehired some 3 000 of the 5 000 temporary teachers in the province and the Western Cape rehired 600 of the 3 300 temporary teachers.⁷⁰ [⁷⁰ *Ibid* 27 January 1998]

In June 1997 the Grove Primary School in the Western Cape took the Department of Education to court over the issue of redeployment. The school, supported by 80 other schools, objected to the fact that it

was unable to fill vacant posts with the best applicants available, because it was constrained to choose new teachers from the provincial redeployment lists. The Cape Town High Court found that the minister of education had acted ‘beyond his powers by enforcing a resolution of the Education Labour Relations Council and the department’s “procedure manual” on redeployment rather than the provisions of the South African Schools Act of 1996, which empowered public schools to appoint their own teachers (see 1996/97 Survey, pp229–231). The council had also acted beyond its legal power in passing its redeployment resolutions’. The court confirmed the right of schools with their own governing bodies to appoint teachers of their own choice.⁷¹ [⁷¹ *Business Day*, *The Star* 23 June 1997; *Cape Argus* 3 July 1997]

In August 1997 the minister of education, Professor Sibusiso Bengu, was granted leave to appeal by the Cape Town High Court against the judgement.⁷² [⁷² *Business Day* 5 August 1997] However, in November the school and the department reached a settlement in terms of which public schools would be allowed to reject unsuitable teachers from the redeployment lists and advertise posts if no suitable redeployable teachers were available. The agreement marked a departure from the previous system which forced schools to hire teachers from the list ‘irrespective of their record or level of competence’.⁷³ [⁷³ *Ibid* 14 November 1997]

At the time of writing Mr Hindle said that redeployment had been hampered by:⁷⁴ [⁷⁴ Personal communication with Mr Duncan Hindle, Department of Education, 12 January 1998]

- the reluctance of individuals to move from areas of surplus to areas of need;
- the absence of opportunities for interprovincial redeployment (partly because teacher shortages in provinces had been filled with temporary teachers and the opportunities for interprovincial movement were therefore limited); and
- the judgement in the High Court in the Grove School case.

In December 1997 Professor Bengu announced that the department had abolished national guidelines on learner/teacher ratios as well as its teacher rationalisation programme. Provinces would henceforth decide how many teachers they could afford to employ—based on their individual budgets. Professor Bengu added that this was necessary as the minister of education ‘no longer had a say in provincial education budget allocations and current measures for teacher provisioning do not necessarily harmonise with the budgetary measures’.⁷⁵ [⁷⁵ *Business Day* 23 December 1997, *The Star* 24 December 1997]

Salaries of Teachers

In August 1997 agreement was reached in the Education Labour Relations Council in terms of which 79% of teachers would receive a 9% increase in salary, 11% would receive an 8.5% increase and the

remainder would receive 8%. However, merit awards and ‘acting’ allowances for teachers in acting posts or in acting principal posts would be abolished. No salary progression would take place in 1997/98. The parties agreed to pursue performance-based increases in 1998. The agreement was supported by Sadtu. However, Naptosa and the South African Teachers’ Association opposed the agreement, saying that teachers would lose between R3 000 and R9 000 a year in terms of the agreement.⁷⁶ [⁷⁶ *The Citizen, The Star* 22 August 1997]

Disruptions and Other Problems in School Education

During the period under review no prolonged, nationwide teacher strikes or boycotts occurred. Threats by teachers to strike to force the government to meet their salary demands were largely avoided by an agreement in the Education Labour Relations Council (see *Salaries of teachers* above).

In March 1998 various publishers said that spending on textbooks had ‘dropped dramatically’ over the last few years. In 1995/96, R895m was spent on textbooks and dropped by more than 50% to R425m in 1996/97. The amount spent dropped by a further 60% from 1996/97 to less than R200m in 1997/98. By March 1998, Gauteng and the Western Cape were the only provinces which had placed orders for textbooks, although other provinces were expected to place orders later in the year. An adviser to the minister of education, Mr Thami Mseleku, appealed to parents to help pay for textbooks.⁷⁷ [⁷⁷ *Cape Argus* 24 January 1998, *The Star* 6 March 1998]

Professor Bengu said in May 1997 that the department was aware of the ‘high rate of violence in schools’. The department was addressing the issue through the Culture of Learning, Teaching and Service Campaign, which was launched in February 1997 (see also *Culture of Learning and Teaching Campaign* below). One of the five key components of the campaign focused specifically on issues of crime and violence in schools. The department aimed to eliminate all drugs, rape and sexual harassment, vandalism, weapons and all forms of violence at schools within a three-year period.⁷⁸ [⁷⁸ *Hansard* (NA:Q) 4 cols 785–786, 7 May 1997] The nine provincial departments of education were planning their own programmes of action within the national framework.

The Sunday Independent revealed in August 1997 that ‘millions of learners’ could be without textbooks in 1998 because of cutbacks in provincial government spending on learning materials and delays in book ordering in almost all the provinces. Spending on textbooks was cut by 42% to around R520m in 1996/97, down from R895m in 1995/96. The cutbacks and delays in ordering textbooks had forced several printers and other support industry companies into liquidation.⁷⁹ [⁷⁹ *The Sunday Independent* 24 August 1997]

Technical Training and Apprenticeships

Enrolment at Technical Colleges

The minister of education, Professor Sibusiso Bengu, said in 1995 that there were 154688 learners enrolled at 144 technical colleges in South Africa (the latest year for which figures were available). Of those, 46% were male and 54% were female. The following table shows the actual number of enrolments at technical colleges by province in 1995: 80 [80 1996/97 Survey, p201]

Enrolment at technical colleges: 1995a

Number of colleges

Male

Female

Total

Eastern Cape

25

15 000

30 000

45 000

Free State

10

5 200

8 000

13 200

Gauteng

33

15 000

24 000

39 000

KwaZulu-Natal

23

3 733

2 572

6 305

Mpumalanga

9

8 698

4 819

13 517

North West

6

4 587

2 559

7 146

Northern Cape

6

872

1 271

2 143

Northern Province

14

6 940

2 334

9 274

Western Cape

18

11 774

7 329

19 103

Total

144

71 804

82 884

154 688

a

Figures provide a rough estimate only of the number

The table below shows enrolment at technical colleges from 1987 to 1995 (note that figures are for the actual number enrolled and not for the full-time equivalent):⁸¹ [⁸¹ Ibid, p202]

Enrolment at technical colleges: 1987-95

Number enrolled

Increase (decrease)

1987^a

54 078

N/A

1988^a

58 795

8.7%

1989^a

65 374

11.2%

1990^a

72 174

10.4%

1991^a

76 435

5.9%

1992^a

89 933

17.7%

1993^a

93 044

3.5%

1994^a

91 974

(1.1%)

1995^b

154 688

N/A

a

Excludes the former 'independent' homelands.

b

1995 figures are not comparable with earlier figures, as earlier figures excluded the 'independent' homelands.

N/A – Not available.

The number of students enrolled increased steadily between 1987 and 1993, from some 54000 to 93000 students. In 1994 the number of enrolments dropped slightly by 1% to 92000 students. The apparently large increase in enrolments in 1995 can be partly attributed to the inclusion of the former 'independent

Vocational Training and Apprenticeship

The graph below shows apprenticeship contracts in operation in 1991–96:

In 1996, 21 021 apprenticeship contracts were in operation—a drop of 6% from 1995. The single largest

proportion of contracts (34%) was in the metal industry, followed by the motor industry (20%). From 1991 to 1996 the number of apprenticeship contracts in operation dropped by 21% from 26714 to 21021. The number of apprentices in the metal industry dropped the most in that period (by 2353 or 25%). The number of apprentices grew in only four industries, ie mining, hairdressing, Eskom and electrical contracting.

The following table shows the number of apprenticeship contracts by industry which were in operation from 1991 to 1996:⁸² [82 Department of Labour, annual report 1996, 1997]

Apprenticeship contracts in operation: 1991-96

1991

1992

1993

1994

1995

1996

Aerospace

501

386

206

208

122

280

Automobile manufacturing

499

450

547

577

523

238

Building

786

853

659

582

641

718

Chemical, oil and allied industries^a

266

195

112

125

210

0

Diamond cutting

9

5

5

3

2

0

Electrical contracting

397

437

479

479

435

399

Eskom

453

754

689

689

521

542

Furniture

271

309

423

322

129

213

Government undertakings

476

457

307

286

357

259

Hairdressing

695

632

823

823

809

792

Jewellers and goldsmiths

127

103

104

93

135

82

Local authority undertakings

574

628

447

447

525

485

Metal

9 567

8 472

6 972

6 988

7 321

7 214

Mining

3 929

4 703

4 067

4 473

4 120

3 989

Motor

5 033

4 547

4 173

4 173

3 616

4 125

Printing

1 236

1 035

661

751

2 123

998

Sugar refining

119

99

92

74

95

86

Textile

N/A

N/A

19

30

15

39

Transnet

1 704

1 689

885

876

473

562

Tyre and rubber

72

31

7

16

6

0

Total

26 714

25 785

21 677

22 015

22 313

21 021

a

Previously called explosives and allied industries.

N/A – Not available.

The number of people who completed apprenticeship contracts dropped by 21% from 1991 to 1996. The

following table shows the number of apprenticeship contracts complete

Apprenticeship contracts completed: 1991-96

1991

1992

1993

1994

1995

1996

Aerospace

299

98

213

52

159

125

Automobile manufacturing

73

29

4

44

33

51

Building

442

133

355

270

307

257

Chemical, oil and allied industries^a

118

16

138

18

101

0

Diamond cutting

5

N/A

3

3

1

0

Electrical contracting

82

83

99

259

162

137

Eskom

115

16

174

66

121

151

Furniture

15

22

46

166

79

56

Government undertakings

189

32

242

103

112

89

Hairdressing

391

367

497

233

166

213

Jewellers and goldsmiths

22

4

34

42

83

89

Local authority undertakings

82

87

344

137

212

178

Metal

2 067

1 977

2 695

1 092

1 989

1 720

Mining

1 326

1 352

1 249

299

858

1 159

Motor

1 222

498

1 733

810

358

798

Printing

310

429

596

103

221

192

Sugar refining

45

6

30

27

38

27

Textile

N/A

N/A

N/A

N/A

N/A

0

Transnet

162

47

879

233

223

312

Tyre and rubber

22

16

31

3

12

0

Total

6 987

5 212

9 362

3 960

5 235

5 554

a

Previously called explosives and allied industries.

The graph below shows the number of apprenticeship contracts completed from 1991 to 1996:

In 1996, 185 designated trades had been approved by the Department of Labour and were administered by 20 accredited training boards.⁸⁴ [⁸⁴ Ibid]

Artisan status could be achieved by the following means:⁸⁵ [⁸⁵ 1996/97 Survey, p203]

- training as a contracted apprentice in a designated trade and passing a trade test;
- training as a trainee at a technical college and passing a trade test after two years of shopfloor

experience; and

- passing a trade test on the basis of sufficient experience and training, the duration of which had to equal the period of training required for an apprentice.

Trade tests were conducted by the Central Organisation for Trade Testing at Olifantsfontein (Gauteng) or by certain accredited training boards such as for the building and mining industries. The department also promoted the in-service training of workers other than apprentices or trainees by providing loans from the Manpower Development Fund and grants-in-aid to trade unions and employer organisations for training in labour relations. The minister had also imposed training levy schemes on all employers in 18 of the industries at their request, in terms of the Manpower Training Act of 1981.

The Manpower Training Act provided for the voluntary registration of three types of training centres, ie regional, private and industry training centres. In 1996 there were nine regional, and 1448 private training centres but no industry training centres. There were also nine training centres in the former homelands. The department further ran a Scheme for the Training of Unemployed Persons. An amount of R88m was allocated for this purpose in 1996/97. In addition, by the end of 1996 the department had provided accredited training to 25656 people under the national job creation programme. The scheme was launched in 1993.

The following table shows the number of people training under the various training programmes from 1991 to 1996:⁸⁶ [Department of Labour, annual report 1996, 1997]

Number of people trained under various programmes: 1991–96

Types of training

1991

1992

1993

1994

1995

1996

Apprentices in training

26 714

25 785

21 677

22 015

22 313

18 546

Private training centres^a

262 511

211 829

85 736

N/A

N/A

44 746

Regional training centres

24 160

23 560

27 538

29 019

26 506

26 157

Special training schemes^b

9 185

13 667

9 086

10 568

8 376

1 622

Trainees in training

340

563

547

536

386

319

Training centres in former homelands

N/A

N/A

N/A

N/A

18 340

18 876

Training levy schemes

13 475

34 608

30 974

28 209

26 494

37 753

Unemployed persons

160 555

137 655

133 817

124 863

131 790

85 479

Total

496 940

447 667

309 375

215 210

234 205

233 498c

a

Registration of private training centres was not compulsory and statistics were therefore not available for 1994 and 1995.

b

Refers to training schemes established in terms of section 48 of the Labour Relations Act of 1956 for the clothing, furniture, jewellery and precious metals, metal and engineering, and motor industries.

c

Total as calculated by the South African Institute of Race Relations.

N/A – Not

Higher Education

Enrolment at Teacher Training Colleges

In 1994 there were 78190 full-time equivalent students enrolled at teacher training colleges in South Africa (the latest year for which figures were available).⁸⁷ [⁸⁷ 1996/97 Survey, p207] The Department of Education said that it was establishing a data base to record these enrolments in 1998.⁸⁸ [⁸⁸ Personal interview with Ms Mariette Visser, Department of Education, 14 October 1997] The table below gives a provincial breakdown of the number of full-time equivalent students enrolled at teacher training colleges in 1994:

Enrolment at teacher training colleges: 1994

Number

Proportion^a

Eastern Cape

15 164

19.4%

Free State

4 301

5.5%

Gauteng

12 177

15.6%

KwaZulu-Natal

12 855

16.4%

Mpumalanga

3 468

4.4%

North West

4 850

6.2%

Northern Cape

814

1.0%

Northern Province

19 705

25.2%

Western Cape

4 856

6.2%

Total

78 190

100.0%

a

Figures may not add up owing to rounding.

The number of student teachers enrolled at teacher training colleges in South Africa increased from 43098 in 1985 to 78190 in 1995—by 81% (excluding the number of student teachers in the Ciskei). In 1985 the majority of student teachers (59%) were Africans, followed by white

Enrolment at Universities and Technikons

The following table shows the increase in the total number of students enrolled at universities from 1985 to 1997:⁹⁰ [Ibid, p208; replies from various universities, 1997]

University enrolment: 1985–97^a

Total number enrolled

Increase/(decrease)

1985

211 756

N/A

1986

233 625

10.3%

1987

250 243

7.1%

1988

272 445

8.9%

1989

286 359

5.1%

1990

285 986

(0.1%)

1991

323 889

13.3%

1992

318 944

(1.5%)

1993

329 892

3.4%

1994

360 250

9.2%

1995

385 221

6.9%

1996

381 498

(1.0%)

1997

372 845

(2.3%)

a

Figures for 1995, 1996 and 1997 are preliminary figures.

N/A – Not available.

The following table illustrates university enrolment by institution and

University enrolment: 1997^a

University

African

Coloured

Indian

White

Unspecified

Total

Cape Town

4 232

2 152

1 012

8 484

0

15 880

Durban-Westville

5 967

125

3 349

159

0

9 600

Fort Hare

4 489

11

5

23

5

4 533

Free State

3 684

453

50

6 272

0

10 459

Medunsa^b

2 928

45

561

160

0

3 694

Natal

6 282

452

5 349

5 194

0

17 277

North

13 008

15

17

12

13 052

North West

6 395

19

18

8

0

6 440

Port Elizabeth

1 732

688

194

3 156

0

5 770

Potchefstroom

2 567

245

80

8 220

200

11 312

Pretoria

5 717

246

547

19 494

0

26 004

Rand Afrikaans

N/A

N/A

N/A

N/A

N/A

21 605

Rhodes

1 547

193

488

2 624

0

4 852

Stellenbosch

757

1 957

184

13 429

0

16 327

Transkei

N/A

N/A

N/A

N/A

N/A

6 869

Unisa^c

60 702

4 816

11 803

46 891

0

124 212

Venda

7 352

1

0

3

0

7 356

Vista

28 036

468

60

88

0

28 652

Western Cape

7 660

4 885

618

205

0

13 368

Witwatersrand

5 982

335

2 422

9 289

0

18 028

Zululand

7417

14

49

75

0

7 555

Total

N/A

N/A

N/A

N/A

N/A

372 845

a

Figures are preliminary.

b

Medical University of Southern Africa.

c

University of South Africa.

N/A – Not available.

Between 1985 and 1997 university enrolments increased by 76%. However, between 1996 and 1997 the number of students enrolled dropped by 2.3%. There had also been a

Between 1985 and 1997 enrolment at technikons increased by 253%. After a drop of 3.6% from 1995 to 1996, enrolment rose by 14% in 1997. The following table shows the increase in the total number of students enrolled at technikons from 1985 to 1997:⁹² [92 1996/97 Survey, p209; Replies from various technikons, 1997]

Technikon enrolment: 1985–97^a

Total number enrolled

Increase (decrease)

1985

59 118

N/A

1986

43 490

(26.4%)

1987

56 446

29.8%

1988

56 815

0.7%

1989

75 797

33.4%

1990

92 721

22.3%

1991

105 722

14.0%

1992

113 870

7.7%

1993

138 443

21.6%

1994

167 885

21.3%

1995

190 191

13.3%

1996

183 310

(3.6%)

1997

208 956

14.0%

a

Figures for 1995, 1996 and 1997 are preliminary.

N/A – Not available.

The graph below shows technikon and university enrol

The table below illustrates technikon enrolment by race and institution in 1997:⁹³ [⁹³ Information provided by various technikons, 1997]

Technikon enrolment: 1997

Technikons

African

Coloured

Indian

White

Unspecified

Total

Border

3 036

6

3

96

0

3 141

Cape

1 577

2 616

222

5 759

0

10 174

Free State

4 510

298

17

3 292

0

8 117

Eastern Cape^a

3 768

2

8

14

0

3 792

Mangosuthu

5 957

4

9

27

0

5 997

M L Sultan

5 561

145

3 776

315

0

9 797

Natal

5 620

258

1 462

2 809

0

10 149

Northern Gauteng^b

9 084

16

9

7

0

9 116

Peninsula

4 830

3 516

62

157

0

8 565

Port Elizabeth

4 748

1 129

127

3 327

0

9 331

Pretoria

8 230

236

199

8 306

167

17 138

South Africa

57 553

4 875

2 993

20 096

0

85 517

Setlogelo

5 200

0

2

0

0

5 202

Vaal Triangle

6 901

57

76

1 887

0

8 921

Witwatersrand

8 064

531

739

4 649

16

13 999

Total

134 639

13 689

9 704

50 741

183

208 956

a

Formerly called the Transkei Technikon.

b

Formerly called Technikon Nor

Staff Complement

In 1997 there were some 60431 people permanently employed at universities and technikons in South Africa. Of these, 23% were classified as instruction and or research staff, while 77% were classified as other (ie administrative staff). The table below shows the total number of staff employed at universities

and technikons in 1997 by race.⁹⁴ [⁹⁴ Information provided by the Department of Education, 14 October 1997]

Staff complement at higher education institutions by race: 1997

African

Coloured

Indian

White

Other^a

Total

Universities

Instruction/research staff

1 470

263

468

8 420

12

10 633

Other staff

14 816

3 102

1 775

16 824

22

36 539

Subtotal^b

16 286

3 365

2 243

25 244

34

47 172

Technikons

Instruction/research staff

374

164

258

2 443

1

3 240

Other staff

3 397

886

656

5 076

4

10 019

Subtotal^b

3 771

1 050

914

7 519

5

13 259

Total universities and technikons^b

20 057

4 415

3 157

32 763

39

60 431

a

Staff who were not classified into one of the four other categories.

b

Totals as calculated by the South African Institute of Race Relations.

In 1997 most staff (54% at universities and 57% at technikons) were white. Some 35% of staff at universities and 28% at technikons were African, while coloured and Indian staff constituted less than 10% at higher education institutions. However, Africans comprised only 14% of instruction and research staff at universities, and 12% at technikons. Most of those positions were held by whites (79% at universities and 75% at

Disruptions to Higher Education

During 1997 various higher education institutions faced disruptions, which were often accompanied by violence. Several of the incidents were the result of financial demands—particularly where institutions refused to register students who had not paid their fees for the previous year or for registration. However, disruptions also arose from complaints regarding staff at higher education institutions, racial clashes, and issues relating to ‘transformation’.⁹⁵ [⁹⁵ Various newspaper reports, 1997]

The minister of education, Professor Sibusiso Bengu, said in November 1997 that higher education institutions had lost 100 days and suffered more than R4m in damage as a result of student disruptions over the 12-month period from July 1996 to June 1997. Professor Bengu said that the disruptions occurred mainly at previously black institutions, while previously white institutions suffered minimal damage.⁹⁶ [⁹⁶ *Business Day* 11 November 1997]

Other Problems in Higher Education

Figures provided by the education ministry in August 1997 indicated that South African universities were owed more than R225m in student fees in 1996. Previously black universities had a combined debt of about R156.7m. The Medical University of Southern Africa had the single largest amount outstanding (R31m), followed by the University of the Western Cape (R29m) and the University of Zululand (R24m). The levels of debt at previously white universities varied from R1m owed to Rhodes University, to R12m owed to the University of the Witwatersrand.⁹⁷ [⁹⁷ *Ibid* 6 August 1997]

In January 1998 it was reported that universities were owed between R300m and R500m in arrears.⁹⁸ [⁹⁸ *Sunday Times* 8 February 1998, *The Star* 4 February 1998] Traditionally disadvantaged universities had the highest outstanding debt—the universities of the North and Zululand were owed some R83m and R55m respectively.⁹⁹ [⁹⁹ *Sowetan* 6 February 1998, *Business Day* 27 January 1998]

The universities of Fort Hare, Venda, and the Western Cape were forced to close for a period because of student protests against financial exclusions and related issues.¹⁰⁰ [¹⁰⁰ *Sowetan* 26 March 1998] Professor Bengu said in February that the government had contributed R300m for student aid and aimed to raise another R100m from donors. Priority would be given to needy students who made academic progress and 'reliable' repayment arrangements.¹⁰¹ [¹⁰¹ *Sunday Times* 8 February 1998, *BusinessDay* 20 January 1998]

Adult Education

According to the *Draft Policy for Adult Basic Education and Training*, published in April 1997, some 12.5m adults lacked a 'sound basic education', ie they had less than grade 7 education. In 1995 a total of 335481 adults were participating in adult basic education and training programmes throughout the country. The draft policy noted that in 1995/96 most provinces spent less than 1% of their overall education budget on adult education. Only two provinces spent more—Mpumalanga spent 2% (R33m) and Gauteng spent just over 1% (R51m).

The Department of Education said in April 1997 that it wanted to increase the number of people in adult basic education programmes to more than 1m by 2001. This would be achieved by introducing a four-year programme for adult education. The programme would include training 10000 specialist teachers to train adults in over 1000 centres. The department estimated that it would cost R1000 a year to educate one adult.¹⁰² [¹⁰² *Business Day* 24 April 1997, *Sowetan* 25 April 1997] At the time of writing the department was finalising a four-year plan on adult basic education provision (see *Adult basic education policy* below).¹⁰³ [¹⁰³ *Higher Education Review* 25 April 1997; personal communication with Mr Pat Mabude, National Literacy Co-operation, October 1997]

Policy

In 1996 the Department of Education published several policy documents which dealt with preprimary through to tertiary education. The *Interim Policy for Early Childhood Development* set out guidelines for the implementation of a 'compulsory reception year' (ie the equivalent of grade 0). The *Green Paper on Higher Education Transformation* proposed a single co-ordinated higher education system encompassing colleges, private education providers, technikons and universities. All policy proposals formed part of a national qualifications framework which would integrate education and training into one system and facilitate movement between different types of educational institutions. The department also published a number of curriculum proposals which emphasised a shift from 'curriculum input' (or subject input) to 'curriculum output' (meaning students' ability to use what they have learned in different ways and apply it to different circumstances). The South African Schools Act of 1996 provided for a new pattern of school organisation consisting of public and independent schools to replace the former apartheid system. It terminated the model C system and established governing bodies for all public schools.

Further Education Policy

In August 1997 the Department of Education published the *Report of the National Committee on Further Education: A Framework for the Transformation of Further Education and Training in South Africa*. The report proposed a plan for an integrated further education and training (FET) band (this band comprised levels two to four of the National Qualifications Framework (NQF), or grades 10 to 12) (see 1996/97 Survey, p222).¹⁰⁴ [¹⁰⁴ Department of Education, *Report of the National Committee on Further Education: A Framework for the Transformation of Further Education and Training in South Africa*, 14 August 1997]

The report noted that FET constituted the largest and most complex phase of learning, with approximately 3m learners and 8000 providers (excluding companies). Providers could be categorised into four main sectors, ie secondary schools, publicly funded colleges, private education and training providers, and enterprise-based education and training. In order to provide FET, which would lay the foundation for higher education and facilitate the transition from school to the world of work, the report proposed the following, among other things:¹⁰⁵ [¹⁰⁵ Ibid]

- increased demand for FET should in part be met by expanding the publicly funded college sector;
- community colleges should be developed as new institutions which offered a comprehensive range of programmes; and
- FET certificates should be issued at levels two, three, and four of the NQF (as opposed to only one at present, the senior certificate at the end of grade 12).

The report proposed a five-year implementation strategy beginning in 1997 in terms of which legislation would be passed in 1998, and new governance and funding systems established in 1999.

Culture of Learning and Teaching Campaign

In February 1997 the Culture of Learning and Teaching Campaign was formally launched by the president, Mr Nelson Mandela. The campaign would run for five years. The aim of the campaign was to restore the normal functioning of schools and improve the quality of learning and teaching.¹⁰⁶ [¹⁰⁶ *NGO Matters* January 1997] The campaign's programme contained the following main elements:¹⁰⁷ [¹⁰⁷ *Sowetan* 20 June 1997]

- all teachers and pupils had to work a full day, five days of the week and a full term. Teachers had to prepare for classes and pupils had to do their homework;
- all schools had to have access to basic resource packages (renovation and refurbishment of school

buildings and proper equipment) to make meaningful learning and teaching possible;

- all governing bodies had to be elected and provided with the necessary education and training to govern the school effectively; and
- weapons at school would be banned and a campaign against drugs, rape, sexual harassment and all forms of criminality at schools would be instituted.

Special Education Policy

In August 1997 the Department of Education published a public discussion document on special education, entitled *Education For All: From 'Special Needs and Support' to Developing Quality Education for All Learners*. Special needs in education referred to learners who experienced barriers to learning, such as mental or physical disability.¹⁰⁸ [¹⁰⁸ National Commission on Special Needs in Education and Training (NCSNET) and National Committee for Education Support Services (NCESS), *Education For All: From 'Special Needs and Support' to Developing Quality Education for All Learners*, August 1997]

The document recommended that the separate systems for special and ordinary education be integrated. This would mean that ordinary learning centres would have to transform to accommodate learners with special needs (including those with learning disabilities). Specialised centres of learning would, however, continue to exist as a 'last option' for such learners.¹⁰⁹ [¹⁰⁹ Ibid]

Higher Education Policy

In August 1997 the *Education White Paper 3: A Programme for the Transformation of Higher Education* was gazetted. The white paper outlined a comprehensive set of initiatives for the transformation of higher education through the development of a single co-ordinated system with new planning, governing and funding arrangements.¹¹⁰ [¹¹⁰ *Government Gazette* no 18207, 15 August 1997] Proposals contained in the white paper were subsequently incorporated into the Higher Education Act of 1997 (see *Higher Education Act of 1997* below).

Adult Basic Education Policy

In April 1997 the Department of Education published a *Draft Policy for Adult Basic Education and Training*. The document aimed to set in place a fully functioning system of adult basic education and training (Abet).¹¹¹ [¹¹¹ Department of Education, *Draft Policy for Adult Basic Education and Training*, April 1997] Abet would be implemented through national and provincial education and training councils and the Abet subcouncils thereof, the National Institute for Lifelong Learning Development (NILLD), and the newly created Abet directorate in the Department of Education. The NILLD was established in 1997.¹¹² [¹¹² Information provided by the Department of Education, 3 February 1998]

The department would provide a 'broad national curriculum framework' aimed at developing communication, language, literacy, mathematics and numeracy skills. The government would be primarily responsible for putting in place an Abet system, while employers had a similar responsibility in terms of their employees.¹¹³ [¹¹³ Department of Education, *Draft Policy for Adult Basic Education and Training*, April 1997]

In October 1997 the department published the final draft of *A National Multi-Year Implementation Plan for Adult Education and Training: Provision and Accreditation*, which proposed a two-phased approach to implementation. The first phase (1998 and 1999) would be focused on developing the structures, systems and capacity of the sector while the second phase would focus on 'mass scale' provisioning of programmes and services to learners. The plan aimed to reach some 2.5m adults by 2001 at a total estimated cost of R5.8bn.¹¹⁴ [¹¹⁴ Department of Education, *A National Multi-Year Implementation Plan for Adult Education and Training: Provision and Accreditation*, October 1997]

Language

In July 1997 the Department of Education published two policy documents on a new language policy, entitled *Language in Education Policy in terms of Section 3 (4) (m) of the National Education Policy Act, 1996 (Act 27 of 1996)*; and the *Norms and Standards Regarding Language Policy Published in terms of Section 6 (1) of the South African Schools Act, 1996*. In terms of the policy each school could decide on its medium of instruction. Pupils applying for admission had to indicate their language preference. A school would be obliged to accept a pupil if it offered his preferred language and if it had space. If the language preferred by the pupil was not offered and the pupil wanted to be admitted, the pupil had to undertake in writing not to insist on being taught in his preferred language. Where no school offered the desired language or where there were fewer than 40 requests in grades 1 to 6, or fewer than 35 requests in grades 7 to 12 for instruction in a language not already offered by the school, the head of the provincial education department had to determine how to meet the needs of such pupils. The policy did not compel schools to offer more than one medium of instruction, but it recommended that governing bodies stipulate how multilingualism could be promoted by offering additional languages as subjects, or by other means.¹¹⁵ [¹¹⁵ Department of Education, *Language in Education Policy*, 14 July 1997]

Pupils would do at least one approved language as a subject in grades 1 and 2. From grade 3 all pupils would do their language of learning and at least one additional approved language as a subject. (An approved language indicated that valid syllabuses at first or second language level had been submitted and approved by the minister as national policy. All official languages were approved languages, while a syllabus at first or second language level, for any language other than the official, could be submitted for approval by the minister.) In grades 1 to 4, promotion should be based on performance in at least one language and in maths. From grade 5 onwards, at least one language had to be passed and in grades 10 to 12, two languages had to be passed—one of which had to be an official language (ie Afrikaans, English, Ndebele, Xhosa, Zulu, Sepedi, Sesotho, Setswana, Swati, Tshivenda, Tsonga). The language of learning and teaching in a public school had to be an official language. English ceased to be a

compulsory subject for passing the grade 12 examination from the beginning of 1998.¹¹⁶ [¹¹⁶ *Statement by Professor SME Bengu, Minister of Education, on a New Language Policy in General and Further Education*, 14 July 1997]

Curriculum

In March 1997 the Department of Education launched Curriculum 2005. It would be implemented from 1998, starting with grade 1 (the original plan to introduce it to grade 7 as well was abolished after a task team found that provincial education departments did not have the staff or money to introduce it to grade 7).¹¹⁷ [¹¹⁷ *Business Day* 16 July 1997] The new curriculum introduced drastic changes to teaching methods and syllabus content, and would enable pupils to acquire the same qualifications whether in schools, colleges or other training programmes. Some form of external assessment would take place at the end of grades 3 and 6, but comprehensive external assessment would be done at the end of grades 9 and 12. The curriculum would consist of eight 'learning areas' up to grade 9. The new curriculum also introduced new terminology. Pupils or students would be known as learners, while subjects would be known as 'learning areas'. The following eight 'learning areas' had been selected:¹¹⁸ [¹¹⁸ Department of Education, *Curriculum 2005: Lifelong Learning for the 21st Century*, February 1997]

- arts and culture;
- communication, literacy and language learning;
- economic and management sciences;
- human and social sciences;
- life orientation;
- natural sciences;
- numeracy and maths; and
- technology.

School Funding

In October 1997 the Department of Education published *Draft National Norms and Standards for School Funding in Terms of the South African Schools Act of 1996* for discussion. According to the deputy director general of education, Dr Trevor Coombe, the document aimed to 'encourage private funds into the system and save money consumed by state bureaucrats by devolving financial

management to schools with capacity'.¹¹⁹ [¹¹⁹ *The Sunday Independent* 22 June 1997] Schools in each province would be ranked according to their level of poverty and the condition of the school. Provincial education departments would target the poorest 40% of schools for redress first. The document proposed that provincial departments pay 70% of running costs at these schools (for example electricity, water and telephones), but only 30% at schools in wealthier areas. The schools would have to pay for the rest themselves.¹²⁰ [¹²⁰ *Government Gazette* no 18349, 3 October 1997]

Schools with management experience would gain greater control over their finances and set their own budgets, while the government would assist schools which lacked capacity. The document proposed that parents negotiate school fees, based on assessments of their ability to pay. However, parents earning less than 30 times the annual fee charged by the school should be eligible for a total or partial exclusion of fee payment. A national means test could also be used to set fees, but was likely to be used only to resolve disputes between parents. The cost of teachers would be paid initially by the provincial education departments based on the agreed pupil/teacher ratios. If however, there were insufficient funds to pay the required number of teachers in a particular province, poor schools would be given preference in funding for teacher positions.

The document specified that no independent schools would qualify for funding unless they were registered with the provincial education department and had been operational for at least one year. Four different levels of funding would be determined for independent schools (including no funding at all). Each school's particular level of funding would depend on its pedagogical quality and on whether it 'fulfilled a public mission in making its services available to learners from poor families'.¹²¹ [¹²¹ *Ibid*]

Legislation

Education Laws Amendment Act of 1997

The Education Laws Amendment Act, assented to by the president in November 1997, amended the South African Schools Act of 1996 (see 1996/97 Survey, pp229–232). It made provision for public schools to appoint 'educators' as well as 'non-educator staff' in addition to those employed and paid for by the state. The appointment of such staff would be the responsibility of the school governing body and would be paid for out of school funds raised by the parents. The act further enabled the minister to determine requirements for the appointment, transfer and promotion of 'educators'. It also provided for a process to enable public schools to make recommendations for the appointment, transfer or promotion of 'educators' 'as a result of operational requirements of the employer'.¹²² [¹²² *Ibid* no 18480, 28 November 1997] (The provincial education departments were regarded as the employer where they paid the salaries of teachers. However, school governing bodies were regarded as the employer where they appointed and paid the salaries of additional teachers.)¹²³ [¹²³ *Ibid*]

Higher Education Act of 1997

The Higher Education Act, assented to by the president in December 1997, aimed at a single co-ordinated system of higher education. The act provided for the establishment, composition and functions of a council on higher education. The council, to be appointed by the minister, would advise the minister, particularly regarding the transformation and development of higher education, and funding policy. The act also contained provisions for the following:¹²⁴ [¹²⁴ Ibid no 18515, 19 December 1997]

- the establishment, governance and funding of public higher education institutions (including the merger and subdivision of higher education institutions);
- the appointment of an independent assessor;
- the registration of private and foreign higher education institutions; and
- quality assurance and promotion in higher education through the higher education quality committee.

The act did not contain detailed provisions regarding the funding of higher education as this would be determined by the minister. However, the act said that accountability in higher education would be improved by making public funding for institutions conditional on their councils' providing strategic plans and reporting their performance against their goals. The minister could withhold payment to any institution which failed to comply with any such conditions imposed on the allocation of funds. The act further stated that language policy would be determined by the council of the respective higher education institutions.¹²⁵ [¹²⁵ Ibid]

The bill was earlier criticised by various university principals and political parties, such as the Democratic Party and the National Party, which said that it gave too much power to the minister of education. The chairman of the South African Universities' Vice-chancellors' Association, Professor Njabulo Ndebele, said that the bill would allow the minister to act without getting full support of the Council on Higher Education. He called for the council to be given greater decision-making powers to counterbalance the minister's authority.¹²⁶ [¹²⁶ *Business Day* 17 September 1997]

Skills Development Bill

A draft version of the Skills Development Bill was published for public comment by the Department of Labour in September 1997. The draft bill aimed to create a flexible skills development strategy through the following, among other things:¹²⁷ [¹²⁷ *Government Gazette* no 18 244, 2 September 1997]

- imposing a training levy of between 1% and 1.5% on companies' payrolls to finance training, unless the minister provided for an alternative formula;

- introducing ‘learnerships’ (ie apprenticeships) and other training programmes which would lead to registered qualifications; and
- establishing a national skills authority to advise the minister on issues regarding the national skills development strategy and priorities.

The bill was widely criticised by employer organisations. The Confederation of Employers in Southern Africa rejected the levy, saying it would be counterproductive and in conflict with *Growth, Employment and Redistribution*, the government’s macro-economic policy.¹²⁸ [¹²⁸ *Business Day* 3 September 1997] The South African Chamber of Business described the levy as ‘no more than a dedicated tax which provided organisations with no guarantee that they would get their contributions back’.¹²⁹ [¹²⁹ *The Citizen* 3 September 1997] The Congress of South African Trade Unions supported the levy scheme but argued that it should be increased to 4% of payroll.¹³⁰ [¹³⁰ *F & T Weekly* 13 June 1997]

At the time of writing the Skills Development Bill had not yet been tabled in Parliament. According to the *Business Day*, discussions were taking place on a revised bill, drawn up by the department, with labour and business representatives in the National Economic Development and Labour Council (Nedlac).¹³¹ [¹³¹ *Business Day* 3 February 1998]

Policy Review

The failure of the Department of Education to develop a comprehensive policy to address the issue of teacher ‘rightsizing’ cost provincial education departments an estimated R47m a month. In some provinces the salary bill consumed as much as 90% of the total education budget—leaving little money for other items such as textbooks. At the end of 1997 the Department of Education abolished the national guidelines on pupil/teacher ratios. Henceforth, provinces would have to determine their own pupil/teacher ratios, based on their budgets.

Plans by provincial departments at the end of 1997 to reduce the number of teachers by not renewing temporary contracts caused an outcry from education unions. The unions demanded that a national teacher audit be undertaken before any retrenchments took place. No agreement had been reached between teachers and the various departments at the time of writing.

The first phase of Curriculum 2005 and outcomes-based education was implemented in 1998 in grade 1. However, many teachers, particularly in rural areas, had not received adequate training in the requirements of outcomesbased education, nor had they received textbooks by mid-1998. The second phase of the new curriculum (its introduction in grade 7 in 1999) also had to be delayed because the textbooks would not be ready in time.

The drop in the number of pupils who passed the senior certificate examinations and who obtained

matric exemption (ie marks high enough to gain entry into university)highlighted the crisis in schooling. The minister of education, Professor Sibusiso Bengu, acknowledged that there had to be a culture of discipline instilled in teaching staff and pupils.

The Department of Education published draft norms and standards for school funding which would 'encourage private funds into the system'. The poorest 40% of schools in each province would be targeted for redress, ie the provision of adequate essential facilities (such as classrooms) and services (such as water and electricity). The proposals were not yet implemented at the time of writing, partly because of a lack of funds.

The passage of the Education Laws Amendment Act of 1997 enabled public schools to employ additional teachers and other staff at their own expense. Poorer schools would be unable to make use of this option, however, as they could not afford to pay additional teachers.

The department published a discussion paper dealing with learners with special needs—and recommended that the separate systems for special and ordinary education be integrated. This would mean that ordinary learning centres would have to transform to accommodate learners with special needs. Concern was expressed about the financial implications of adapting ordinary schools and of the ability of ordinary teachers to cope with these learners.

During 1997 the Department of Education announced a flexible language policy for schools by effectively allowing governing bodies to choose the language of instruction. Furthermore, if fewer than 40 pupils requested instruction in another official language not offered by the school, the head of the provincial education department had to determine how to meet their needs. However, the policy did not set out clear guidelines on how this was to be done.

Recognition was given to the importance of further education and training (grades 10-12) with the publication of a report by the National Committee on Further Education. The report aimed to open access to further education to more pupils through, among other things, the creation of community colleges. Legislation in this regard was expected to be tabled in 1998.

The Higher Education Act, which set out a single system for all tertiary education was passed in 1997. The act did not contain any provisions dealing with the financial crisis experienced by many tertiary institutions. Most of the formerly disadvantaged institutions faced disruptions at the beginning of 1998 as students demanded financial assistance and to be registered despite not having paid their fees for the previous year. Universities faced with millions of rands of outstanding debt were forced to take a tough stand against admitting these students. The act required higher education institutions to submit strategic plans and to report on their performance against their goals to obtain public funding. Various political parties and university principals were concerned that the act gave the minister too much power to intervene in higher education issues.

Although the importance of adult basic education had been identified earlier, it was only in 1997 that a

four-year plan to reach thousands of adults was published. A directorate dealing exclusively with adult basic education was established in the Department of Education to facilitate implementation.

HEALTH

Bird's Eye View

During the period under review tuberculosis (TB) continued to be the most serious notifiable disease. An estimated 160000 people contracted it in 1996 and an estimated 10000 people died of it. The high TB rate was compounded by the HIV epidemic—about a quarter of the TB cases reported in 1996 could be attributed to HIV infection.

In 1996 South Africa experienced the worst malaria epidemic in 40 years. The epidemic was particularly acute in KwaZulu-Natal, Mpumalanga and the Northern Province and was attributed mainly to the high rainfall during the summer months and the resistance of mosquitoes to insecticides.

Two immunisation campaigns were launched in 1997. In the first round, in May, 79% of the targeted 4m children under five years were immunised against poliomyelitis. By December some 83% of the 16m children under 15 years had been immunised against measles.

A survey by the University of Cape Town found that malnutrition among schoolchildren in South Africa was still common in 1997.

The Department of Health reported that between April 1995 and December 1997 good progress had been made with its clinic-building programme. Over that period more than 560 clinics had been built or upgraded, while residential projects at clinics had also been completed. In addition, more than 200 mobile clinics had been purchased. However, because of a lack of funds 61 clinics built in a 'fast-track' programme were not operational in August 1997.

An audit of public health facilities in South Africa in 1997 found that less than one fifth were ideal, while about half were 'acceptable'. About one tenth were in such a poor condition that they should be 'condemned', and another tenth should be upgraded or replaced.

The Department of Health's white paper on the transformation of the national health system aimed to provide basic health care to all citizens within ten years.

Several health acts were passed in 1997. The Medicines and Related Substances Control Amendment Act of 1997 aimed to reduce the price of medicines by among other things allowing the parallel importation of drugs. Pharmaceutical companies in Europe, South Africa and the United States objected to this, saying that it was an infringement of international property rights.

The Pharmacy Amendment Act of 1997 provided for the opening up of pharmacies to nonpharmacists.

The Medical, Dental and Supplementary Health Service Professions Amendment Act of 1997 enabled the minister of health to institute compulsory community service for all health professionals.

In March 1998 the deputy president, Mr Thabo Mbeki, accused the Medicines Control Council of refusing applications to conduct trials with Virodene, an alleged anti-AIDS drug, thereby 'denying AIDS sufferers the possibility of mercy treatment to which they were morally entitled'.

Key Points

- An audit, published by the Department of Health, revealed disparities between provinces in terms of personnel. Gauteng had nine doctors per 10000 people, followed by the Western Cape with eight. The Northern Province had the fewest doctors, one per 10000.
- The audit found that the Western Cape had 48 nurses per 10000 people, followed by Gauteng with 41. The North West had 21 nurses per 10000 people and Mpumalanga 22.
- In eight of the nine provinces, higher prevalences of HIV were found in 1997 than in 1996 among women attending antenatal clinics. The prevalence was highest in KwaZulu-Natal (27%), followed by Mpumalanga (23%). The rate of infection in the North West had increased from 8% in 1995 to 18% in 1997.
- The Department of Health estimated that 90000 people, 22% of them children, would develop full-blown AIDS in 1997.
- In 1996, tuberculosis (TB) had the highest reported incidence rate of all notifiable diseases, 151 per 100000 of the population, followed by malaria (24) and measles (20). However, many TB cases were not reported. The estimated rate—362 per 100000 people—was therefore higher than the reported one.
- According to the Medical Research Council (MRC), 26% of the total number of TB cases reported in 1996 were HIV positive.
- According to the National Cancer Registry, the lifetime risk of developing cancer was higher for men (one in six) than for women (one in seven).
- A survey by Old Mutual, conducted in 1997, found that 60% of companies offered a company medical aid scheme, while 40% participated in commercial medical aid schemes. Although 90% of all employees were eligible for membership, over 40% did not belong to employer-sponsored medical aid schemes.
- According to the Hollandia Reinsurance Group, in 1997 employers spent between 10% and 15% of

total payroll on health care, whereas 20 years ago the average expenditure was closer to 1%.

- Some 55% of state drugs were stolen annually at a cost of more than R16bn to the state, according to the chief executive of the Pharmaceutical Manufacturers' Association, Ms Mirryèna Deeb.
- According to the Department of Health, a total number of 567 clinics had been built between April 1994 and December 1997, thereby increasing access to more than 5m people.
- A survey published by the Health Systems Trust in 1997 found that less than 50% of clinics in rural areas had a telephone in working condition, 22% were without taps, and some 20% did not have electricity.

Health Indicators

Infant Mortality Rates

The infant mortality rate is defined as the number of live-born children per 1000 live births who die before the age of one year. Two differing sets of estimates of infant mortality rates were published in 1996. (More recent figures were not available at the time of writing. However, new figures should become available in 1998 with the publication of the final results of the 1996 census.) According to a report by the Institute for Futures Research at the University of Stellenbosch published in 1996 (pre-census), South Africa's infant mortality rate over the ten-year period from 1996 to 2006 was expected to decline by about 20%. The following table shows projected infant mortality rates from 1991 to 2026 according to race: ¹ [¹ 1996/97 Survey, pp450–451]

IFR — Estimated infant mortality rate^a by race: 1991–2026

1991–96

1996–2001

2001–06

2006–11

2011–16

2016–21

2021–26

African

59.0

53.0

47.2

41.6

36.2

31.0

26.0

Asian

34.1

29.0

24.1

19.8

15.2

9.8

6.8

Coloured

60.5

52.2

44.2

36.4

29.1

22.3

16.1

White

19.3

17.1

15.0

12.0

9.8

8.2

6.8

South Africa

56.1

50.4

44.9

39.5

34.3

29.2

24.4

a

Number of deaths of infants under one year per 1 000 live births.

The bar chart below shows the estimated infant mortality rates in South Africa from 1996–2001 to

The following table gives a breakdown of the estimated infant mortality rates in each province from 1991 to 2026:² [2 Ibid]

IFR — Estimated infant mortality rate^a by province: 1991–2026

1991–96

1996–2001

2001–06

2006–11

2011–16

2016–21

2021–26

Eastern Cape

56.3

50.8

45.4

40.1

34.9

30.0

25.3

Free State

54.6

49.3

44.2

39.1

34.1

29.3

24.8

Gauteng

60.3

53.8

47.6

41.2

34.9

28.6

22.3

KwaZulu-Natal

54.5

49.2

44.1

39.0

34.0

29.2

24.7

Mpumalanga

55.2

49.9

44.8

39.6

34.6

29.8

25.3

North West

55.7

50.3

45.0

39.8

34.8

30.0

25.4

Northern Cape

55.3

48.8

42.4

36.1

30.2

24.9

20.0

Northern Province

56.5

51.1

45.8

40.6

35.4

30.5

25.9

Western Cape

53.4

46.9

40.6

34.3

28.3

22.8

17.6

South Africa

56.1

50.4

44.9

39.5

34.3

29.2

24.4

a

Number of deaths of infants under one year per 1 000 live births.

In its projections of the infant mortality rate for Africans the Development Bank of Southern Africa (DBSA) based its calculations on two different scenarios. In scenario A the rate would decrease rapidly from 53 in 1990–95 to 15 in 2015–20 (ie by 72%). Crucial factors for scenario A would be an improvement in quality of life because of better housing, electricity, clean water and a drop in unemployment. In scenario B general living conditions would not improve markedly and the infant mortality rate for Africans would not drop below 40 deaths per 1000 births—a drop of only 24% in the 30-year period. The following table provides a breakdown of infant mortality rates by race from 1990 to 2020 as estimated by

DBSA — Infant mortality rate^a by race: 1990–2020

1990–95

1995–2000

2000–05

2005–10

2010–15

2015–20

African (A)^b

53.4

39.0

26.7

20.6

16.9

15.1

African (B)^c

53.4

49.5

46.7

43.9

41.7

40.8

Coloured

42.4

36.5

30.7

24.8

18.9

15.5

Indian

13.4

11.1

9.7

9.7

9.7

9.7

White

10.2

9.7

9.7

9.7

9.7

9.7

a

Number of deaths of infants under one year per 1 000 live births.

b

Scenario A — significant improvement in economic conditions among Africans owing to high economic growth rate and a well-integrated population development programme.

c

Scenario B — continued high population growth rate and pov

Diseases

Notifiable and Communicable Disease Statistics

The Department of Health provided the following figures on notifiable diseases (ie diseases which have to be reported to the Department of Health) in the nine provinces in 1996 and 1997 (note that the number of reported cases was generally lower than the actual number of cases, particularly malaria and tuberculosis):⁴ [⁴ Information provided by the Directorate Health Systems Research and Epidemiology, Department of Health, 22 January 1998]

Notifiable diseases in South Africa according to province: 1996 and 1997^a

Malaria

Measles

Meningococcal infection

Tetanus

1996

1997

1996

1997

1996

1997

1996

1997

Eastern Cape

12

4

1 024

50

15

15

6

5

Free State

44

46

551

80

1

3

1

1

Gauteng

873

556

926

163

115

68

0

2

KwaZulu-Natal

10 536

11 425

3 006

213

9

16

6

1

Mpumalanga

12 522

5 708

912

57

8

8

7

2

North West

77

329

483

56

20

1

0

2

Northern Cape

9

15

157

10

10

4

0

0

Northern Province

5 017

4 814

2 628

164

4

0

17

3

Western Cape

59

53

838

221

266

214

1

0

Outside South Africa^b

23

146

1

0

0

0

0

0

Total

29 172

23 096

10 526

1 014

448

Notifiable diseases in South Africa according to province: 1996 and 1997 (continued)^a

Tuberculosis^c

Typhoid

Viral hepatitis

1996

1997

1996

1997

1996

1997

Eastern Cape

12 703

9 367

133

166

138

74

Free State

8 128

6 210

1

3

62

72

Gauteng

12 727

9 061

46

24

597

296

KwaZulu-Natal

9 398

10 075

65

49

203

96

Mpumalanga

2 874

2 347

175

71

85

52

North West

3 843

6 733

0

8

22

14

Northern Cape

3 293

2 362

0

0

79

20

Northern Province

3 001

1 947

200

98

159

109

Western Cape

22 039

15 034

11

6

504

309

Outside South Africa^b

25

28

0

0

2

0

Total

78 031

63 164

631

425

1 851

1 042

a

Data for 1997 were incomplete. The number of reported cases, particularly of malaria and tuberculosis, was significantly lower than the estimated number of cases.

b

Source of infection was outside the borders of South Africa.

c

Tuberculosis figures for KwaZulu-Natal, Mpumalanga and the Northern Province were obtained from the malaria control programme in these provinces.

The following bar graph shows the reported number of cases of selected diseases

Tuberculosis (TB) accounted for the single largest number of cases of notifiable diseases in 1996 and 1997, followed by malaria.

The table below compares the number of selected notified cases of diseases with the number of deaths reported in 1994–97:⁵ [5 Department of Health, *Epidemiological Comments*, December 1996/January 1997; information provided by the Directorate Health Systems Research and Epidemiology, Department of Health, 22 January 1998]

Number of notified cases and deaths of selected diseases: 1994–97^a

1994

1995

1996

1997^b

Cases

Deaths

Cases

Deaths

Cases

Deaths

Cases

Deaths

Cholera

5

0

2

0

0

0

3

0

Congenital syphilis

913

21

917

15

654

4

401

5

Diphtheria

1

2

6

0

0

0

2

0

Leprosy

115

1

60

0

13

1

30

0

Malaria

10 289

12

5 992

12

29 172

166

23 096

84

Measles

3 820

13

6 891

3

10 526

24

1 014

4

Meningococcal infection

362

29

394

35

448

22

329

31

Poliomyelitis

0

0

0

0

0

0

0

0

Tetanus

48

11

40

13

38

8

16

4

Tuberculosis

90 446

2 605

85 099

2 922

78 031

2 978

63 164

1 959

Typhoid fever

1 118

15

753

19

631

11

425

17

Viral hepatitis

1 660

36

1 517

57

1 851

30

1 042

32

Whooping cough

64

1

54

0

26

1

13

0

Yellow fever

0

0

0

0

0

0

0

0

a

The figures are for reported cases only, and many cases are not reported. For example, the estimated number of TB cases was more than double the number reported in 1996.

b

Figures for 1997 were preliminary.

From 1994 to 1996 more cases of TB were reported than of any other disease, followed by malaria and measles. Although there was a decline in the number of TB cases reported in this period, it was doubtful whether the actual number of TB cases had dropped, as many went unreported. The number of people dying from TB rose consistently between 1994 and 1996. This rise could be ascribed partly to an increase in multidrug-resistant TB (see *Tuberculosis* below). Reported cases of diseases such as cholera,

diphtheria, leprosy, and whooping c

Aids

Statistics

The Department of Health had no information on the total number of reported cases of the human immuno-deficiency virus (HIV) and AIDS for 1996 to 1998 as HIV and AIDS were not notifiable conditions. The department said, however, that the reported number of AIDS cases ‘seriously underestimates the true picture of the manifestation of HIV infection’.⁶ [⁶ Personal communication with the Department of Health, 8 December 1997] According to estimates by the department based on the seventh survey of women attending antenatal clinics, some 2.5m people were HIV positive by the end of 1996. No estimates were available for 1997. The following table shows the proportion of women attending antenatal clinics who were infected with HIV in the period 1994 to 1997:⁷ [⁷ Department of Health, *Epidemiological Comments*, December 1996/January 1997; information provided by the Department of Health, 2 March 1998]

HIV-infection rates of women attending antenatal clinics: 1994–97

—————*Proportion HIV positive*—————

Rate increase

1994

1995

1996

1997

1994–97

Eastern Cape

4.5%

6.0%

8.1%

12.6%

180.0%

Free State

9.2%

11.0%

17.5%

19.6%

113.0%

Gauteng

6.4%

12.0%

15.5%

17.1%

167.2%

KwaZulu-Natal

14.4%

18.2%

19.9%

26.9%

86.8%

Mpumalanga

12.2%

16.2%

15.8%

22.6%

85.2%

North West

6.7%

8.3%

25.1%

18.1%

170.1%

Northern Cape

1.8%

5.3%

6.5%

8.6%

377.8%

Northern Province

3.0%

4.9%

8.0%

8.2%

173.3%

Western Cape

1.2%

1.7%

3.1%

6.3%

425.0%

South Africa

7.6%

10.4%

14.2%

16.

The bar chart below shows HIV-infection rates of women attending antenatal clinics from 1990 to 1997 (figures for 1990 to 1993 exclude Bophuthatswana, the Ciskei, the Transkei and Venda):

The Department of Health noted that between 1995 and 1996 the HIV prevalence rate in the North West had shown a threefold increase, from 8.3% to 25.1%. However, an independent re-examination revealed that the sampling methodology had resulted in an over-representation of urban and mining areas where HIV infection was higher than in the rural areas. The bias was corrected in 1997, resulting in a lower prevalence rate of 18.1%.

According to the Department of Health, HIV prevalence rates had increased since 1995 in all age groups under 45. Women in their twenties had the highest rates of HIV infection in 1997—20% of women in the 20–24 year group and 18% in the 25–29 year group were infected. The infection rates in older

women were somewhat lower—14% in the 30–34 year group, 9% in the 35–39 year group, and 8% in the 40–44 year group. The department was ‘particularly concerned’ about the high prevalence rate among pregnant women under 20. This group reflected the most recent infections as it represented the age at which sexual activity started. A slowdown of infection in this group would be one of the first indicators that the incidence rate of new HIV infection was dropping.⁸ [⁸ Ibid]

The table below shows the estimated number of HIV-positive people by province in 1996 (no estimates were available for 1997):⁹ [⁹ Department of Health, *Epidemiological Comments*, December 1996/January 1997]

Estimated number of HIV-infected people by province: 1996

Adults

Infants

Total

Eastern Cape

226 389

5 675

232 064

Free State

210 443

5 097

215 540

Gauteng

460 921

9 618

470 539

KwaZulu-Natal

735 891

17 782

753 673

Mpumalanga

196 167

4 886

201 053

North West

361 438

9 121

370 559

Northern Cape

22 241

427

22 668

Northern Province

173 046

4 542

177 588

Western Cape

27 001

469

27 470

Total

2 413 537

57 617

2

Projections

According to Dr Anthony Kinghorn, a consultant at HIV Management Services, it was estimated that AIDS would curb South Africa's total population by 8% by 2010. Estimates by Ms Janina Slawski, a senior manager at Southern Life's Risk Management Consultancy, were that the epidemic would peak between 2005 and 2010, 6m people being infected with HIV and a further 600000 having developed full-blown AIDS over that period. The virus would have the greatest effect on the 30–40 year age group and would multiply the national mortality rate five or six times. Up to a third of children born to mothers infected with HIV would be infected at birth, while more would become infected through breastfeeding.¹⁰ [¹⁰ *Business Day* 16 September 1997]

According to Ms Slawski, AIDS could slash the average life expectancy in South Africa from 62 to 40 years by 2010. In addition, it could reduce the rise in gross domestic product by about two percentage points between 1998 and 2005.¹¹ [¹¹ *F & T Weekly* 5 December 1997]

According to Mr Gary Taylor, a director of Medscheme, one of the largest medical aid administrators in South Africa, an estimated one in five medical aid members would be HIV positive in ten years.¹² [¹² *Ibid*]

Cancer

The National Cancer Registry said in 1997 that almost 52000 new cancer cases (25894 male and 25413 female) were reported in 1992 (the latest available figures), via a countrywide network of all private and public pathology laboratories. The lifetime risk of developing cancer was somewhat higher for men (one in six) than for women (one in seven). However, the risk in men ranged from one in eight for Africans

(but was believed to be an underestimate) to one in four for whites. Similarly, in women the risk ranged from one in nine for Africans to one in five for whites. The following tables show the ten types of cancers most frequently reported in men and women in 1992:¹³ [¹³ National Cancer Registry, South African Institute for Medical Research, *Cancer in South Africa: Incidence of Histologically Diagnosed Cancer in South Africa, 1992, 1997*]

Histologically diagnosed cancer in women: 1992

Number^a

Proportion

Crude rate^b

Lifetime risk: one in

Cervix

4 467

17.8%

23.0

30

Breast

4 084

16.2%

21.0

31

Basal cell carcinoma

3 481

13.8%

17.9

37

Primary site unknown

1 428

5.7%

7.3

84

Squamous cell carcinoma

1 187

4.7%

6.1

109

Colorectal

1 025

4.1%

5.3

116

Oesophagus

935

3.7%

4.8

116

Uterus

744

3.0%

3.8

141

Melanoma

643

2.6%

3.3

222

Ovary

612

2.4%

3.2

217

Other^c

6 537

26.0%

N/A

N/A

Total

25 143

100.0%^e

Histologically diagnosed cancer in men: 1992

Number^a

Proportion

Crude rate^b

Lifetime risk: one in

Basal cell carcinoma

5 156

19.9%

26.5

20

Prostate

2 424

9.4%

12.5

33

Oesophagus

2 101

8.1%

10.8

45

Squamous cell carcinoma

1 849

7.1%

9.5

52

Primary site unknown

1 643

6.3%

8.5

58

Lung

1 451

5.6%

7.5

60

Colorectal

1 034

4.0%

5.3

91

Bladder

929

3.6%

4.8

94

Stomach

817

3.2%

4.2

112

Liver and bile duct

683

2.6%

3.5

145

Larynx

631

2.4%

3.2

147

Other^d

7 176

27.7%

N/A

N/A

Total

25 894

100.0%^e

97.1^e

6^f

a

The number of new cases reported by all private and public pathology laboratories.

b

Crude number of cases per 100 000 of the population.

c

Includes ill-defined cancer, as well as the following forms of cancer: anus, bladder, bone, brain, Burkitts, central nervous system, endocrine, eye, gum, haematological, Hodgkins, intestine, Kaposis-sarcoma, kidney, larynx,

leukaemia, lip, liver and bile duct, lung, mesothelioma, mouth, myeloma, naso-oro pharynx, non-Hodgkins, pancreas, placenta, salivary, skin, stomach, thyroid, tongue, vulva and vagina.

d

Includes ill-defined cancer, as well as the following form of cancer: anus, bladder, bone, brain, breast, Burkitts, central nervous system, endocrine, eye, gum, haematological, Hodgkins, intestine, Kaposis-sarcoma, kidney, leukaemia, lip, melanoma, mesothelioma, mouth, myeloma, naso-oro pharynx, non-Hodgkins, pancreas, penis, salivary, skin, testis, thyroid, and tongue.

e

Figures may not add up owing to rounding.

f

Excludes basal and squamous cell skin cancers.

N/A – Not available.

The National Cancer Registry estimated that a total of 62000 new cancer cases would be reported in 1997 (excluding skin cancers). It further estimated that 8.5m of the people (ie 22% of the population) who were alive in 1997 would develop a cancer before their 75th birthday. Nationally at least one in four South Africans would develop cancer in their lifetime. The lifetime risk was bound to increase because of a high prevalence of smoking, HIV and lifestyle changes in the population. Over the next 40 years about 60000 to 90000 deaths annually would be attributable to tobacco consumption, and a quarter of these deaths would be owing to lung cancer.

The table below gives a summary of the lifetime risks by race of developing one of the five most common cancers between 0 and

Sum

Male

Female

Cancer

Lifetime risk: one in

Cancer

Lifetime risk: one in

African

Oesophagus

39

Cervix

26

Prostate

58

Breast

68

Lung

89

Oesophagus

97

Liver and bile duct

137

Uterus

204

Mouth

185

Liver and bile duct

400

All cancers (average)

8

All cancers (average)

9

Coloured

Prostate

35

Cervix

30

Stomach

52

Breast

33

Lung

53

Colorectal

139

Oesophagus

56

Stomach

164

Bladder

88

Lung

227

All cancers (average)

5

All cancers (average)

8

Indian

Stomach

64

Breast

20

Prostate

67

Cervix

58

Colorectal

71

Stomach

68

Bladder

74

Uterus

91

Lung

91

Colorectal

94

All cancers (average)

7

All cancers (average)

6

White

Prostate

20

Breast

15

Bladder

37

Colorectal

52

Colorectal

40

Melanoma

80

Lung

41

Cervix

83

Melanoma

65

Ovary

108

All cancers (average)

4

All cancers (average)

5

According to the National Cancer Registry, cancer of the oesophagus was most common in African men (one in 39 having a lifetime risk of developing this cancer), while cancer of the prostate was most common in white (one in 20) and coloured men (one in 35). Cancer of the stomach was most common in Indian men (one in 64). Cancer of the cervix was most common in African women (one in 26) and coloured women (one in 30). Breast cancer was most common in Indian (one in 20) and white women (one in 15). The incidences for all these cancers ranked among the highest in the world.

Malaria

In 1996 South Africa experienced the worst malaria epidemic in 40 years, 29172 cases being reported to the Department of Health.¹⁵ [¹⁵ *Business Day* 19 May 1997] Preliminary (but incomplete) figures for 1997 showed a drop to 23096 cases. Most of these were reported in KwaZulu-Natal (49%), Mpumalanga (25%) and the Northern Province (21%). In 1997, 84 people died from the disease, almost half the number of the previous year.¹⁶ [¹⁶ Department of Health, *Epidemiological Comments*, December 1997] The epidemic was attributed to high rainfall during the summer months, and the resistance of mosquitoes to insecticides.¹⁷ [¹⁷ Health Systems Trust, *South African Health Review 1997*, 1997]

In 1996 Mpumalanga had the highest malaria notification rate per 100000 of the population (70), followed by the Northern Province (56) and KwaZulu-Natal (48). The malaria notification rate for the whole of South Africa was 25 per 100000 of the population. (See also *Notifiable and communicable disease statistics* above.)¹⁸ [¹⁸ Department of Health, *Health Trends in South Africa 1995/96*, March 1997]

Malnutrition

The Medical Research Council (MRC) said in its 1996/97 annual report that undernutrition remained the priority problem in children, 25% of preschool children being stunted, 10% underweight, 10% anaemic and 33% marginally vitamin A deficient (although these conditions could overlap in some cases). Stunting was more prevalent among primary schoolchildren attending schools previously under the Department of Education and Training (15%), and the House of Representatives (18%), than among pupils at schools previously under the House of Assembly (2%).¹⁹ [¹⁹ Medical Research Council, annual report 1996/97] No information was given on schools previously under the House of Delegates.

Measles

In 1996, 10526 cases of measles were reported in South Africa, the highest figure in 50 years. This represented an increase of 55% over the figure for 1995 (6777 cases).²⁰ [²⁰ 1996/97 Survey, p452] In 1997, 1014 cases of measles were reported, although figures were incomplete at the time of writing.

In 1996 South Africa had an average measles notification rate of 17 per 100000 of the population. The notification rate was highest in the Western Cape (27), followed by the Northern Cape (23), the Eastern

Cape (21), Gauteng (20), and KwaZulu-Natal and Mpumalanga (15 each). According to the Department of Health, in 1995 the notification rate per 100000 of the population was highest among coloured people (28) and Africans (14). The notification rate for whites was six and for Indians, five. (See also *Notifiable and communicable disease statistics* above.)²¹ [21 Department of Health, *Health Trends in South Africa* 1995/96, March 1997]

Mental Illness

A researcher for the MRC, Dr Debbie Bradshaw, said in 1997 that ‘information about mental health status in South Africa is still scanty’.

Tuberculosis

According to the Department of Health, in 1996 an estimated 160000 people contracted tuberculosis (TB), while an estimated 10000 people died of it. (The reported cases of TB were far below the estimated number of cases.) Dr K Weyer, a senior specialist scientist of the TB research programme at the MRC, said that the number of TB cases averaged 362 per 100000 of the population, which was more than double the rates observed in other developing countries, and as many as 60 times higher than those currently seen in the United States or in Europe.²² [22 Department of Health, *TB in South Africa: The People's Plague*, 1997]

In 1996 the average TB notification rate (ie reported cases) per 100000 people was 154. The highest rates were found in the Northern Cape (589), followed by the Western Cape (569), the Free State (268) and Gauteng (170). The notification rate in all the other provinces was below 100 per 100000 of the population.

There were also significant disparities between the races. Coloured people had a notification rate of 530 and Africans 137. The rate for Indians was 50 and that for whites 14. According to the Department of Health, the notification rate for all race groups except coloured people had dropped from 1970 to 1995. The notification rate for coloured people had doubled from 330 per 100000 of the population in 1970 to 671 in 1995. In the case of Africans it had halved from 361 to 179 over the same period, and in the case of Indians it had dropped from 152 to 69.²³ [23 Department of Health, *Health Trends in South Africa 1995/96*, March 1997]

Only 50% of all facilities providing TB care submitted reports during 1996, which led to significant under-reporting of the disease, according to Dr Weyer.²⁴ [24 Health Systems Trust, *South African Health Review 1997*, 1997] According to the 1996/97 annual report of the MRC, about 26% of the 160000 TB cases reported in 1996 could be directly attributed to HIV infection.²⁵ [25 Medical Research Council, annual report 1996/97]

Estimates by Dr Weyer and Dr P B Fourie of the TB research programme at the MRC were that if no

improvement took place in controlling HIV and TB, there would be an estimated total of 638000 new cases of TB by 2005. Some 71% of all cases would be HIV positive and the TB incidence rate per 100000 of the population would reach 1285. However, if the department succeeded in reducing the smear positive incidence rate (ie infectious cases) by 50% and preventing 20% of new HIV infections by 2005, there would be 133000 new cases by that year. Some 51% of all cases would be HIV positive and the TB incidence rate would be 268 (lower than the incidence rate of 311 per 100000 of the population in 1994).²⁶ [²⁶ Information provided by Drs K Weyer and PB Fourie, TB research programme, Medical Research Council, 2 December 1997] (See also *Notifiable and communicable disease statistics* above.)

The department estimated that without correct and improved TB treatment a minimum of 90000 people would die of TB by 2005, and 3.5m people would become sick with TB over the same period. Although TB traditionally affected poorer communities, which had a low standard of health care, the department noted that some 20% of TB patients were ‘treatment interrupters’, ie patients who started TB treatment but failed to complete it. These people were at risk of developing multidrug-resistant (MDR) TB, which caused the deaths of 2000 people in 1996. The average cost involved in treating MDR patients was R60000 a year, compared with R3000 a year for uncomplicated TB cases. The department said that in order to control the epidemic, more than 80% of the infectious TB patients had to be cured in the first attempt.²⁷ [²⁷ Department of Health, *TB in South Africa: The People’s Plague*, 1997; Health Systems Trust, *South African Health Review 1997*, 1997]

The table below details the estimated incidence rates of TB (ie new cases) and the proportions of TB cases that were HIV positive by province in 1995–97:²⁸ [²⁸ Information provided by Drs K Weyer and PB Fourie, TB research programme, Medical Research Council, 2 December 1997]

Estimated number of TB cases in South Africa: 1995–97

TB incidence rate^a

Proportion of cases that were HIV positive

1995

1996

1997

1995

1996

1997

Eastern Cape

459

504

556

15.8%

20.4%

25.2%

Free State

254

282

315

27.5%

32.1%

36.9%

Gauteng

340

375

416

20.6%

25.2%

30.0%

KwaZulu-Natal

339

381

433

40.4%

45.0%

49.8%

Mpumalanga

256

286

323

34.9%

39.5%

44.3%

North West

246

271

300

21.3%

25.9%

30.7%

Northern Cape

311

340

374

9.0%

13.6%

18.4%

Northern Province

237

260

286

12.1%

16.7%

21.5%

Western Cape

512

559

614

7.4%

12.0%

16.8%

South Africa^b

341

377

419

23.4%

28.0%

32.8%

a

Cases per 100 000 population.

b

The TB incidence rate for the whole of South Africa translated into some 141 000 patients in 1995, increasing to 159 000 patients in 1996 and to 180 000 patients in 1997.

The following bar chart shows the incidence rate of TB in 1996 and 1997 by province:

Typhoid Fever

The number of typhoid cases reported dropped by 33% from 631 in 1996 to 425 in 1997 (preliminary figures). However, 1997 figures were incomplete. In 1996 South Africa had an overall typhoid notification rate of one per 100 000 of the population. The highest rates were found in Mpumalanga (6) and the Northern Province (3).

In 1995 Africans had the highest notification rate (2), while Indians had a rate of 0.8; whites 0.4; and coloured people 0.2. In the case of Africans the notification rate had dropped by 92% from 25 in 1984 to two in 1995.²⁹ [29 Department of Health, *Health Trends in South Africa 1995/96*, March 1997]

Health Resources

Finance

The National Budget

In 1998/99 a total amount of R25.1bn was allocated to health—an increase of 24% over the 1997/98 allocation (R20.2bn)—in terms of the functional classification of the budget. Health expenditure represented 12% of the total budget, the second largest allocation after education, and 4% of gross domestic product (GDP).³⁰ [³⁰ Department of Finance, *Budget Review 1998*, 1998, pB25–26; *Budget Review*, March 1997, pB63–26]

In terms of the government's medium-term expenditure framework, nominal health expenditure would increase to R28.1bn in 2000/01 (by 12% over 1998/99). However, health expenditure as a proportion of total expenditure and of GDP would remain at the same levels as in 1998/99.³¹ [³¹ Department of Finance, *Budget Review 1998*, 1998, pB25–26]

In 1997 the Department of Health developed a medium-term expenditure framework (MTEF), which formed part of the Department of Finance's broader national framework for expenditure until 2000. The MTEF assumed real growth of 3.6% in the health budget overall over ten years. It assumed further that public hospital revenue would be increased through partial fee retention by hospitals and through the introduction of compulsory social health insurance for all formal-sector employees. (At the time of writing the Department of Health was preparing legislation which would introduce social health insurance.)³² [³² Health Systems Trust, *South African Health Review 1997*, 1997]

Provincial Health Budgets

Most public spending on health goes via the provinces. The nine provincial departments of health made the following allocations in the 1996/97 and 1997/98 financial years at current prices (provincial figures for 1998/99 were not available at the time of writing):³³ [³³ Gauteng Provincial Government, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*; North West Province, *Estimate of Expenditure to be Defrayed from the Provincial Revenue Account During the Financial Year Ending 31 March 1998*; Province of the Eastern Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*; Province of the Free State, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*; Province of KwaZulu-Natal, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*; Province of Mpumalanga, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*; Province of the Northern Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*; Province of the Western Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year Ending 31 March 1998*]

Health budgets of the provinces: 1996/97 and 1997/98

1996/97

1997/98

Increase

Rm

Rm

(decrease)

Eastern Cape

2 509.5

2 853.9

13.7%

Free State

1 301.9

1 420.1

9.1%

Gauteng

3 878.9

4 746.1

22.4%

KwaZulu-Natal

3 239.5

3 713.3

14.6%

Mpumalanga

822.1

790.8

(3.8%)

North West

1 180.7

1 185.5

0.4%

Northern Cape

301.5

324.6

7.7%

Northern Province

1 553.9

1 684.9

8.4%

Western Cape

2 364.5

2 474.0

4.6%

Total

17 152.5

19 193.2

11.9%

With the exception of Mpumalanga spending on health increased in nominal terms in all provinces from 1996/9

During the period under review several provinces said that the amount allocated to health was insufficient to meet their needs. In August 1997 the MEC for health in the Western Cape, Mr Ebrahim Rasool, said that the provincial health department anticipated a R400m overexpenditure in 1997/98, mainly because there was no tool except voluntary retrenchment packages to reduce staff.³⁴ [³⁴ *Business Day* 11 August, 2 December 1997] In the same month the Eastern Cape Department of Health said advertised vacancies for more than 1000 'critical posts' out of a total of 13500 vacant posts could not be filled because of a lack of funds to pay more staff.³⁵ [³⁵ *Ibid* 8 August 1997]

In December 1997 the Gauteng Department of Health said that it would overspend by some R840m in 1997/98, excluding salary increases for health personnel. The department said that it hoped to save a minimum of R212m, partly through savings on non-essential services at hospitals.³⁶ [³⁶ *Beeld* 17 December 1997]

Earlier, in April 1997, five provinces indicated that they were battling to provide adequate services, despite a budgetary increase of 10% to health in 1997/98.³⁷ [³⁷ *The Citizen* 22 April 1997; South African Chamber of Business (Sacob), *This Week in Parliament*, 22 April 1997]

Per Capita Expenditure

The table below shows the estimated change in real spending per capita on health care between 1994/95 and 1997/98 based on the amounts allocated by the various provinces:³⁸ [³⁸ Health Systems Trust, *South African Health Review 1997*, 1997]

Estimated change in per capita health expenditure in real terms: 1994/95 and 1997/98^a

Per capita expenditure 1994/95

Per capita expenditure 1997/98

Per capita decrease^b

R

R

Eastern Cape

466

444

(4.7%)

Free State

536

510

(4.9%)

Gauteng

830

773

(6.9%)

KwaZulu-Natal

442

418

(5.4%)

Mpumalanga

281

263

(6.4%)

North West

446

417

(6.5%)

Northern Cape

544

543

(0.2%)

Northern Province

331

309

(6.6%)

Western Cape

749

707

(5.6%)

Total^c

496

468

(5.6%)

a

Figures exclude estimates of level three services (ie national and supraregional functions) and teaching and associated functions. Figures are at constant 1997 prices.

b

Decreases calculated by the South African Institute of Race Relations.

c

Figures may not add up owing

The bar chart below shows the per capita expenditure on health in 1994/95 and 1997/98 by province:

Real per capita expenditure in all the provinces dropped over the period 1994/95 to 1997/98. However, according to Messrs A van den Heever and V Brijlal, researchers at the Centre for Health Policy at the University of the Witwatersrand, 'enormous' disparities still existed between the provinces. Per capita expenditure was 65% above the national average in Gauteng, and 51% higher in the Western Cape. Mpumalanga and the Northern Province were 44% and 34% below the average respectively.³⁹ [³⁹ Ibid]

Medical Aid Schemes

According to the Representative Association of Medical Aid Schemes (Rams), in 1995 there were 2.6m principal members belonging to medical aid schemes, which translated into some 6.8m beneficiaries of schemes if dependants were included (these were the latest available figures).⁴⁰ [⁴⁰ Information provided by the Representative Association of Medical Aid Schemes, 13 January 1998]

A survey by Old Mutual in 1997 found that 60% of some 700 companies surveyed offered a company medical aid scheme to employees, while 40% participated in commercial schemes. A high proportion of schemes had a total membership below the 6 000 minimum suggested by the registrar of medical schemes. While some 90% of all employees were eligible for medical aid membership, more than 40%

did not belong to an employer-sponsored scheme. Many employers also indicated that despite government proposals to make coverage compulsory for all employees, they had no plans to broaden membership. This could be explained partly by the fact that many lower-paid workers could not afford medical cover. In addition, many employees were members of their spouse's medical aid schemes.⁴¹ [41 Old Mutual Actuaries and Consultants, *The 1997 Health Benefits Survey*, 1997]

According to Mr Nico Conradie of the Hollandia Reinsurance Group, employers spent between 10% and 15% of total payroll on health care in 1997, whereas 20 years ago the average expenditure was closer to 1%. Medical scheme contributions had increased by more than 22% annually over the past 20 years and health care cost inflation exceeded the increases in the consumer price index over the same period.⁴² [42 *The Star* 30 September 1997]

Rams announced in September 1997 that scales of benefits paid by medical aid schemes would increase by an average of 8% in 1998, with recommended scales for doctors rising by 10%.⁴³ [43 *Business Day* 15 September 1997]

Proposals for Restructuring Medical Aid Schemes

In February 1998 the minister of health, Dr Nkosazana Zuma, said that the department would table a medical schemes amendment bill in Parliament in 1998. The bill aimed to protect the beneficiaries of medical aid schemes and ensure that users could obtain a basic package of care they could afford.⁴⁴ [44 *Pulse Track* 16 February 1998] At the time of writing the department had not yet published a draft document on the restructuring of medical aid schemes.

Health Services

Medical Personnel

The table below shows the number of health care personnel registered with the Interim National Medical and Dental Council of South Africa, the South African Interim Nursing Council and the Interim Pharmacy Council of South Africa between 1990 and 1996:⁴⁵ [45 Information provided by the Interim National Medical and Dental Council of South Africa, 19 November 1997; information provided by the South African Interim Nursing Council, 19 November 1997; information provided by the South African Pharmacy Council, 19 November 1997; Department of Health, *Health Trends in South Africa 1995/96*, March 1997]

Registered health care workers: 1990–96^a

Dentists

Doctors^b

Nurses^c

Pharmacists

Supplementary^d

Total

1990

3 775

23 139

148 558

9 073

26 255

210 800

1991

3 944

24 614

151 610

9 280

27 912

217 360

1992

3 998

25 375

155 679

9 277

29 727

224 056

1993

4 024

25 967

157 497

9 388

33 517

230 393

1994

4 029

26 452

158 538

9 574

35 365

233 958

1995

4 102

27 297

165 472

9 677

37 998

244 546

1996

4 235

28 381

173 742

9 752

41 977

258 087

a

Figures include registered health care personnel not resident in South Africa. The number of registered health care personnel in South Africa may therefore be lower.

b

Includes specialists.

c

Figures for 1996 include all nurses working in the former 'independent' homelands. Figures for earlier years do not include all nurses from the former 'independent' homelands. Figures are, therefore, not strictly comparable.

d

Supplementary health care workers include all health care workers registered with the Interim National Medical and Dental Council of South Africa except medical practitioners and dentists. Figures include the former 'independent' homelands.

The pie charts below shows the composition of South African health workers in 1

A draft version of the *Human Resource Audit for Health Care Personnel in South Africa*, drawn up by the Department of Health, revealed that in 1997 South Africa had a total of some 190000 nurses (including registered professional, enrolled and auxiliary nurses), 18926 doctors, 5541 medical specialists, 4102 dentists, 11500 pharmacists and 35400 supplementary health professionals. Overall South Africa had the following ratio of health personnel per 10000 of the population: 36.8 nurses, 4.4 doctors, 4.1 pharmacists and one dentist.⁴⁶ [⁴⁶ Information provided by the Directorate Human Resource Development, Department of Health, 10 December 1997] About 1000 doctors qualified at the end of 1997 after completing their internships.⁴⁷ [⁴⁷ *Pulse Track* 24 November 1997]

Doctors

According to a draft version of the *Human Resource Audit for Health Care Personnel in South Africa*, the distribution of doctors between provinces showed 'tremendous variation'. Gauteng had 9.3 doctors per 10000 of the population, while the Northern Province had one, almost a tenfold difference. Further analysis of the number of doctors showed that there were 17728 active practising doctors, of whom 10067 were in the public sector and 7665 in the private sector. The active doctor population accounted for 83% of the total number of doctors registered. There were also 2296 doctors with limited registration with the Interim National Medical and Dental Council of South Africa who had received foreign education and training. The draft report said that 'there appeared to be an adequate number of doctors in South Africa but the major problem is the maldistribution which is reflected in the shortage, especially in the rural areas of the country where there is insufficient medical personnel'.⁴⁸ [⁴⁸ Information provided by the Directorate Human Resource Development, Department of Health, 10 December 1997]

The table below shows the distribution of doctors by province per 10000 of the population in 1997, based on figures provided by the Department of Health:⁴⁹ [⁴⁹ *Business Day* 29 April 1997]

Distribution of doctors in South Africa per 10 000 of the population: 1997^a

Province

Doctors^b

Eastern Cape

2.3

Free State

3.4

Gauteng

9.3

KwaZulu-Natal

4.5

Mpumalanga

2.1

North West

1.8

Northern Cape

7.4

Northern Province

1.0

Western Cape

7.7

a

Figures include public and private sectors.

b

Figures exclude medical spe

Emigration

The minister of home affairs, Chief Mangosuthu Buthelezi, said in July 1997 that the number of dentists and doctors who had left South Africa had increased by 70% between 1995 and 1996 (to 136 in 1996). According to Chief Buthelezi, the number of doctors and dentists emigrating had risen more sharply than had been the case for most other professions. However, the number of specialists emigrating dropped from 14 in 1995 to 11 in 1996.⁵⁰ [⁵⁰ Central Statistical Service, *Demography: Tourism and Migration* —July 1997, Statistical Release, PO351, 19 November 1997; *The Citizen* 18 July 1997]

Compulsory Community Service

Legislation providing for community service was passed in November 1997 (see *Legislation* below). In the same month the minister of health, Dr Nkosazana Zuma, announced that doctors who completed their internship in June 1998 would have to do compulsory community service. Doctors completing their internships in December 1997 would not be compelled to do community service, although the minister appealed to them to volunteer for community service in January 1998.⁵¹ [⁵¹ *Pulse Track* 24 November 1997] Dr Zuma said that doctors who refused to do community service would not be registered to practise in South Africa.

The Junior Doctors' Association of South Africa (Judasa) welcomed the decision to postpone compulsory community service, but said that it was still opposed to any compulsory community service in 1998. Judasa supported community service only if there was an adequate negotiated package. Doctors should be offered incentives such as tax breaks and restructuring of the payment of doctors' student loans, Judasa said.⁵² [⁵² *Ibid*]

Earlier in the year the National Interns Alliance, which represented the majority of South Africa's 1300 medical interns, had objected to a lack of consultation and negotiation regarding community service, lack of facilities suitable for community service, and poor timing of the implementation of the proposals. The alliance said that the interns would need supervision, equipment and support staff to deal with medical problems. In many of the rural areas they would have none of these.⁵³ [⁵³ *Business Day*, *The Citizen*, *The Star* 14 October 1997]

Cuban Doctors

The Department of Health announced in January 1998 that 69 Cuban doctors would arrive in South Africa in January and that a further 76 would arrive during March and April. The new arrivals would bring to 341 the number of Cuban doctors in South Africa since the recruitment programme started in 1995 (see 1996/97 Survey, p480). The majority of doctors arriving in January would be sent to the Eastern Cape (30 doctors) and the Free State (23). The remainder would be sent to the North West and Gauteng. The Department of Health said that government-to-government programmes enjoyed

preference over individual applications and clinical competence. The department also said that 12 doctors from Germany had been recruited during August 1997.⁵⁴ [⁵⁴ *Pulse Track* 23 January 1998]

The minister said in January 1998 that 42 South African students were due to leave for Cuba at the end of the month to study medicine in terms of a six-year contract with the Cuban government. This would bring to 52 the total number of medical students studying in Cuba.⁵⁵ [⁵⁵ *Ibid*]

Conditions of Service

In September 1997 the Department of Health tabled a plan with the Public Service Bargaining Chamber to prohibit public doctors from doing private work. Since 1992 doctors in the public sector had been allowed to have a limited private practice to augment their income. According to Dr Tim Wilson, chief director of health facilities planning and hospital management in the Department of Health, it was very difficult to monitor how doctors allocated their time, which often led to abuse of the system. Professor Max Price, dean of the medical faculty at the University of the Witwatersrand, said that a university survey showed that about 30% of its specialists would resign if the ban was imposed. In some departments such as the orthopaedic, plastic surgery, radiology and urology departments, up to 90% of specialists indicated that they would move to the private sector. Professor Price and the deans of other medical faculties around the country offered alternative solutions to the ban, for example to allow universities to operate internal private practices—which would offer private patients a service from university hospitals. The issue had not yet been resolved at the time of writing.⁵⁶ [⁵⁶ *Mail and Guardian* 12 September 1997]

Nurses

The table below shows the distribution of nurses by province per 10 000 of the population in 1997, based on figures provided by the Department of Health:⁵⁷ [⁵⁷ *Business Day* 29 April 1997]

*Dis*Province

Nurses

Eastern Cape

29.2

Free State

34.4

Gauteng

40.2

KwaZulu-Natal

41.2

Mpumalanga

22.3

North West

21.2

Northern Cape

28.3

Northern Province

30.6

Western Cape

47.6

a

Figures include public and private sectors.

The table below shows the total number of nurses registered with the Interim Nursing Council of South Africa in 1997:⁵⁸ [⁵⁸ Information provided by the South African Interim Nursing Council, 19 November 1997]

Registered nurses: 1997

Resident in South Africa

Non-residents

Total

Registered nurses

87 783

981

88 764

Enrolled nurses

33 170

132

33 302

Nursing auxiliaries

51 567

109

51 676

Total

172 520

1 222

173 742

In addition to the number of registered qualified nurses resident in South Africa, there were 17291 unqualified student nurses, enrolled pupils and pupil nursing auxiliaries in 1997 who were still in trainin

Other Health Personnel

According to the Interim National Medical and Dental Council of South Africa, the following numbers

of health personnel (other than dentists, doctors, nurses and pharmacists) were registered in South Africa in 1994 and 1995 (the latest years for which figures were available):⁶⁰ [60 1996/97 Survey, pp 482–483; Department of Health, *Health Trends in South Africa 1995/96*, March 1997]

Registered health personnel: 1994 and 1995

1994

1995

Increase (decrease)

Ambulance and emergency-care assistants

4 449

5 520

24%

Anaesthetic practitioners

8

8

0%

Biokinetic practitioners

126

169

34%

Biomedical engineers

10

10

0%

Chiropodists

161

178

11%

Clinical biochemists

27

26

(4%)

Clinical technologists

387

420

9%

Dental therapists

180

206

14%

Dieticians

862

910

6%

Electro-encephalographic technicians

61

65

7%

Food inspectors

29

27

(7%)

Health inspectors

2 678

2 656

(1%)

Masseurs

33

32

(3%)

Medical orthotists and prosthetists

292

311

7%

Medical physicists

85

86

1%

Medical scientists

372

369

(1%)

Medical technologists

4 152

5 179

25%

Occupational therapists

1 888

2 225

18%

Optometrists and optical dispensers

1 520

1 682

11%

Oral hygienists

787

834

6%

Paramedics^a

—

355

N/A

Physiotherapists

3 430

3 898

14%

Psychologists and intern psychologists

6 869

7 130

4%

Radiation technologists

9

12

33%

Radiographers

3 883

4 217

9%

Remedial gymnasts

3

3

0%

Speech therapists, audiologists and audiometrists

1 031

1 298

26%

Other

2 041

172

(92%)

Total

35 373

37 998

7%

^a Figures were included under different categories

Hospitals and Clinics

Public Hospitals

According to the Department of Health, in 1997 there were 420 public hospitals in South Africa. Of these, 235 were district hospitals, 68 aided hospitals (ie private hospitals which received state funding), 66 regional hospitals, 41 specialist hospitals and 10 central hospitals. Together these hospitals provided more than 111000 beds.⁶¹ [⁶¹ Information provided by the Department of Health, 26 November 1997]

The findings of a national audit of all public health facilities by the Department of Health were published in 1997. The audit found that there were 542 facilities in the public sector in 1995, including health centres (108), hospitals (426) and academic hospitals (8).⁶² [⁶² Information provided by the Directorate Health Facilities Planning, Department of Health, 6 November 1997]

The audit found that the number of beds currently in use in the North West and the Northern Province exceeded their total capacity—for example wards built to accommodate 30 patients were in fact accommodating 45. In other provinces, such as Gauteng, KwaZulu-Natal and the Western Cape there were fewer beds in public hospitals than could be accommodated.

The table below shows the total bed capacity in public hospitals in each province in 1995, as well as the actual number of beds in use:⁶³ [⁶³ Ibid]

Number of beds at public hospitals: 1995

Actual number of beds

Bed capacity

Eastern Cape

18 960

21 143

Free State

7 161

7 909

Gauteng

17 265

21 695

KwaZulu-Natal

23 156

24 078

Mpumalanga

4 339

6 223

North West

7 654

7 622

Northern Cape

2 562

3 125

Northern Province

15 549

12 475

Western Cape

12 957

15 010

Total^a

109 603

119 280

a

Of the total of 119 280 beds in public hospitals, 9 675 were academic hospital beds, linked to academic teaching institutions, ie medical schools, in five of the nine provinces. Mpumalanga, North West, Northern Cape and Northern Province had no academic beds.

The table reveals that nationally 92% of all public hospital beds were in current use. However, in most provinces beds were underutilised. In the Northern Province bed utilisation (current use as a proportion of total capacity)

The audit found that the national bed density (ie capacity) per 1000 people was 2.9 but actual bed density was somewhat lower at 2.7. The following table shows available bed density at public hospitals by province, as well as actual bed density in 1995:⁶⁴ [Ibid]

Act

Actual bed density

Available bed density

Eastern Cape

2.9

3.3

Free State

2.6

2.8

Gauteng

2.4

3.1

KwaZulu-Natal

2.7

2.8

Mpumalanga

1.4

2.1

North West

2.3

2.3

Northern Cape

3.5

4.2

Northern Province^b

2.9

2.3

Western Cape

3.5

4.0

South Africa

2.7

2.9

^a Number of hospital beds per 1 000 population.

^b Actu

According to the 1998 *Budget Review*, the Department of Health proposed a long-term hospital rehabilitation programme after a comprehensive audit of health facilities found that less than one fifth of all health care facilities were ideal, while about half were acceptable. About one tenth were in such a poor condition that they should be condemned, and another tenth should be upgraded or replaced.

The programme would 'rehabilitate' all institutions which had been identified in the audit as 'urgently needing attention'. The programme had been allocated R100m in 1998/99, increasing to R500m in 2000/01.⁶⁵ [⁶⁵ Ibid; Department of Finance, *Budget Review 1998*, 1998, p6.28]

The Department of Health said in its 1996 annual report that a new classification system for hospitals had been adopted. From 1997 hospitals would be classified into the following four categories.⁶⁶ [⁶⁶ Department of Health, annual report 1996]

- district hospitals would have at least 30 beds and provide first-level care, including casualty departments, family medicine, paediatric rehydration units, poly-clinics, and sleep-over wards;
- regional hospitals would offer mainly secondary-level care which required the expertise of general specialist teams. This would include anaesthetics, general medicine, general surgery, obstetrics and gynaecology, orthopaedics, paediatrics, psychiatry, and radiology;
- central hospitals would provide care which required the expertise of clinicians working as subspecialists or rarer specialities such as cardiothoracic surgery, neurosurgery, plastic surgery and urology; and
- specialist hospitals would provide care only for certain specialised groups or patients, and would include chronic psychiatric and tuberculosis hospitals, as well as special spinal injury and acute infectious diseases hospitals.

Teaching would be done at all levels of the health system. Facilities with fewer than 30 beds would be classified as community health centres or clinics.⁶⁷ [⁶⁷ Ibid]

In August 1997 Dr Wilson said that ten hospitals had been identified as 'central hospitals' and would be funded by the central government and not by the provinces. These included the following hospitals: Chris Hani Baragwanath (Gauteng), Garankuwa (Gauteng), Groote Schuur (Western Cape), Johannesburg (Gauteng), King Edward VIII (KwaZulu-Natal), Pretoria Academic (Gauteng), Red Cross (Western Cape), Tygerberg (Western Cape), Universitas (Free State) and Wentworth (KwaZulu-Natal). According to Dr Wilson, the activities of these hospitals had to be co-ordinated with one another by a national council to ensure that each complex had a specific area of competency in specialised fields.⁶⁸ [⁶⁸ *The Citizen* 14 August 1997]

Private Hospitals

According to the Department of Health, in 1996 there were 304 private hospitals in South Africa. The following table shows the number of private hospitals according to province.⁶⁹ [⁶⁹ Information provided by Chief Directorate: Health Resource Planning, Department of Health, 13 October 1997]

Private hospitals according to province: 1996

Hospitals

Proportion of total

Eastern Cape

14

4.6%

Free State

22

7.2%

Gauteng

124

40.8%

KwaZulu-Natal

34

11.2%

Mpumalanga

21

6.9%

North West

23

7.6%

Northern Cape

13

4.3%

Northern Province

9

3.0%

Western Cape

44

14.5%

Total

304

100.0%

According to the *1997 Hospital and Nursing Yearbook*, there were 323 private and aided hospitals (which were privately owned but received public funding) in South Africa in 1997. Of these, 41 were in the Eastern Cape, 16 in the Free State, 107 in Gauteng, 46 in KwaZulu-Natal, 7 in Mpumalanga, 13 in the North West, 28 in the Northern Cape, 1 in the Northern Province, and 64 in the Weste

According to the *South African Health Review*, the private hospital industry employed approximately 50000 people and admitted 1.8m patients annually. Over the previous eight years (ie between 1988 and 1996) there had been a growth of 113% in the number of private for-profit hospital beds in South Africa.⁷¹ [71 Health Systems Trust, *South African Health Review 1997*, 1997]

Clinics

According to Mr Geoff Abbott, a programme manager in the division of building technology at the Council for Scientific and Industrial Research, it was estimated that there were about 3000 clinics in South Africa in 1997 with a replacement value of some R3.5bn.⁷² [72 Ibid] However, according to the Department of Health, there were 2604 clinics in the public sector in 1997, and 74 in the private sector. The department could not explain why there were fewer clinics in 1997 than in 1995 (according to the 1995 annual report of the department there were 2953 clinics in the public sector).⁷³ [73 Personal communication with Ms C Serenata, Department of Health, 26 November 1997] The table below shows the number of clinics, health centres and day hospitals in the private and public sectors by province in 1997:⁷⁴ [74 Information provided by Mr M Seopa, Department of Health, 17 November 1997]

Number of clinics by province: 1997

Private clinics

Public clinics

All clinics

Day clinics

ComPrimary health care clinics, provincial clinics, and local authority clinics

Ratio of population per clinic

Eastern Cape

3

7

614

624

9 444:1

Free State

7

10

254

271

9 356:1

Gauteng

44

12

443

499

15 760:1

KwaZulu-Natal

3

15

179

197

39 546:1

Mpumalanga

3

25

146

174

15 474:1

North West

4

8

298

310

9 944:1

Northern Cape

0

2

44

46

16 217:1

Northern Province

0

22

322

344

12 000:1

Western Cape

10

0

304

314

13 546:1

Total

74

101

2 604

2 779

22 205:1

The Department of Health said that in the 1997/98 financial year 260 clinics had been built, 36 had been upgraded and 444 residential projects at clinics had been completed. In addition, 106 mobile clinics had

been purchased.⁷⁵ [75 Department of Health, *Presentations to the Portfolio Committee on Health by the director general, Dr Olive Shisana*, 20 April 1998] A total number of 567 clinics had been built between April 1994 and December 1997, thereby increasing access to more than 5m people.⁷⁶ [76 Ibid] According to Mr Abbott, between August 1995 and March 1998, R710m would have been spent on the fast-track clinic building process, resulting in the completion of 461 new clinics. A total of 175 additions to existing clinics (mostly additional midwife obstetric units) would be completed in 1998, and 810 clinic residential units would be provided. The fast-track programme had reduced the average 13-month clinic planning and building cycle to nine months.⁷⁷ [77 Health Systems Trust, *South African Health Review 1997*, 1997]

The director general of health, Dr Olive Shisana, said in October 1997 that 61 of the clinics that had been completed by the department in a 'fast-track clinic building programme' started in August 1995, were not operational by the end of August 1997 because of a lack of funds for operational expenses. Dr Shisana said that the national department had only approved business plans and not operational plans for the clinics. In addition, provinces had no funds to employ staff for some clinics. According to Dr Shisana, the national department had no control over how provincial resources were allocated. Although provinces had assured the national department that they had sufficient operational funds to run clinics at the time of submitting their business plans, the financial situation in many provinces had deteriorated and they no longer had sufficient funds.⁷⁸ [78 *Business Day* 30 October 1997] In some cases it took up to nine months to obtain approval from provincial public service commissions to employ new staff and there were also delays in the delivery of equipment which contributed to the problem.⁷⁹ [79 *The Citizen* 1 November 1997]

A national clinic survey, which assessed service provision at 160 clinics across the country, was published by the Health Systems Trust in 1997. The survey found the following inequities between clinics in rural and in urban areas (with those in the rural areas worse off than those in urban areas):⁸⁰ [80 Health Systems Trust, *South African Health Review 1997*, 1997]

- the average number of patients seen per nurse per month was 553. The patient/nurse ratio was significantly higher in urban areas than in rural areas because of an influx of people and the perception of higher quality care in the urban areas;
- more than 90% of clinics in urban areas had a telephone in working condition. Less than 50% of clinics in the rural areas had a telephone in working condition;
- some 98% of all clinics in urban areas had taps which were 'always functioning', compared with 70% in rural areas. About 22% of clinics in rural areas had no taps;
- about 80% of clinics in rural areas and 92% of clinics in peri-urban areas had electricity. However, in 36% of rural clinics which had electricity, the electricity supply had not worked consistently over the previous month;

- only 50% of all clinics offered immunisation services on a daily basis; and
- 72% of all clinics offered family planning services on a daily basis.

The survey found that the overall (urban and rural) availability of essential drugs was 80%. However, oxygen supply, which was regarded as an essential commodity in any health facility, was generally inadequate. Only 10% of clinics in the Eastern Cape and 39% in the Northern Cape had oxygen available at the time of the survey. The survey found further that two priority health problems, ie sexually transmitted diseases and tuberculosis (TB) were ‘far from attaining the standards set for their management’.⁸¹ [⁸¹ Ibid]

Strikes

No prolonged national or provincial strikes occurred at hospitals or clinics during the period under review. Isolated incidents were reported at hospitals relating to demands for tighter security, job selection policies, the reinstatement of suspended workers and higher salaries.⁸² [⁸² Various newspaper clippings]

Primary Health Care

The 1998 *Budget Review* stated that the delivery of primary health care services was the ‘top priority’ in national health policy. The government aimed to increase the average number of publicly provided primary health care consultations per person from an estimated 1.8 visits a year in 1992/93 to 2.8 visits by 2000, and to 3.5 visits over the following five years.⁸³ [⁸³ Department of Finance, *Budget Review 1998*, 1998, p5.15]

During the period under review various problems hampered the delivery of primary health care (PHC) services. In 1997 the *South African Health Review* said that ‘theoretically’ the district approach to primary health care (PHC) should result in administrative simplification and should bring about local control over service delivery. (See *White Paper for the Transformation of the Health System in South Africa* below.) However, in South Africa provincial and local governments were jointly responsible for ensuring the delivery of PHC. In practice, there were fundamental problems and confusion around this shared responsibility, according to the *South African Health Review*. Local governments were in a process of restructuring and, in the rural areas in particular, were fragmented and weak. Consequently, provinces were largely responsible for PHC delivery.⁸⁴ [⁸⁴ Health Systems Trust, *South African Health Review 1997*, 1997]

In addition, no consensus existed as to what type of services should be provided at primary level. It was therefore difficult for provinces to negotiate with local governments to transfer funds to them in order to implement PHC. In some cases the health subsidies to local governments for the provision of PHC had been used to fund services other than health. In addition, the high salaries paid in the metropolitan areas

by local government made the transfer of staff rendering PHC services from provincial to local government unaffordable.⁸⁵ [⁸⁵ Ibid]

Medicines

The chief executive of the Pharmaceutical Manufacturers' Association, Ms Mirryèna Deeb, claimed in October 1997 that 55% of state drugs were stolen annually, which amounted to a loss of more than R1bn to the state. Some of the stolen drugs were resold to the private sector.⁸⁶ [⁸⁶ *Saturday Star* 11 October 1997] (See also *Medicines and Related Substances Control Amendment Act of 1997* below.)

Traditional Medicines

The Medical Research Council announced in March 1997 that it had created a research group together with the universities of Cape Town and the Western Cape to focus on traditional medicines. The Research Group for Traditional Medicines would create a comprehensive traditional medicines database for east and southern Africa which could be used by traditional healers, the pharmaceutical industry and policy makers. The research group also intended to collaborate with traditional healers regarding primary health care because traditional healers could contribute towards improving health in the communities in terms of immunisation programmes, supervising TB treatment, reducing the use of alcohol and smoking, and curbing domestic violence.⁸⁷ [⁸⁷ *MRC News* March/April 1997]

Contraceptives

The *South African Health Review 1997* said that although the Department of Health did not have a 'barrier methods' policy (ie contraceptives) it had distributed over 95m condoms in 1996/97, 83% of which were provided free. The number of condoms distributed in 1996/97 provided only 7.7 condoms per person a year for those who were sexually active. The survey said that the reasons for the relatively low and erratic use of condoms included a lack of availability, cultural taboos and a negative perception of condoms. According to Dr Mark Colvin, a senior scientist at the Medical Research Council, more effort was needed to popularise barrier methods (including the use of female condoms). The Department of Health had appointed the Society for Family Planning to develop and implement a barrier methods strategy. At the time of writing no policy had been published yet.

Vaccination

The Department of Health launched two immunisation campaigns in 1997. The first one took place in May, when all children under five years were targeted for poliomyelitis (polio) immunisation at clinics and mobile immunisation posts. A second round of polio immunisation was conducted in June 1997 to complete the course. The first round reached 79% of the 4m targeted children under five years, while the second round reached 80% of the targeted number.⁸⁸ [⁸⁸ Information provided by Dr Rudy Eggers, Department of Health, 10 December 1997]

The second phase of a measles immunisation campaign, which had started in 1996, was completed in 1997 (see 1996/97 Survey, pp491–492). The campaign targeted some 16m children under 15 years in all nine provinces. Some 83% of those targeted were immunised by December 1997. The two campaigns supplemented the routine vaccination of children for a variety of diseases.⁸⁹ [89 Ibid]

Termination of Pregnancy

The Reproductive Rights Alliance, which monitored the implementation of the Choice on Termination of Pregnancy Act of 1996 (see 1996/97 Survey, pp499–500), said in October 1997 that nearly 13000 abortions had been performed between February and August 1997. (Legal abortion was introduced on 1st February 1997.) Almost 50% of the abortions were performed in Gauteng (6332). The abortion rate was much lower in the other provinces, for example in KwaZulu-Natal, where only 548 abortions were performed over the same period. Some 83% of women requesting abortions were older than 18 and most abortions (65%) were conducted within the first 12 weeks of pregnancy. The alliance attributed the low number of abortions to the fact that many medical personnel were refusing to perform abortions and to a shortage of medical facilities in rural areas. The alliance said that the legal abortion rate was expected to rise further in the short term, but would subside in the long term as a result of education programmes provided at clinics and hospitals.⁹⁰ [90 *The Star* 22 October 1997; *Business Day, Sowetan* 23 October 1997]

In the same month doctors reacted negatively to statements made by the minister of health, Dr Nkosazana Zuma, who said that doctors opposed to performing abortions should ‘not choose obstetrics and gynaecology as a speciality’. Dr Zuma also ‘hinted that an applicant’s ethical standpoint on abortion could influence the filling of hospital posts in future’. Professor Hein Odendaal, the chairman of the Faculty of Obstetrics and Gynaecology at the South African College of Medicine, said that the minister’s approach would ‘annoy and alienate’ most doctors because she did not ‘give any scope for personal feelings’ about abortion.⁹¹ [91 *Sunday Tribune* 19 October 1997]

Occupational Health

According to the *South African Health Survey 1997*, there was no clear national policy on occupational health in South Africa and this was compounded by the fragmentation of responsibility to produce such a policy. The survey noted that occupational health services needed to be ‘greatly extended’ at all levels of practice. Although it provided no figures, according to the survey, trained occupational health practitioners were scarce.⁹² [92 Health Systems Trust, *South African Health Review 1997*, 1997]

According to the Department of Labour, in 1996 there were 171 health and safety inspectors, of whom 12 were stationed at head office, 21 at labour centres and 138 in the provinces. However, the provinces had an inspector vacancy rate of 31%, while labour centres had a shortage of 33%. In 1996 a total of 35 learner inspectors were in various stages of study towards a B Tech diploma at technikons. These students would be appointed as inspectors on completion of their studies (see chapter on *Employment*).⁹³

[⁹³ Department of Labour, annual report 1996, April 1997]

Health Policy

National Policy

White Paper for the Transformation of the Health System in South Africa

A white paper on the transformation of the health system was tabled by the Department of Health in Parliament in April 1997. The white paper would be followed by a National Health Bill, as well as a bill in 1998 dealing with medical aid schemes.⁹⁴ [⁹⁴ *Government Gazette* no 17910, 16 April 1997]

The white paper stated that it was broadly affordable to provide basic health care (with the emphasis on primary health care) for all South Africans within ten years, provided there was a redistribution of public health resources as well as the provision of new financial resources over and above general government revenue. The white paper made several recommendations, including the following:⁹⁵ [⁹⁵ Sacob, *This Week in Parliament*, 22 April 1997]

- a social health insurance scheme would be introduced, to which every person employed in the formal sector would have to contribute. The contributions would be shared between employers and employees and would be related to income and family size;
- medical aid schemes would not be allowed to exclude an individual from membership on the basis of a health risk;
- medical aid schemes would have to continue to provide benefits to pensioners and widowed people, as well as to individuals who had lost their jobs;
- the practice of transferring patients to public hospitals once their benefits had been exhausted should be discontinued;
- public hospitals should be allowed to retain a portion of user fees;
- all patients who used the public health service and who had not first passed through a primary health care clinic would be charged a bypass fee, except in the case of emergencies;
- there would be cost exemptions for the poor and full cost recovery from those who could afford to pay;
- efforts would be made to attract paying patients to public hospitals, and to reverse the drift of these patients to private hospitals; and

- measures would be taken to control costs at private hospitals. The growth of private hospitals would be limited through the issuing of licences to ensure that they did not have a detrimental effect on public hospitals by attracting more patients.

The white paper said that the integrated national health system would be district-based. All health professionals, including general practitioners and specialists, should spend at least two years in a public sector non-tertiary institution before entering private practice.

Many interest groups expressed concern about various proposals contained in the white paper, particularly the proposals relating to the financing of health care. According to Mr Dan Pienaar, chairman of the health care committee of the Life Offices Association, the proposal for a social health insurance was a form of 'dedicated tax' that those in formal employment had to pay to cross-subsidise basic health care for the majority. He, with Mr Mike Ellis MP (Democratic Party), warned that the proposal would 'substantially increase' the cost of employment and would have a 'dramatically negative' impact on the economy.⁹⁶ [⁹⁶ *Financial Mail* 25 April 1997; Sacob, *This Week in Parliament*, 22 April 1997]

Policy Regarding the Medicines Control Council

In December 1997 the Medicines Control Council (MCC) said that it was prepared to consider clinical trials for Virodene, an alleged anti-AIDS drug developed by South African researchers. In 1997 the MCC had banned research into Virodene until 'serious safety issues' regarding its use were resolved. The MCC claimed that the drug contained a highly toxic industrial solvent, which posed serious health risks. The council subsequently rejected three separate requests to conduct human trials into the drug.⁹⁷ [⁹⁷ *The Sunday Independent* 23 November 1997] Dr Zuma subsequently said that dying AIDS patients should not be prevented from using the drug. She said that it was international practice to allow dying patients to use nonregistered drugs.⁹⁸ [⁹⁸ *The Star* 9 December 1997, *The Citizen* 10 December 1997] Dr Zuma said that new health legislation would be tabled which would allow doctors to prescribe unapproved drugs to 'accommodate the last wish of a dying person'. The legislation would give Dr Zuma the right to overrule the MCC in such cases.⁹⁹ [⁹⁹ *Business Day* 5 December 1997, *Sowetan* 2 December 1997] In February 1998 it was reported that the MCC for the fourth time denied researchers permission to conduct human trials with Virodene. The chairman of the MCC, Professor Peter Folb, said that the researchers would have to make several corrections to their submission, including corrections to faulty scientific formulations and problems with the purity of the drug, as well as the way in which it was produced before they would be permitted to conduct human trials.¹⁰⁰ [¹⁰⁰ *Business Day*, *The Citizen* 3 February 1998]

In March 1998 the Democratic Party (DP) claimed that the African National Congress had a financial stake in the company manufacturing Virodene. The DP referred questions on the ANC's interest in Virodene to the public protector.¹⁰¹ [¹⁰¹ *Business Day* 3 March 1998] The accusation was denied by the president of the ANC, Mr Thabo Mbeki. Mr Mbeki accused the MCC of refusing the application to

conduct trials with the drug, thereby ‘denying AIDS sufferers the possibility of mercy treatment to which they are morally entitled’.¹⁰² [¹⁰² *Sunday Tribune* 8 March 1998] This, he said, was despite ‘unanimous opinion’ of ‘highly qualified professionals’ in different countries in favour of Virodene tests on AIDS sufferers.

National Legislation

Pharmacy Amendment Act of 1997

The Pharmacy Amendment Act was assented to by the president in December 1997. It provided for a new South African Pharmacy Council and laid down its powers. The act further dealt with the licensing of pharmacies, subject to such conditions as determined by the director general of health. It opened the ownership of pharmacies to nonpharmacists. The act enabled the minister to determine who could own a pharmacy and also gave the minister wide powers over pharmacy education and training, as well as the power to determine the conditions under which a person could register as a pharmacist.¹⁰³ [¹⁰³ *Government Gazette* no 18525, December 1997]

The bill was criticised on various grounds. During the parliamentary committee hearings, the United South African Pharmacies, representing some 1600 pharmacists, expressed concern about the absence of criteria to be used to determine who could own a pharmacy. It said that profit-motivated chain store ownership would result in the closure of many small pharmacies operating in or near townships. It said that the bill should include a provision allowing new pharmacies to be set up in underserved areas only.¹⁰⁴ [¹⁰⁴ *The Star* 16 September 1997]

The Dispensing Family Practitioners’ Association said that the intention to remove doctors’ rights to dispense medicines would deprive the poorest communities of their main source of health care. Many dispensing doctors charged a single fee for their service, which included both diagnosis and dispensing. However, the bill would make even poor patients pay a fee to the doctor as well as the pharmacy.¹⁰⁵ [¹⁰⁵ *The Citizen* 13 September 1997]

Medicines and Related Substances Control Amendment Act of 1997

The Medicines and Related Substances Control Amendment Act was also assented to by the president in December 1997.¹⁰⁶ [¹⁰⁶ *Government Gazette* no 18505, 12 December 1997] It required the minister to set up a new Medicines Control Council (MCC) within six months of the act’s promulgation. The MCC would not have any control over policy matters. The act required the minister to ‘prescribe conditions for the supply of more affordable medicines in certain circumstances so as to protect the health of the public’. The requirement referred to the ‘highly disputed’ section 15(c), which enabled the minister to prescribe conditions through regulation which could be in conflict with the Patents Act of 1978. The regulations to be issued by the minister would also set out the conditions under which the minister could order the parallel importation of a medicine having the same proprietary name as one already registered in South

Africa. The act made further provision for the following:¹⁰⁷ [¹⁰⁷ Ibid]

- prohibition of bonusing and rebates on medicines (ie unethical marketing tactics used by pharmaceutical manufacturers to offer large discounts and bonuses to the dispensers of medicines);
- generic substitution by pharmacists of prescription medicine;
- scheduling of medicines—ie defining the procedures to be followed by the pharmaceutical profession in providing and selling drugs to the public;
- licensing of the dispensers of medicines (including pharmacists, medical practitioners and dentists); and
- the establishment of a pricing committee.

The act gave the minister wide-ranging powers to issue regulations on who could register medicines, the classification of medicines, the packaging and marketing of medicines, and their sale, acquisition, transport and storage. Dr Zuma said that the objective of the act was to provide cheaper medicines.¹⁰⁸ [¹⁰⁸ *Pulse Track* 12 December 1997]

Opposition parties as well as pharmaceutical companies, and the United States (US) and European governments opposed the act on the basis that it violated the Trade Agreement on Intellectual Property Rights (Trips) and that it was in contravention of local as well as international patent rights. The clause in question referred to the right of the minister to import drugs regardless of the manufacturer's patent rights if the minister deemed it 'necessary'.¹⁰⁹ [¹⁰⁹ Ibid 7 October 1997] The US and members of the European Union warned the South African government in October 1997 that the bill would infringe the international intellectual property rights of patent holders. The US also warned of a negative impact on potential foreign investment in South Africa.¹¹⁰ [¹¹⁰ Ibid 14 November 1997]

However, the director general of health, Dr Olive Shisana, responded that the department did not believe that the proposed legislation 'would abrogate South Africa's commitment to respect patent rights and the international trade agreement on these rights (Trips)'.¹¹¹ [¹¹¹ Ibid 5 November 1997] Dr Zuma said that the government would not introduce parallel importation of drugs if pharmaceutical companies agreed to sell the state-patented drugs at competitive prices.¹¹² [¹¹² *Business Day* 10 September 1997]

Professor Peter Folb, chairman of the MCC, endorsed the proposal for parallel importation of drugs as this could achieve some control over the costs of medicine in the public sector. However, he said that the minister should not have the power to import drugs from anywhere in the world without the required quality controls of the MCC.¹¹³ [¹¹³ *Pulse Track* 17 September 1997] The chief executive of the Pharmaceutical Manufacturers' Association, Ms Mirryèna Deeb, had said earlier that efforts should be made to curb the

theft of state-owned medicine, estimated at between R500m and R1.5bn annually, rather than import cheap medicine to force prices down.

Medical, Dental and Supplementary Health Service Professions Amendment Act of 1997

The Medical, Dental and Supplementary Health Service Professions Amendment Act was assented to by the president in December 1997.¹¹⁴ [¹¹⁴ *Government Gazette* no 18504, 12 December 1997] The act provided for the minister of health to establish a Health Professions Council of South Africa to replace the Interim Medical and Dental Council of South Africa. On the recommendation of this council the minister had to set up a professional board for any profession in respect of which a register was kept. The registration of health professionals would be prescribed in regulations issued by the minister. The minister could, in terms of these regulations, require community service of any person before registering him or her for the first time for any profession listed in the regulations. The minister could also determine regulations regarding overseas qualifications which would be regarded as satisfactory for registration as a health professional. The act prohibited a medical practitioner, dentist or other registered health professional from owning a pharmacy. Only those who were licensed with the director general could compound and dispense medicines. The act again gave the minister wide-ranging powers to issue regulations on the registration of medical students and other health professionals, standards of education required, courses of study and training, institutions of study and training, and the conditions under which any registered person could practise his or her profession.¹¹⁵ [¹¹⁵ *Ibid*]

Nursing Amendment Act of 1997

The Nursing Amendment Act, assented to in July 1997, provided for the establishment of the South African Nursing Council and set out provisions regarding its objects, functions and powers. The new council would replace the former nursing councils of Bophuthatswana, the Ciskei and the Transkei and unite them with the former South African Nursing Council. The council would be responsible for establishing and maintaining standards of health care, training and ethics in the nursing profession.¹¹⁶ [¹¹⁶ *Government Gazette* no 18125, 11 July 1997]

The Democratic Nursing Organisation of South Africa rejected the composition of the new council, saying that only 13 of the 37 representatives on the council were required to be professional nurses. Members of opposition parties, including the Democratic Party and the Inkatha Freedom Party, said that the under-representation of professional nurses on the council would lead to lower standards, because it would allow representation of auxiliary and enrolled nurses who were not yet fully qualified.¹¹⁷ [¹¹⁷ Sacob, *This Week in Parliament*, 14 March 1997]

Dental Technicians Amendment Act of 1997

The Dental Technicians Amendment Act was assented to in September 1997 and provided for the establishment of a new South African Dental Technicians Council. It made further provision for the

following:¹¹⁸ [118 *Government Gazette* no 18 333, 3 October 1997]

- the extension of acts which could be performed by dental laboratory assistants;
- the registration of dental laboratory assistants; and
- the direct billing of patients or medical aid schemes by dental technical contractors.

Policy Review

A White Paper on the Transformation of the Health System in South Africa, published in April 1997, set out a broad strategy to provide health care for all South Africans, with the emphasis on primary health care for all within ten years. The white paper contained several recommendations, among them the introduction of a social health insurance scheme to which all people employed in the formal sector would have to contribute. Medical aids would also be affected, as they would not be allowed to exclude individuals on the basis of risk. Legislation effecting these changes was expected to be passed in 1998. Already various organisations have expressed concern about the impact that the proposals will have on the cost of employment.

In 1997 the Department of Health set about changing some key aspects of existing health policy by passing three health acts. All three acts drew considerable criticism from various groups in the health industry. The Medicines and Related Substances Control Amendment Act of 1997 gave the minister of health, Dr Nkosazana Zuma, wide powers to issue regulations to effect lower prices, among them the parallel importation of drugs. Pharmaceutical companies in Europe, South Africa and the United States (US) objected to the act on the grounds that it constituted a violation of the Trade Agreement on Intellectual Property Rights (the Trips agreement) and was in contravention of local as well as international patent rights. In February 1998 the Pharmaceutical Manufacturers' Association announced that it had started legal proceedings to challenge the constitutionality of the act. In May 1998 the US government announced that it had placed South Africa on its 'watch list' of countries deemed insufficiently respectful of the intellectual property rights of American companies.

The Pharmacy Amendment Act of 1997 provided for the opening up of pharmacies to nonpharmacists. The act gave the minister wide powers to determine who could own a pharmacy, as well as powers over pharmacy education and training. Pharmacists were concerned that the act would result in the closure of small practices as chain stores took ownership of pharmacies. Likewise, dispensing doctors who would lose the right to dispense medicines expressed concern about the cost implications for poor patients.

The introduction of compulsory community service for all health professionals was made possible by the Medical, Dental and Supplementary Health Service Professions Amendment Act of 1997. Student doctors in principle supported community service, but objected to its implementation in 1998. In addition, student doctors said that they should be offered incentives to perform community service,

rather than be compelled to do it. Their demands were largely ignored by the government with the announcement that student doctors completing their internships in June 1998 would have to perform compulsory community service.

Early in 1998 concern arose about the government's intervention in the affairs of the Medicines Control Council (MCC), after Dr Zuma said that she would table legislation which would enable her to override the MCC in cases where the council had refused dying patients the rights to use unapproved drugs. The MCC had on four occasions refused to allow human trials of an alleged anti-AIDS drug, Virodene, owing to its alleged toxicity. However, both deputy president Thabo Mbeki and Dr Zuma accused the MCC of denying people with full-blown AIDS the opportunity to use nonregistered drugs. Dr Zuma said that it was international practice to allow dying patients to use such drugs. At the time of writing Dr Zuma had announced that the MCC would be disbanded and replaced by a similar body. The National Party in particular warned that the 'de facto control' by the minister of the MCC or any similar body would compromise the safety, efficacy and quality of medicines because it affected the 'required total independence of such a body'.

Key Projections

- According to the Department of Health, 3.5m new cases of tuberculosis were expected by 2005 if current trends continued. Some 10 000 people would die of the disease in the same period.
- According to Ms Janina Slawski, senior manager at Southern Life, about 20% of all members of medical aid schemes would be HIV positive by 2007.
- Ms Slawski estimated that the epidemic would peak between 2005 and 2010, 6m people being infected with HIV and a further 600 000 having developed full-blown AIDS over that period.
- According to Dr Anthony Kinghorn, a consultant at HIV Management Services, AIDS would curb South Africa's total population by 8% by 2010. Ms Slawski said that AIDS could slash the average life expectancy in South Africa from 62 to 40 years by 2010.
- According to Mr Gary Taylor, a director of medical aid administrators Medscheme, an estimated one in five medical aid members would be HIV positive in ten years.
- The National Cancer Registry estimated that 8.5m of the people who were alive in 1997 would develop cancer before their 75th birthday. Nationally one in four South Africans would develop cancer in their lifetime.
- Over the next 40 years 60 000 to 90 000 deaths annually would be attributable to tobacco consumption, and a quarter of these deaths would result from lung cancer, the National Cancer Registry said.

EMPLOYMENT

Bird's Eye View

Several policy documents aimed at regulating employment in both the private and the public sector were published during the period under review.

The Basic Conditions of Employment Act was assented to by the president in December 1997, but its implementation was postponed because of concern among all parties about the possible harmful effect it could have on job creation and small businesses. The Department of Labour announced that it would investigate the impact of the act on small businesses.

The Employment Equity Bill aimed to eliminate workplace discrimination and would compel employers with a workforce of 50 or more people to develop employment equity plans detailing the 'numerical goals' to achieve equitable representation in the workforce, and the timetable within which this would be achieved.

The enactment of the Public Service Laws Amendment Act of 1997 aimed to ensure that affirmative action positions or promotions in the public service could not be challenged in court.

Surveys of the private sector found that although an increasing number of companies were implementing affirmative action policies, more were indicating that their programmes were not successful.

The shortage of skilled workers remained a cause for concern among employers. A survey of 750 companies by P-E Corporate Services found that between 1993 and mid-1997, the proportion of organisations experiencing shortages of skilled staff increased from 8% to 42%. As a result, outsourcing of several core functions, such as data processing support, information technology, and transport, was becoming increasingly popular. Figures by the Central Statistical Service (CSS) show that there was a net loss of economically active people through emigration every year since 1994.

The president, Mr Nelson Mandela, said in his opening speech to Parliament in February 1998 that the size of the public sector would be reduced in 1998 as part of the government's drive to cut costs. Mr Mandela said that it was time to start discussions with unions on retrenchment. This followed the suspension of the public service's voluntary severance package programme, which had led to the exodus of skilled personnel.

The CSS said that there were 116 000 fewer jobs in the non-agricultural formal sector of the South African economy in September 1997, compared with September 1996 (a drop of 2.2%). This was despite the government's aim, set out in its macro-economic strategy, *Growth, Employment and Redistribution (Gear)*, to create 126 000 jobs in 1996 and a further 252 000 in 1997.

A study of unemployment by the South African Institute of Race Relations found that the rate of unemployment was increasing at two percentage points a year, and could reach 43% by 2006.

Key Points

- The Central Statistical Service (CSS) said that the economically active population of South Africa numbered approximately 14.4m in 1995. Of those, 10.2m were employed either in the formal or the informal sector of the economy. The remainder were unemployed.
- A study published by the South African Institute of Race Relations in 1997 questioned the validity of official estimates of unemployment, saying that they were too high. The Institute estimated the unemployment rate in 1996 at 24%.
- Results of the study suggested that at least 22% of the economically active population were employed in the informal sector (in 1996), well above official estimates of some 17% (in 1995).
- According to the South African Reserve Bank, between 1989 and 1996 the average level of employment in the formal non-agricultural sector of the economy dropped by 7%, indicating that about one out of every 14 jobs that existed in 1989 had become redundant in the ensuing years.
- The Development Bank of Southern Africa said that the labour absorption rate of the South African economy dropped from 108% in 1960–65, to 1% in 1990–95, and below 0% in 1996.
- According to a report by a firm of management consultants, FSA-Contact, in 1997 some 88% of companies surveyed had a formal or informal affirmative action policy in place, compared with 58% in 1993. However, the proportion of companies that felt their affirmative action programme was ‘totally or somewhat unsuccessful’ had increased from 22% in 1996 to 32% in 1997.
- In the first half of the 1990s South Africa’s unit labour costs increased approximately 7.5 times as fast as the average rates of increase in the main trading partner countries. During the same period growth in labour productivity in South Africa was only about 60% of average productivity growth in those countries, the reserve bank said.
- The 1997 All Media and Products Survey published by the South African Advertising Research Foundation found that more than 20% of households in South Africa had an income of below R500 a month.
- In 1997 some 27% of African households earned less than R500 a month (the single largest proportion of African households), compared with 3% of coloured, Indian and white households. About 23% of coloured, Indian and white households earned more than R9 000, compared with fewer than 1% of African households.

- According to the MarkData quarterly omnibus surveys, income among fully employed Africans increased from an average of R725 a month in mid-1995 to R1 670 in May 1997. This was an increase of 40% a year in real terms.

Policy

During the period under review a number of white papers on employment policy in the public sector were published. They included:

White Paper on Human Resource Management in the Public Service

The Department of Public Service and Administration published the *White Paper on Human Resource Management in the Public Service* in December 1997. The paper detailed a number of guidelines for the appointment and promotion of people to the public service, including the assessment of applicants according to their abilities, potential skills and competencies, rather than ‘undue over-emphasis on academic qualifications’. However, merit should be defined in the context of employment equity, which aimed to ‘redress the imbalances of the past to achieve broad representation ... in terms of race, gender and disability’, the paper stated.¹ [1 Department of Public Service and Administration, *White Paper on Human Resource Management in the Public Service*, *Government Gazette*, no 18 594, 31 December 1997]

Draft White Paper on Affirmative Action in the Public Service

The third *Draft White Paper on Affirmative Action in the Public Service* was published by the Department of Public Service and Administration in December 1997. The paper aimed to speed up affirmative action. The beneficiaries of affirmative action in the public service would be blacks, women and disabled people. The paper stated that affirmative action in the public service should be seen as a tool to support and speed up the transformation of the public service into an employer whose workforce was representative of the South African population, and which provided equal opportunities to all. The paper set out the goals and objectives of affirmative action policies and the principles which would govern their implementation, the mandatory requirements for affirmative action policies and how these programmes should be developed and implemented, and the steps which would be taken to assist national departments and provincial administrations with the implementation of programmes.² [2 Department of Public Service and Administration, *Draft White Paper: Affirmative Action in the Public Service, Third Draft*, 14 December 1997] (See also chapter on *Government and Constitution*.)

Legislation

Legislation enacted during the period under review included:

Basic Conditions of Employment Act of 1997

The Basic Conditions of Employment Act was assented to by the president in December 1997, almost two years after the publication of a green paper (see 1996/97 Survey, pp321–327). The act aimed to regulate the right to fair labour practices conferred by section 23(1) of the constitution. The primary objectives of the act were to promote flexibility in the regulation of minimum conditions of employment, and to ensure that the working conditions of unorganised and vulnerable workers complied with minimum standards. The act provided for the regulation of, among other things, working time, overtime and overtime pay, annual, maternity and family responsibility leave, and child labour. The act covered virtually all workers, including domestic and agricultural workers. Provisions in the act included:³ [³ Basic Conditions of Employment Act, no 75 of 1997, *Government Gazette* no 18 491, 5 December 1997]

- a 45-hour working week;
- four months' maternity leave (unpaid);
- downward variation of basic conditions by collective agreement or by the minister of labour;
- prohibition of employment of children under the age of 15; and
- overtime payment at a rate of one-and-a-half times the employee's normal wage, and double pay on Sundays.

The Congress of South African Trade Unions initiated industrial action in March, June and August 1997 in protest against several provisions of the bill, as a result of which it was agreed, inter alia, that within 18 months of the promulgation of the act, the Department of Labour would have to complete an investigation into ways of reducing the working week to 40 hours. Organised business expressed concern at the effect the act would have on job creation, labour market flexibility, labour costs, and small businesses.⁴ [⁴ *Business Day* 27 October 1997]

In January 1998 the director general of labour, Mr Siphon Pityana, announced that the act would not come into effect until an assessment of its possible harmful effects on small businesses had been completed. In March 1998 certain provisions of the act came into effect, namely the chapters on child labour, the employment conditions commission, and sectoral determinations, as well as the provision on the earnings threshold for working time.⁵ [⁵ *The Star Business Report* 23 January 1998]

Skills Development Bill

A draft Skills Development Bill was published for comment in September 1997. The bill aimed to create a decentralised skills development strategy by providing for, among other things, a training levy of

between 1% and 1.5% on companies' payrolls to finance training, and the introduction of 'learnerships' and other training programmes which would lead to registered qualifications.⁶ [⁶ Skills Development Bill, *Government Gazette* no 18 244, 2 September 1997]

For further details see chapter on *Education*.

Public Service Laws Amendment Act of 1997

The Public Service Laws Amendment Act, assented to by the president in October 1997, stated that appointments in the public service must aim to achieve equality and the constitutional goals of a public service broadly representative of the South African population, with regard to race, sex, and disability. The assessment of applicants should be based on training, skills, competence, potential, knowledge and the need to 'redress the imbalances of the past'. The 'affirmative action clause' aimed to guarantee that affirmative action positions or promotions in the public service could not be challenged in court. This followed court action in 1996 against the minister of justice, Mr Dullah Omar, and the minister for the public service and administration, Dr Zola Skweyiya, by a group of white male state attorneys who were not considered for promotion to senior positions in Mr Omar's department (see *Race, sex and disability in the workplace* below).⁷ [⁷ *Government Gazette* no 18 366, 13 October 1997; *Business Day* 18 August 1997; *The Star* 21 August 1997]

Employment Equity Bill

The Employment Equity Bill, published by the Department of Labour in November 1997, aimed to eliminate workplace discrimination and accelerate the training and promotion of people from disadvantaged groups. The bill imposed on all employers a prohibition against unfair discrimination (based on 19 listed grounds) and was backed by the reversal of the normal onus of proof. Employers with a workforce of 50 or more people would be required to develop employment equity plans detailing the 'numerical goals' to achieve equitable representation in the workplace and the timetable within which this was to be achieved. The bill was expected to be tabled in Parliament in 1998.⁸ [⁸ Department of Labour, *Employment Equity Bill*, 26 November 1997; *Business Day* 20 November 1997; Jeffery A and Schönteich M, *Issue Alert: The Employment Equity Bill*, South African Institute of Race Relations, No 1 1998]

Economically Active Population

There were no new statistics available on the economically active population in 1997 because the Central Statistical Service (CSS) had not published the results of the 1996 and 1997 October household surveys. The final and comprehensive results of the 1996 census had also not been published at the time of writing.

Comprehensive statistics on domestic workers were made available only late in 1996. The figures, although for 1994, are the latest available. (See *Domestic service* below.)

According to the 1995 *October Household Survey* conducted by the CSS, there were 14.4m economically active people in South Africa. The CSS defined the economically active population (EAP) as all people aged 15 and older who were working or were available for work (including the unemployed, people employed in the formal and informal sectors, and the self-employed).

The following table provides a breakdown of the EAP by race and sex in October 1995 (the latest year for which figures were available), as calculated by the CSS and published before the preliminary results of the 1996 census were available:⁹ [9 1996/97 Survey, p346]

Economically active population by race and sex: October 1995

Male

Female

Total^a

Proportion of total EAP

African

5 506 000

4 419 000

9 925 000

69.1%

Asian

278 000

148 000

426 000

3.0%

Coloured

849 000

703 000

1 551 000

10.8%

White

1 464 000

990 000

2 453 000

17.1%

Total

8 096 000

6 259 000

14 356 000

100.0%

^a Figures may not add up owing to rounding.

The table below provides a breakdown of the EAP by sex and provi

Economically active population by sex and province: October 1995

Province

Male

Female

Total^a

Proportion of total EAP^a

Eastern Cape

873 000

866 000

1 739 000

12.1%

Free State

588 000

462 000

1 050 000

7.3%

Gauteng

2 155 000

1 430 000

3 584 000

25.0%

KwaZulu-Natal

1 492 000

1 232 000

2 724 000

19.0%

Mpumalanga

582 000

390 000

973 000

6.8%

North West

691 000

456 000

1 147 000

8.0%

Northern Cape

172 000

113 000

285 000

2.0%

Northern Province

543 000

576 000

1 119 000

7.8%

Western Cape

1 000 000

734 000

1 734 000

12.1%

Total^a

8 096 000

6 259 000

14 356 000

100.0%

a

Figures may not add up owing to rounding.

According to the CSS, Africans accounted for 69% of the EAP, followed by whites (17%), coloured people (11%) and Asians (3%). Gauteng had the highest proportion of the EAP, at 25%, followed by KwaZulu-Natal (19%). The Northern Cape (2%) had the lowest proportion

The table below shows the number of formal and informal sector workers and the unemployed as a proportion of the total EAP:¹¹ [¹¹ Ibid, p347]

Economically active population: October 1995

Number

Proportion of EAP

Formal sector

8 412 000

59%

Informal sector

1 740 000

12%

Unemployed

4 204 000

29%

Total EAP

14 356 000

10

Structure of the Workforce

Domestic Service and Agriculture

The table below shows employment in the formal domestic service and agricultural sectors in various years from 1985 to 1995:¹² [¹² Ibid, pp347–348]

Domestic and agricultural workers: 1985–95

Employed formal sector workers excluding domestic and agricultural workers

Employed formal domestic and agricultural workers

Number of employed formal workers

Domestic and agricultural workers as a proportion of employed workers

1985

6 090 900

1 751 800

7 842 700

22.3%

1987

6 265 500

1 751 000

8 016 500

21.8%

1989

6 454 500

1 702 200

8 156 700

20.9%

1991

6 315 600

1 671 900

7 987 500

20.9%

1993

6 115 365

1 642 300

7 757 665

21.2%

1995

6 074 600

1 627 800

7 702 400

21.1%

The number of employed formal domestic and agricultural workers dropped by 7%, or 124 000 jobs between 1985 and 1995. In 1985 these workers comprised 22.3% of employed formal workers. By 1995 the proportion had dropped t

Domestic Service

The Basic Conditions of Employment Act of 1997 provided for improved working conditions for domestic workers by regulating, among other things, working time, leave entitlement and notice periods. (See *Basic Conditions of Employment Act of 1997* above.)

The Ntsika Enterprise Promotion Agency (a government agency set up in 1995 to promote the development of the small business sector) estimated that in 1995 there were some 700 000 domestic workers.¹³ [¹³ Ntsika Enterprise Promotion Agency (Ntsika), Department of Trade and Industry, *The State of Small Business in South Africa*, Annual Review, 1997]

The table and graph below show the proportion of owner-occupied and full-rented dwellings in urban areas according to the number of domestic workers employed in October 1992 and May 1994 (the latest date for which figures were available), as calculated by the Central Statistical Service (CSS):¹⁴ [¹⁴ Central Statistical Service (CSS), *Survey of Dwellings and Domestic Workers October 1992*, Statistical Release PO101, 1 March 1995;

CSS, *Survey of Dwellings and Domestic Workers May 1994*, Statistical Release PO101, 11 September 1996]

Proportion of dwellings in urban areas according to number of domestic workers: ^a October 1992 and May 1994

October 1992

May 1994

No domestic workers

39.6%

50.7%

One domestic worker

38.4%

34.4%

Two domestic workers

20.2%

13.7%

Three domestic workers

1.6%

1.1%

Four or more domestic workers

0.2%

0.1%

^a Includes full-time, part-time and casual work

In the 18 months between October 1992 and May 1994 the proportion of households not employing domestic workers increased by some 28%.

The following table shows the average monthly wage, cash and in kind, of full-time domestic workers in owner-occupied and full-rented urban dwellings in May 1994:¹⁵ [15 CSS, *Survey of Dwellings and Domestic Workers May 1994*, Statistical Release PO101, 11 September 1996]

Average monthly wage, cash and in kind, of full-time domestic workers: May 1994

Cash wage

—————*Payment in kind*—————

Total

R

R

R

Food

Quarters

Other goods and services

General domestic worker

439.00

186.84

161.04

44.63

831.51

Nurse maid

542.80

194.10

129.31

39.03

905.24

Cook

547.23

238.22

187.15

40.18

1 012.78

Garden worker

543.88

158.51

139.92

34.92

877.23

Chauffeur

953.41

170.56

156.19

17.80

1 297.96

Washerwoman or ironer

398.88

125.49

91.03

25.78

641.18

Other domestic workers

568.17

161.97

122.74

21.86

Average total monthly wages in 1994 ranged from R641 for a washerwoman or ironer to R1 298 for a chauffeur. Of the overall monthly wage, actual cash wages amounted to just over 50%, while payment in kind accounted for the remainder. Most full-time domestic workers received less than R550 a month in cash wages.

The table below shows the average real annual increase in the cash wages of full-time domestic workers in owner-occupied and full-rented urban dwellings between 1976 and 1994:¹⁶ [¹⁶ Ibid; CSS, *Survey of Dwellings and Domestic Workers October 1992*, Statistical Release PO101, 1 March 1995]

Average real annual increase in the cash wages of full-time domestic workers: 1976–94

1976

12.8%

1977

9.3%

1978

7.9%

1979

10.2%

1980

14.4%

1981

17.9%

1982

19.0%

1983

16.3%

1984

12.6%

1985

12.9%

1986

17.3%

1987

10.9%

1988

16.4%

1989

14.6%

1990

24.5%

1991

18.8%

1992

13.3%

1993

N/A

1994^a

30.1%

^a Increase on 1992 figure.

Between 1979 and 1994, the annual real increase in cash wages of full-time domestic workers averaged above 10% every year.

The table below shows the average number of hours worked per week by domestic workers in owner-occupied and full-rented urban dwell

Average number of hours worked per week in urban dwellings by domestic workers: October 1992 and May 1994

October 1992 hours

May 1994 hours

Full-time workers

43.5

42.4

Part-time workers

27.1

26.3

Casual workers

9.9

10.

Full and part-time domestic employees worked fewer hours per week in 1994 than in 1992, while casual employees' working hours increased marginally. In 1994 full-time domestic employees worked an average of 42 hours per week—less than the 45-hour week provided for in the Basic Conditions of Employment Act of 1997.

Agricultural Employment

According to the 1993 agricultural census published in 1997 by the CSS, the number of paid workers in formal agriculture dropped by 7% between 1988 and 1993 (the survey excluded the former homelands).

The table below shows the number of paid agricultural landowners and workers by race and province in 1993 (the latest year for which figures are available):¹⁸ [¹⁸ CSS, *Agricultural Census 1993*, Statistical Release P1101, 5 June 1997]

Paid agricultural landowners and workers by race and province: 1993

Eastern Cape

Free State

Gauteng

KwaZulu-Natal

Mpumalanga

African

Working landowners/tenants and family members

0

63

3

8

26

Regular employees

33 765

90 490

26 058

117 564

93 953

Casual and seasonal employees

51 195

67 236

6 964

43 183

48 063

Subtotal

84 960

157 789

33 025

160 755

142 042

Coloured

Working landowners/tenants and family members

18

23

0

77

2

Regular employees

11 632

1 644

91

186

95

Casual and seasonal employees

6 851

1 183

17

20

48

Subtotal

18 501

2 850

108

283

145

Indian

Working landowners/tenants and family members

0

0

12

883

0

Regular employees

6

0

8

1 642

8

Casual and seasonal employees

7

0

10

155

0

Subtotal

13

0

30

2 680

8

White

Working landowners/tenants and family members

7 503

11 821

2 641

5 693

6 145

Regular employees

1 073

1 365

1 129

2 711

2 204

Casual and seasonal employees

54

81

25

44

103

Subtotal

8 630

13 267

3 795

8 448

8 452

Total^a

Working landowners/tenants and family members

7 517

11 907

2 656

6 658

6 173

Regular employees

46 476

93 499

27 286

122 103

96 260

Casual and seasonal employees

58 107

68 500

7 016

43 402

48 214

Total

112 100

173 906

Paid agricultural landowners and workers by race and province: 1993 (continued)

North West

Northern Cape

Northern Province

Western Cape

Total

African

Working landowners/tenants and family members

283

0

12

0

395

Regular employees

63 652

11 162

61 595

13 265

511 504

Casual and seasonal employees

61 137

20 594

60 314

16 746

375 432

Subtotal

125 072

31 756

121 921

30 011

887 331

Coloured

Working landowners/tenants and family members

3

461

0

147

731

Regular employees

348

17 956

38

87 573

119 563

Casual and seasonal employees

115

25 546

13

81 184

114 977

Subtotal

466

43 963

51

168 904

235 271

Indian

Working landowners/tenants and family members

0

0

0

0

895

Regular employees

52

0

0

17

1 733

Casual and seasonal employees

70

0

0

40

282

Subtotal

122

0

0

57

2 910

White

Working landowners/tenants and family members

9 244

7 683

5 764

10 159

66 653

Regular employees

1 107

603

1 087

3 760

15 039

Casual and seasonal employees

49

108

69

364

897

Subtotal

10 400

8 394

6 920

14 283

82 589

Total^a

Working landowners/tenants and family members

9 530

8 144

5 776

10 306

68 667

Regular employees

65 159

29 721

62 720

104 615

647 839

Casual and seasonal employees

61 371

46 248

60 396

98 334

491 588

Total

136 060

84 113

128 892

213 255

1 208 094

^a Owing to rounding the sum of the constituent items may

The pie charts below show the proportion of working landowners/tenants and family members by race, and the racial breakdown of paid agricultural landowners and workers:

The South African Agricultural Union said in June 1997 that the agricultural sector was employing between 30% and 40% fewer workers than three years earlier. This was the direct result of legislation passed by Parliament or being considered by the government (including the Land Reform (Labour Tenants) Act of 1996), the union said. This legislation posed a threat to farmers and had a negative effect on relations between employers and workers. Farmers were therefore following more selective

employment procedures—fewer, but better trained workers. This, along with a greater emphasis on mechanisation, was contributing to an increase in unemployment in the agricultural sector, according to the union.¹⁹ [¹⁹ *The Citizen* 7 June 1997; *The Star* 16 July 1997]

In June 1997 *F & T Weekly* reported that between 1980 and 1994, there was a net loss of 149 300 jobs in the agricultural sector. Agriculture's contribution to gross domestic product (GDP) was also dropping—in 1960 farm output was 13% of GDP, compared with some 5% in 1997.²⁰ [²⁰ *F & T Weekly* 6 June 1997; *Fast Facts* December 1997]

Non-Agricultural Private and Public Sectors

In its 1997 annual economic report, the South African Reserve Bank said that employment in the non-agricultural private sector of the economy (excluding the informal sector and domestic workers), which accounted for 70% of total employment in the non-agricultural sectors in 1989, dropped to 65% of total employment in 1996. This was mainly because of job losses in the mining, construction and manufacturing sectors. (Between 1989 and 1996 some 93% of all job losses occurred in these sectors.) The average level of employment in the private sector dropped by 2.7% in 1996. Between September 1996 and September 1997, the private sector shed some 89 000 jobs, according to the CSS.²¹ [²¹ South African Reserve Bank (SARB), annual economic report, 1997; SARB, *Quarterly Bulletin*, June 1997; SARB, *Quarterly Bulletin*, December 1997; CSS, *Labour Statistics Employment Salaries and Wages (Summary)*, September 1997, Statistical Release, PO2000, 2 February 1998]

Employment in the public sector increased at an average annualised rate of 1% between 1989 and 1996 (ie by some 110 000 employees). In 1996 the average level of public sector employment increased by 2%.²² [²² SARB, annual economic report, 1997; SARB, *Quarterly Bulletin*, June 1997] Between September 1996 and September 1997 employment in the public sector dropped by 28 000 jobs, the CSS said.²³ [²³ CSS, *Labour Statistics Employment Salaries and Wages (Summary)*, September 1997, Statistical Release, PO2000, 2 February 1998]

The following table provides a breakdown of the number of workers in the public and private sectors (formal) from 1990 to 1996, as calculated by the reserve bank:²⁴ [²⁴ Telephonic interview with assistant economist, SARB, 16 September 1997; SARB, *Quarterly Bulletin*, June 1997]

Non-agricultural private and public sector employment:^a 1990–96^b

Year

Public sector

Increase/ (decrease)

Private sector

Increase/ (decrease)

Total^c

Increase/ (decrease)

1990

1 724 591

—

3 908 714

—

5 633 304

—

1991

1 766 131

2.4%

3 770 630

(3.5%)

5 536 760

(1.7%)

1992

1 786 913

1.2%

3 640 010

(3.5%)

5 426 923

(2.0%)

1993

1 764 710

(1.2%)

3 550 004

(2.5%)

5 314 714

(2.1%)

1994

1 773 889

0.5%

3 506 844

(1.2%)

5 280 733

(0.6%)

1995

1 783 164

0.5%

3 532 268

0.7%

5 315 433

0.7%

1996

1 817 962

2.0%

3 438 050

(2.7%)

5 256 012

(1.1%)

^a Excludes domestic workers and the informal sector.

^b Average number of employees over four quarters (seasonally adjusted).

^c Figures may not add up owing to r

The line graph below plots non-agricultural private and public sector employment from 1990 to 1996:

The table below shows the change in the level of non-agricultural formal sector employment between September 1996 and September 1997:²⁵ [25 CSS, *Labour Statistics: Employment and Salaries and Wages (Summary), September 1997*, Statistical Release PO200, 2 January 1998]

Increase/(decrease) in employment in the non-agricultural formal sector:^a September 1996 and September 1997

Sector

Sector's contribution to GDP^b

Proportion of the workforce^c

Change in number of employees

Increase/ (decrease) in number of people

Mining

8.3%

10.6%

(4.3%)

(24 628)

Electricity, gas and water

4.9%

0.8%

(1.4%)

(547)

Construction

2.7%

6.1%

(4.1%)

(13 164)

Wholesale/retail trade, catering and accommodation

14.9%

15.0%

1.2%

8 914

Manufacturing

24.0%

26.7%

(3.8%)

(54 012)

Transport,^d storage and communication

7.8%

5.4%

(1.9%)

(5 322)

Financial intermediation, insurance, real estate and business services

14.9%

4.2%

0.6%

1 277

Community, social and personal services^e

17.1%

31.2%

(1.8%)

(28 781)

Agriculture

5.3%

—

—

—

Total^f

100.0%

100.0%

(2.2%)

(116 263)

^a Excludes^b GDP at factor income less imputed financial services. Figures are for September 1997.

^c Non-agricultural, formal sector. Figures are for September 1997.

^d Excluding taxis, local authorities and the former ‘independent’ homelands.

^e Inc^f Figures may not add up owing to rounding.

The pie chart below provides a sectoral breakdown of jobs in the formal non-agricultural sector in September 1997:

Public Sector

The term public sector includes the entire scope of government and semi-government activities ie national departments, provinces, local authorities, parastatal institutions, universities and technikons, agricultural marketing boards, and public corporations. The term public service refers only to those people employed in government departments and provincial administration.

The following table and graph provide a breakdown of public sector employment by race in September 1996 and September 1997 (as on the last pay day of the quarter):²⁶ [²⁶ CSS, *Labour Statistics, Employment and Salaries and Wages: Public Sector, September 1997*, Statistical Release PO251, 26 January 1998]

Public sector^a employment^b by race: September 1996 and September 1997

September 1996

Proportion of total

September 1997

Proportion of total

Increase/ (decrease) Sept 1996 – Sept 1997

Increase/ (decrease) in number of people

African

952 982

50.1%

944 161

50.7%

(0.9%)

(8 821)

Coloured

187 415

9.8%

185 332

9.9%

(1.1%)

(2 083)

Indian/Asian

24 635

1.3%

24 884

1.3%

1.0%

249

White

431 970

22.7%

413 117

22.2%

(4.4%)

(18 853)

Unspecified

305 785

16.1%

296 459

15.9%

(3.0%)

(9 326)

Total^c

1 902 787

100.0%

1 863 953

100.0%

(2.0%)

(38 834)

^a Inc^b The^c Figures may not add up owing to rounding.

In May 1997 the minister for the public service and administration, Dr Zola Skweyiya, said that from the inception of the voluntary severance package programme on 1st May 1996, 58947 applications for voluntary retrenchment from the public service had been received, of which 39661 (67%) had been approved, 13657 (23%) were under consideration, and 5629 (10%) had been rejected. Dr Skweyiya said that the programme (to cut the number of public servants by 300 000 over three years) had not yielded the desired savings and had led to the exodus of skilled personnel, while forced retrenchments were not affordable. Dr Skweyiya also said that the target of 300 000 employees in three years had not been arrived at 'scientifically'. 'It should be scientifically proved that 300 000 is the right number ... we are

going from department to department to find the best size for each,' he said.²⁷ [27 South African Chamber of Business (Sacob), *This Week in Parliament, Matter Raised in Debates*, September 1997; Sacob, *This Week in Parliament, Questions and Answers*, October 1997; *Sunday Times* 6 April 1997; *Sake-Beeld* 10 September 1997]

In his opening speech to Parliament in February 1998 the president, Mr Nelson Mandela, said that the size of the public service would be reduced in 1998 as part of the government's drive to cut costs. Although there had been staff reductions in certain departments and provinces, this had not been 'nearly enough'. Mr Mandela said that it was time to start comprehensive discussions with the unions on retrenchment. Furthermore, the proceeds of privatisation could not be used to fund salaries in the public sector and other consumption expenditure.²⁸ [28 *Address by President Nelson Mandela to Parliament*, 6 February 1998; *The Citizen* 7 February 1998]

Private Sector

The table below shows the estimated distribution of private sector employment (including the informal sector) by sector and size in 1995:²⁹ [29 Ntsika, *The State of Small Business in South Africa*, annual review, 1997]

Estimated distribution of private sector employment by sector^a and size: 1995

Survivalist^b

Micro (no employees)^c

Micro (1–4 employees)^c

Very small^d

Agriculture

16 000

9 500

28 500

102 400

Mining

650

250

4 700

4 800

Manufacturing

28 000

24 250

33 200

143 000

Construction

20 000

26 500

57 600

105 000

Retail trade

102 000

115 000

198 000

184 500

Wholesale trade

800

2 700

5 500

45 500

Catering and accommodation

2 000

4 800

11 200

17 400

Transport

4 000

26 000

38 500

37 700

Finance and business services

3 400

27 000

37 200

88 000

Community, social and person services

18 100

23 200

33 000

152 600

Total

194 950

259 200

447 400

880 900

Estimated distribution of private sector employment by sector a and size: 1995 (continued)

Small^e

Medium^f

Large

Total

Agriculture

590 000

240 600

308 000

1 295 000

Mining

5 200

16 600

540 600

572 800

Manufacturing

140 300

349 000

845 000

1 562 750

Construction

76 400

86 000

135 900

507 400

Retail trade

195 000

64 000

261 000

1 119 500

Wholesale trade

54 000

52 500

90 000

251 000

Catering and accommodation

54 000

24 500

25 000

138 900

Transport

38 400

21 000

66 000

231 600

Finance and business services

95 500

25 900

251 400

528 400

Community, social and personal services

64 200

29 000

73 500

393 600

Total

1 313 000

909 100

2 596 400

6 600 950

a

Excluding state-owned enterprises, the electricity, gas and water sectors, and domestic workers.

b

Income generated is less than the minimum income standard or poverty line. There are no paid employees and asset value is minimal. Includes hawkers, vendors and subsistence farmers.

c

Turnover is less than the value added tax (VAT) registration limit (R150 000 per year). The enterprise lacks formality in terms of registration for tax purposes, labour legislation, business premises and accounting procedures. Includes enterprises with informal characteristics eg spaza shops, minibus taxis and household industries.

d

These enterprises employ fewer than ten paid employees (20 employees in the mining, electricity, manufacturing and construction sectors). They operate in the formal market and have access to modern technology. The lower limit is the self-employed with no employees, including artisans and professionals. The threshold between micro enterprises and small enterprises can be somewhat fluid.

e

More complex business practices and more established than very small enterprises. Limited to 50 employees. Most often they have outgrown direct supervision by the entrepreneur, and have developed a secondary co-ordinating mechanism.

Maximum number of employees is 100 (200 in the mining, electricity, manufacturing and construction sectors). Although still owner/manager controlled, ownership and management structures are more complex — decentralisation of power to an additional management tier.

According to Ntsika Enterprise Promotion Agency (Ntsika), some 47% of people working in the private sector in 1995 were active in small enterprises (including survivalist, micro, very small and small enterprises). Some 900 000 individuals worked in survivalist and micro enterprises (excluding domestic workers) and contributed approximately 7% to gross domestic product (the figure may be lower as domestic workers' contributions were included). Workers in small enterprises accounted for the single largest proportion (45%) of people working in the agricultural sector.³⁰ [³⁰ Ibid]

The pie chart below shows the distribution of private s

The table below shows the estimated proportional distribution of private sector employment by sector and size in 1995:³¹ [³¹ Ibid]

Estimated proportional distribution of private sector employment by sector^a and size: 1995

Survivalist^b

Micro (no employees)^c

Micro (1–4 employees)^c

Very small^d

Agriculture

8.2%

3.7%

6.4%

11.6%

Mining

0.3%

0.1%

1.1%

0.5%

Manufacturing

14.4%

9.4%

7.4%

16.2%

Construction

10.3%

10.2%

12.9%

11.9%

Retail trade

52.3%

44.4%

44.3%

20.9%

Wholesale trade

0.4%

1.0%

1.2%

5.2%

Catering and accommodation

1.0%

1.9%

2.5%

2.0%

Transport

2.1%

10.0%

8.6%

4.3%

Finance and business services

1.7%

10.4%

8.3%

10.0%

Community, social and personal services

9.3%

9.0%

7.4%

17.3%

Totals

100.0%

100.0%

100.0%

100.0%

Estimated proportional distribution of private sector employment by sector a and size: 1995 (continued)

Small^e

Medium^f

Large

Total

Agriculture

44.9%

26.5%

11.9%

19.6%

Mining

0.4%

1.8%

20.8%

8.7%

Manufacturing

10.7%

38.4%

32.5%

23.7%

Construction

5.8%

9.5%

5.2%

7.7%

Retail trade

14.9%

7.0%

10.1%

17.0%

Wholesale trade

4.1%

5.8%

3.5%

3.8%

Catering and accommodation

4.1%

2.7%

1.0%

2.1%

Transport

2.9%

2.3%

2.5%

3.5%

Finance and business services

7.3%

2.8%

9.7%

8.0%

Community, social and personal services

4.9%

3.2%

2.8%

6.0%

Totals

100.0%

100.0%

100.0%

100.0%

a

Excluding state-owned enterprises, the electricity, gas and water sectors, and domestic workers.

b

Income generated is less than the minimum income standard or poverty line. There are no paid employees and asset value is minimal. Includes hawkers, vendors and subsistence farmers.

c

Turnover is less than the VAT registration limit (R150 000 per year). The enterprise lacks formality in terms of registration for tax purposes, labour legislation, business premises and accounting procedures. Includes enterprises with informal characteristics eg spaza shops, minibus taxis and household industries.

d

These enterprises employ fewer than ten paid employees (20 employees in the mining, electricity, manufacturing and construction sectors). They operate in the formal market and have access to modern technology. The lower limit is the self-employed with no employees, including artisans and professionals. The threshold between micro enterprises and small enterprises can be somewhat fluid.

e

More complex business practices and more established than very small enterprises. Limited to 50 employees. Most often they have outgrown direct supervision by the entrepreneur, and have developed a secondary co-ordinating mechanism.

f

Maximum number of employees is 100 (200 in the mining, electricity, manufacturing and construction sectors). Although still owner/manager controlled, ownership and management structures are more complex — decentralisation of power to an additional management tier.

g

Figures should add up vertically b

The Manufacturing Sector

The table below shows employment trends in the manufacturing sector by industry, from 1994 to 1996:³² [³² CSS, *Bulletin of Statistics*, vol 30 no 4, December 1996]

Employment trends in the manufacturing sector: 1994–96

Sector

1994^a

1995^a

1996^a

Proportion of manufacturing work force^b 1996

Increase/ (decrease) 1994–96

Net gain/ (loss) 1994–96

Beverages

33 375

31 825

31 700

2.2%

(5.0%)

(1 675)

Chemicals and chemical products

96 598

96 420

94 451

6.6%

(2.2%)

(2 147)

Clothing

124 538

134 945

149 219

10.4%

19.8%

24 681

Coke oven products, petroleum refineries, nuclear fuel

19 321

18 221

17 578

1.2%

(9.0%)

(1 743)

Electrical machinery

110 565

111 390

103 695

7.2%

(6.2%)

(6 870)

Food

176 039

174 712

173 679

12.1%

(1.3%)

(2 360)

Footwear

26 059

27 836

25 227

1.8%

(3.2%)

(832)

Furniture

45 855

45 812

47 671

3.3%

4.0%

1 816

Glass/glass products

10 041

9 594

9 863

0.7%

(1.8%)

(178)

Iron and steel

60 845

60 539

59 721

4.2%

(1.8%)

(1 124)

Leather

8 786

8 865

7 469

0.5%

(15.0%)

(1 317)

Machinery

67 406

71 864

76 265

5.3%

13.1%

8 859

Metal products

121 873

119 948

126 288

8.8%

3.6%

4 415

Motor vehicles/parts and accessories

73 549

80 701

82 141

5.7%

11.7%

8 592

Non-ferrous metals

16 032

15 729

14 041

1.0%

(12.4%)

(1 991)

Non-metallic mineral products

68 450

65 585

66 076

4.6%

(3.5%)

(2 374)

Paper

48 605

49 637

46 279

3.2%

(4.8%)

(2 326)

Plastic products

43 308

49 676

47 461

3.3%

9.6%

4 153

Printing, publishing

52 760

53 496

52 110

3.6%

(1.2%)

(650)

Professional equipment etc

7 710

7 496

7 751

0.5%

0.5%

41

Rubber

15 979

17 536

17 575

1.2%

10.0%

1 596

Textiles

67 892

67 010

78 452

5.5%

15.6%

10 560

Tobacco

3 140

2 924

2 771

0.2%

(11.8%)

(369)

Transport equipment

11 844

10 666

12 127

0.8%

2.4%

283

Wood

66 495

63 207

58 960

4.1%

(11.3%)

(7 535)

Other manufacturing^c

22 448

21 764

25 079

1.7%

11.7%

2 631

Total

1 399 513

1 417 398

1 433 649

100.0%

2.4%

34 136

^a Average annual figure.^b Figures do not add up owing to rounding.^c Inc

Between 1994 and 1996 there was a net gain of some 34 000 jobs in the manufacturing sector. The largest net gain of jobs occurred in the clothing industry (24 681), while the wood industry experienced the single largest number of job losses (7 535).

The bar chart below shows the net job gains or losses in some industries in the manufacturing sector between 1994 and 1996:

The Informal Sector

According to the Central Statistical Service (CSS), in 1995 some 1.74m, or 17% of the total number of people working, were involved in the informal sector. (The informal sector, as defined by the CSS, consists of all people or businesses that are not registered and/or that defined themselves as being in the informal sector at the time of the October 1995 household survey.) Of the total number of people working in the informal sector, 1.33m (76%) were self-employed. The CSS estimated that the monthly contribution of the self-employed in the informal sector to GDP was approximately R2.7bn in 1995. (Information on the informal sector in the October 1995 household survey gave details only about those employed for their own account and not about employees in the informal sector.) The following table provides a breakdown of the number of self-employed people in the informal sector by race and sex in 1995 (the latest date for which figures were available), according to the CSS:³³ [³³ 1996/97 Survey, p350]

Informal sector self-employment by race and sex: October 1995

Male

Female

Total^aProportion^a

African

264 000

772 000

1 036 000

78.1%

Asian

22 000

7 000

29 000

2.2%

Coloured

32 000

95 000

127 000

9.6%

White

76 000

59 000

136 000

10.2%

Total^a

394 000

934 000

1 327 000

100.0%

^a Figures may not add up owing to rounding.

The following table shows informal sector self-employment by sex and provi

Informal sector self-employment by sex and province: October 1995

Province

Male

Female

Total^a

Proportion

Eastern Cape

40 000

127 000

168 000

12.7%

Free State

15 000

136 000

151 000

11.4%

Gauteng

120 000

162 000

281 000

21.2%

KwaZulu-Natal

71 000

173 000

244 000

18.4%

Mpumalanga

21 000

72 000

92 000

6.9%

North West

38 000

77 000

115 000

8.7%

Northern Cape

3 000

22 000

25 000

1.9%

Northern Province

39 000

72 000

111 000

8.4%

Western Cape

46 000

94 000

140 000

10.5%

Total^a

394 000

934 000

1 327 000

100.0%

^a Figures may not add up owing to rounding.

A study of unemployment by the South African Institute of Race Relations in 1997 found that at least 22% of the economically active population were employed in the informal sector in 1996, well above the CSS's official estimate of 17% (in 1995). (See *Unemployment*

Male/female Breakdown

The table below provides a breakdown of the male/female distribution of people working by occupation in October 1995, according to the CSS:³⁶ [36 1996/97 Survey, p351]

Male/female distribution of people working by occupation: October 1995^a

Occupational group

Male

Female

Total^b

Proportion of total number of people working^b

Legislators, senior officials and managers

462 000

124 000

586 000

5.8%

Professionals

226 000

139 000

364 000

3.6%

Technicians and associated professionals

553 000

602 000

1 155 000

11.4%

Clerks

438 000

782 000

1 220 000

12.0%

Service workers and shop and market sales workers

678 000

457 000

1 134 000

11.2%

Skilled agricultural and fishery workers

120 000

18 000

138 000

1.4%

Craft and related trade workers

1 084 000

134 000

1 219 000

12.0%

Plant/machine operators and assemblers

1 002 000

160 000

1 162 000

11.4%

Elementary occupations^c

1 620 000

1 416 000

3 037 000

29.9%

Armed forces

17 000

1 000

19 000

0.2%

Occupation unspecified

71 000

48 000

118 000

1.2%

Total^b

6 272 000

3 879 000

10 152 000

100.0%

^a Includes formal and informal sector employment.

^b Figures may not add up owing to rounding.

^c Refers to unskilled workers.

Of the 10.2m people working, 62% were men and 38% were women. Some 26% of men were in elementary (unskilled) occupations. Nearly 37% of women were in elementary occupations. Women outnumbered men in technical and clerical

Sectoral Breakdown

Community, social and personal services (mainly government) employed the single largest number of people in 1995 (31%). Wholesale, retail trade, catering and accommodation services employed the second largest number (17%).

The table below provides a sectoral breakdown by race of people working in October 1995, as calculated

by the CSS:38 [³⁸ 1996/97 Survey, p352]

Employment^a by economic sector and race: October 1995

African

Asian

Coloured

White

Total^b

Agriculture, hunting, forestry and fishery

957 000

5 000

226 000

107 000

1 295 000

Community, social and personal services^c

2 188 000

66 000

308 000

576 000

3 137 000

Construction

273 000

14 000

89 000

107 000

483 000

Electricity, gas and water

49 000

1 000

7 000

37 000

95 000

Financing, insurance, real estate and business services

204 000

31 000

48 000

371 000

654 000

Manufacturing

859 000

99 000

235 000

333 000

1 526 000

Mining and quarrying

354 000

4 000

13 000

101 000

471 000

Transport, storage and communication

285 000

20 000

46 000

169 000

520 000

Wholesale, retail trade, catering and other accommodation services

966 000

121 000

216 000

466 000

1 769 000

Other

125 000

9 000

17 000

51 000

201 000

Total

6 260 000

369 000

1 205 000

2 318 000

10 152 000

^a Formal and informal.

^b Figures may not add up owing to rounding.

^c In

Urban/rural Breakdown

The CSS said that in 1995, 63% of the economically active population (EAP) was in urban areas. A little over half of the African EAP was in urban areas, compared with 96% of the Asian and 91% of the white. Some 53% of unemployed Africans were in rural areas, while among Asians, coloured people and whites more than 90% of the unemployed were in urban areas.

The following table provides a breakdown of the working and the unemployed by location and race in October 1995:³⁹ [³⁹ Ibid, p353]

Distribution of the working and the unemployed by race and location: October 1995

Working

Unemployed^a

Total^b

African

Urban

3 465 000

1 728 000

5 193 000

Rural

2 794 000

1 937 000

4 731 000

Subtotal

6 260 000

3 665 000

9 925 000

Asian

Urban

353 000

55 000

408 000

Rural

16 000

2 000

18 000

Subtotal

369 000

57 000

426 000

Coloured

Urban

942 000

322 000

1 265 000

Rural

262 000

24 000

287 000

Subtotal

1 205 000

347 000

1 551 000

White

Urban

2 111 000

125 000

2 235 000

Rural

208 000

11 000

218 000

Subtotal

2 318 000

135 000

2 453 000

All races

Urban

6 871 000

2 230 000

9 101 000

Rural

3 281 000

1 974 000

5 254 000

Total^b

10 152 000

4 204 000

14 356 000

a

Refers to the expanded definition of unemployment, ie people 15 years and older who were not in paid employment or self-employed, were available for employment or self-employment, and had the desire to work and to take up employment or self-employment.

^b Figures may not add up owing to rounding.

The table above shows that for every two Africans with jobs (formal or informal) in urban areas there was one without, and for every 1.4 Africans with a job in rural areas there was one without. For every 17 whites with a job in urban areas there was one without, while in rural areas, for every 19 whites with a job

Provincial Breakdown

The table below shows the provincial distribution of the EAP in October 1995, according to the CSS:⁴⁰
[⁴⁰ Ibid, p354]

Provincial distribution of the EAP: October 1995

Province

Employed workers^a

Proportion of provincial total

Unemployed^b

Unemployment rate

Total^c

Eastern Cape

1 019 000

58.6%

721 000

41.4%

1 739 000

Free State

776 000

73.9%

274 000

26.1%

1 050 000

Gauteng

2 835 000

79.1%

750 000

20.9%

3 584 000

KwaZulu-Natal

1 823 000

66.9%

901 000

33.1%

2 724 000

Mpumalanga

648 000

66.6%

325 000

33.4%

973 000

North West

771 000

67.2%

376 000

32.8%

1 147 000

Northern Cape

208 000

73.0%

77 000

27.0%

285 000

Northern Province

660 000

59.0%

459 000

41.0%

1 119 000

Western Cape

1 412 000

81.4%

323 000

18.6%

1 734 000

Total^c

10 152 000

70.7%

4 204 000

29.3%

14 356 000

^a Includes people working in the formal and informal sectors.

^b Ref^c Figures may not add up owing to rounding.

Although the Northern Province had only 8% of the total EAP, it had 11% of the unemployed. In the Eastern Cape there was just over one person working for every unemployed person. In Gauteng and the Western Cape the ratio was much higher—four people working for every unemployed person.

The bar chart below shows the proportional distribution of the EAP by province:

Immigrants and Emigrants, Migrant Workers and Illegal Workers

Immigrants and Emigrants

Emigration refers to self-declared status and does not include South African citizens who leave permanently under the pretext of temporary visits. Immigration refers to the legal application by people to enter and reside permanently in the country and therefore excludes illegal immigration.

A report published by the CSS in May 1997 showed that 5 407 people immigrated to South Africa in 1996, while 9 708 emigrated. This resulted in a net loss of 4 301 people—an increase of 17% on the 1995 figure. Some 37% of immigrants were economically active, while 53% of emigrants were economically active. South Africa experienced a net loss of some 3168 economically active people in 1996, 36% of whom were in professional, semi-professional or technical occupations (see also chapter on *Population*).⁴¹ [⁴¹ CSS, *Tourism and Migration, January and February 1997*, Statistical Release PO351, 22 May 1997]

According to the Department of Home Affairs, in 1997, 4 532 people immigrated to South Africa, while 10 079 emigrated, resulting in a net loss of 5547 people. About 39% of immigrants were economically active, compared to 55% of emigrants.⁴² [⁴² Fax communication from the Department of Home Affairs, 17 April 1998] (See also *Skill shortages and losses* below.)

The following table provides an occupational classification of economically active immigrants and emigrants in 1995 and 1996:⁴³ [⁴³ CSS, *Tourism and Migration, January 1996*, Statistical Release PO351, 13 May 1996; CSS, *Tourism and Migration, January and February 1997*, Statistical Release PO351, 22 May 1997]

Occupational classification of economically active immigrants and emigrants: 1995 and 1996

—————*Immigrants*^a—————

—————*Emigrants*^b—————

Occupation

1995

1996

Increase/ (decrease)

1995

1996

Increase/ (decrease)

Professional

798

843

5.6%

1 680

1 970

17.3%

Managerial and administrative

374

466

24.6%

664

737

11.0%

Clerical and sales

250

315

26.0%

861

921

7.0%

Transport, delivery and communications

7

18

157.1%

41

23

(43.9%)

Agricultural workers

5

16

220.0%

26

26

0.0%

Service workers

79

84

6.3%

102

116

13.7%

Artisans and apprentices

103

117

13.6%

319

339

6.3%

Production

58

62

6.9%

40

32

(20.0%)

Occupation unspecified

88

74

(15.9%)

793

999

26.0%

Total

1 762

1 995

13.2%

4 526

5 163

14.1%

^a Immigration statistics obtained from all ports of call.

Migrant Workers

The Chamber of Mines of South Africa no longer keeps records of the countries of origin of employees of member mines.

Illegal Workers

See chapter on *Population*.

Trade Liberalisation

At the time of writing, no comprehensive research had been done on the effects of trade liberalisation on employment.

In 1997 the Industrial Development Corporation of South Africa (IDC) published a report on the impact on the South African economy of accelerated trade liberalisation in the context of currency depreciation. The report gave two scenarios—scenario one took into consideration the current trade reform package (the abolition of surcharges, the phasing-out of the general export incentive scheme (GEIS) and the current phased-in tariff rationalisation programme) and a 20% depreciation in the nominal effective exchange rate. Scenario two was the same as scenario one except that the current tariff rationalisation programme was accelerated by decreasing all tariffs by five percentage points (or less for tariffs lower than 5%). The model used in the study assumed that the envisaged changes were applied to the economy ‘overnight’ as opposed to phased-in implementation, and therefore represented a worst-case situation. The projected timeframe of the report was between 1994 and 1999.⁴⁴ [⁴⁴ Industrial Development Corporation of South Africa, *The Impact on the South African Economy of Accelerated Trade Liberalisation in the Context of Currency Depreciation*, Information Series (IS2/97), May 1997]

The study indicated that:⁴⁵ [⁴⁵ Ibid]

- the current tariff reform package and the real depreciation of the rand would boost exports and economic growth. However, depreciation would also mean higher prices domestically;
- if the increase in labour costs was not contained the competitive advantage created by trade reform and depreciation could be eliminated;
- an accelerated tariff reform programme would reduce the inflationary impact of currency depreciation on producers and households; and

- highly protected sectors would be the most negatively affected by an accelerated tariff rationalisation programme because of increased competition from cheaper imported substitutes.

Sectors which would increase their output or employment in scenario one included the following:⁴⁶ [46 Ibid]

- the least protected sectors such as primary goods producers (mining, except gold mining), their immediate downstream industries (basic iron and non-ferrous metals) and the services sectors;
- sectors with already established foreign markets (traditional exporters such as non-gold mining, basic iron, and non-ferrous metals);
- sectors where input prices dropped more than the reduction in import prices (basic iron, rubber, and non-metallic minerals); and
- sectors with a relatively low GEIS subsidy (non-ferrous metals).

Sectors with low output and employment growth would include highly protected sectors (textiles, clothing, footwear, and wood and wood products), and sectors with large reductions in GEIS subsidies (clothing, furniture, machinery, some transport equipment and manufacturing sectors).

In scenario two, sectors with relatively high additional reductions in tariffs, such as electrical machinery, fabricated metals, footwear, motor vehicles, and textiles, would be those most negatively affected (in terms of employment) by accelerated trade liberalisation.

The table below shows the impact of scenarios one and two on employment by economic sector in the five years between 1994 and 1999 (brackets denote a decrease):⁴⁷ [47 Ibid]

The impact of scenarios one and two on employment, by sector: 1994–99

Scenario one

Scenario two

Agriculture

2.5%

2.8%

Basic iron

4.6%

5.1%

Beverages

0.3%

0.6%

Chemicals

0.6%

0.8%

Clothing

(2.0%)

(1.6%)

Construction and civil engineering

—

0.1%

Electric machinery

(1.4%)

(1.9%)

Electricity

—

0.4%

Fabricated metals

(0.7%)

(0.9%)

Finance

—

0.2%

Food processing

(0.4%)

(0.2%)

Footwear

(5.5%)

(6.9%)

Furniture

(1.1%)

(0.7%)

Gold mining

0.0%

0.0%

Leather products

(0.8%)

(0.7%)

Machinery

(2.9%)

(2.6%)

Motor vehicles

(0.5%)

(1.5%)

Non-ferrous metals

6.4%

6.8%

Non-metallic minerals

1.3%

1.3%

Paper and pulp

1.2%

1.2%

Plastic products

(1.1%)

(1.2%)

Printing and publishing

0.4%

0.3%

Rubber

1.9%

1.2%

Textiles

(3.2%)

(4.5%)

Tobacco

0.1%

0.4%

Trade and accommodation

—

0.5%

Transport and communication

—

0.5%

Wood and wood products

(2.0%)

(1.8%)

Other manufacturing

(2.8%)

(2.4%)

Other mining

9.5%

10.3%

Trade reform and depreciation would have cost implications on households, as can be seen in the table below (brackets denote a decrease):⁴⁸ [⁴⁸ Ibid]

The impact of trade liberalisation on households, by race: 1994–99

Increase in consumer price index

Employment

Consumption

African

Scenario one

13.9%

1.4%

0.5%

Scenario two

13.4%

1.7%

0.8%

Asian

Scenario one

13.9%

0.5%

(0.5%)

Scenario two

13.5%

0.6%

(0.3%)

Coloured

Scenario one

13.9%

0.5%

(0.4%)

Scenario two

13.5%

0.6%

(0.2%)

White

Scenario one

13.9%

0.9%

0.4%

Scenario two

13.5%

1.1%

0.7%

Total

Scenario one

13.9%

1.1%

0.4%

Scenario two

13.5%

1.3%

0.7%

In general, Asian and coloured people would have the lowest employment growth rates because of a drop in output growth in sectors such as textiles and clothing which traditionally employ them. Significant increases in the employment of Africans and whites would enable them to increase their consumption, while Asians and coloured people would be compelled to reduce t

Job Gains

No new comprehensive information was available on job gains from trade liberalisation.

Job Losses

According to an economist at the Credit Guarantee Insurance Corporation of Africa, Mr Luke Doig, South Africa's footwear manufacturers faced an 'uphill battle' to change their focus to exports in the medium and upper market segments after the economic damage done by cheap imports. Mr Doig said that part of the problem was that it had taken the government two years to impose tariffs on shoes imported from non-World Trade Organisation countries. The delay had 'decimated' the local industry resulting in some 6300 job losses between 1992 and 1996. Domestic shoe production had fallen from 73m pairs produced in 1992 to 47m produced in 1996 (by 36%), while imports from China and Hong Kong increased from some 11m pairs in 1992 to 55m pairs in 1996 (by 400%).⁴⁹ [⁴⁹ *Business Day* 16 July 1997; *The Star Business Report* 16 July 1997; fax from Mr Luke Doig, economist, Credit Guarantee Insurance Corporation of Africa, 10 November 1997]

In October 1997 the South African Clothing and Textile Workers' Union said that research showed that there was a strong correlation between tariff reductions and job losses. More than 40000 jobs had been lost in the clothing, textile and leather industries since 1995 because of tariff reductions. The union's assistant general secretary, Mr Ebrahim Patel, said that this was a conservative estimate.⁵⁰ [⁵⁰ *Business Day* 11 August 1997]

F & T Weekly reported in October 1997 that the textile industry in South Africa was showing signs of recovery after initial setbacks experienced when domestic markets were opened to the world. According to the president of the Textile Federation, Mr Mervyn King, textile exports were expected to increase by some 17% in 1997 (to more than R2.5bn). However, because of a flood of cheap imports, employment in the textile industry was dropping. The table below shows employment, imports and exports in the textile industry as calculated by the Textile Federation:⁵¹ [⁵¹ *F & T Weekly* 17 October 1997]

Employment, imports and exports in the textile industry: 1992-97

Number of employees

Increase/ (decrease)

Sales

Exports

Imports

Rm

Rm

Rm

1992

81 500

—

7 584

1 328

2 064

1993

79 100

(2.9%)

8 076

1 154

2 222

1994

82 300

4.0%

9 016

1 511

2 798

1995

79 500

(3.4%)

10 129

1 800

3 366

1996

78 700

(1.0%)

10 433

2 154

3 539

1997^a

76 000

(3.4%)

9 900

2 500

3 500

^a Estimated fi

Unemployment

Definition

The Central Statistical Service (CSS) distinguishes between the strict and the expanded definitions of unemployment. The strict definition refers to people 15 years and older who are not employed but are available for work, and who have taken specific steps to seek employment in the four weeks prior to a given point in time. The expanded definition refers to people 15 years and older who are not employed, but are available and have the desire to work, irrespective of whether or not they have taken active steps to find work.

Statistics and Trends

Central Statistical Service

The 1995 *October Household Survey*, conducted by the CSS and the latest available at the time of writing, found that 16.5% of the population was unemployed according to the strict definition of unemployment, while 29.3% were unemployed according to the expanded definition.

The table below shows unemployment by strict and expanded definition (comparison with 1994 was not possible because different methodologies were used for drawing samples), as calculated by the CSS.⁵² [52 1996/97 Survey, p359]

Unemployment: strict and expanded definition: October 1995 (CSS)

Strict definition

Expanded definition

Number

Rate

Number

Rate

African

1 641 000

20.8%

3 665 000

36.9%

Asian

43 000

10.3%

57 000

13.4%

Coloured

225 000

15.7%

347 000

22.3%

White

90 000

3.7%

135 000

5.5%

Total

1 999 000

16.5%

4 204 000

29.3%

The table below shows urban/rural unemployment according to the expanded definition in October 1995, as calculated by the

Urban/rural unemployment:^a October 1995 (CSS)

Number of unemployed

Unemployment rate

Urban

2 230 000

24.5%

Rural

1 974 000

37.6%

Total

4 204 000

29.3%

^a Refers to the expanded definition of unemployment.

The following table and graph provide an age profile of the unemployed in October 1995 as calculated by the CS

Age profile of the unemployed: October 1995 (CSS)

Age group

African

Asian

Coloured

White

Total^a

15–20

207 000

11 000

43 000

20 000

280 000

20–24

791 000

14 000

105 000

29 000

939 000

25–29

858 000

7 000

64 000

14 000

944 000

30-34

636 000

7 000

48 000

14 000

705 000

35-39

444 000

6 000

32 000

12 000

493 000

40-44

280 000

3 000

24 000

12 000

319 000

45-49

209 000
2 000
16 000
13 000
240 000
50-54
136 000
3 000
9 000
9 000
157 000
55-59
71 000
3 000
5 000
7 000
85 000
60-64
21 000
—

1 000
 2 000
 24 000
 65+
 12 000
 –
 1 000
 4 000
 17 000
 Total^a
 3 665 000
 57 000
 347 000
 135 000
 4 204 000

^a Figures may not add up owing to

According to the CSS, there were 116 000 fewer jobs in the non-agricultural formal sector of the South African economy in September 1997 than in September 1996 (a drop of 2.2%).⁵⁵ [⁵⁵ CSS, *Labour Statistics: Employment and Salaries and Wages (Summary), September 1997*, Statistical Release PO200, 2 February 1998] This was despite the government’s aim to create an economic environment, as set out in its macro-economic strategy, “*Growth, Employment and Redistribution*” (*Gear*), that would facilitate the creation of 126000 jobs in 1996 and a further 252000 in 1997.⁵⁶ [⁵⁶ *F & T Weekly* 13 December 1996; *Financial Mail* 4 July 1997] (See also chapter on *The Economy*.)

According to the 1998 *Budget Review*, the number of entrants to the labourmarket would rise to more than 600 000 a year early in the 21st century. The number of people entering the labour market each year increased from some 350 000 in the mid-1980s to about 450 000 in 1997.⁵⁷ [⁵⁷ Department of Finance, *Budget Review* 1998, March 1998, pp2.17–2.18]

South African Institute of Race Relations

A study published by the South African Institute of Race Relations in 1997 questioned the validity of official estimates of unemployment, saying that they were too high. According to the Institute, the official estimates of unemployment, based on the October household surveys conducted by the CSS, were problematic for a number of reasons. These included a drop in the official unemployment figure between 1994 and 1995 when all other indications suggested an increase, and a high proportion (45%) of non-workseeking unemployed people. Furthermore, a rate of unemployment of nearly 30% placed South Africa in the very top league of unemployment in the world—according to comparative estimates by the International Labour Organisation (ILO), only Macedonia and the island of Réunion had higher rates of unemployment than South Africa in 1994. The Institute said, however, that while the seriousness of South Africa’s unemployment rate was beyond question, it was unlikely that a country with such long-standing industrialisation could have a rate of unemployment significantly higher than any other countries except Macedonia and Réunion.⁵⁸ [⁵⁸ Schlemmer L and LevitzC, *Unemployment in South Africa*, Spotlight No 1 1998]

The Institute’s estimate of the level of unemployment was based on national surveys, conducted on commission by MarkData. Samples included mine and other migrant worker hostels, informal shack areas and deep rural traditional subsistence areas. The Institute’s study was led by Professor Lawrence Schlemmer, a vice president and visiting research fellow at the South African Institute of Race Relations.

The Institute noted that ‘hidden’ employment was likely to be a major source of inflation in unemployment rates. As a result, respondents were asked about their gross personal income. The results, based on the admissions of people who had said that they were unemployed but had personal income, were as follows:⁵⁹ [⁵⁹ Ibid]

Gross personal income of unemployed respondents: 1996 (SAIRR)

Proportion of unemployed with personal income

Total

9.7%

African

9.2%

Mean monthly income of 'unemployed' earners

Total

R309

African

R221

Although the monthly amounts declared were low, they were not lower than the incomes of low-income workers in the informal sector or than some agricultural and domestic workers who were employed.

To further detect 'hidden' employment, the Institute asked respondents if they had regular earning activity or if they worked for their families, *before* they were asked about their employment status. The table below provides the result

Proportion of unemployed persons with regular earning activity or work in family enterprises: October 1996 (SAIRR)

All races (unemployed)

African (unemployed)

Male

Female

Both

Male

Female

Both

Regular earnings

16.2%

17.2%

16.8%

15.4%

17.3%

16.5%

Work for family

4.0%

3.4%

3.6%

4.7%

3.8%

4.1%

Regular earnings and work for family

20.2%

20.6%

20.4%

20.1%

21.1%

20.

In order to check earnings among the unemployed, respondents were questioned about monthly expenditure on food, clothing, transport, entertainment and payment of accounts, as well as expenditure on family or household needs. The table below shows the widespread personal expenditure among respondents who claimed to be unemployed:⁶¹ [Ibid]

Proportion of 'unemployed' people with money for personal expenditure:^a February 1996 (SAIRR)

African	
Coloured	
Indian	
White	
Personal	
Seeking work	
Not seeking work	
Food	
	87%
	78%
	95%
	100%
	87%
Clothing	
	72%
	63%
	81%

83%

37%

Transport

78%

72%

75%

100%

48%

Entertainment (including cigarettes and liquor)

76%

69%

84%

100%

82%

Accounts (including hire purchase agreements)

69%

65%

86%

94%

56%

Family and/or household needs

82%

70%

89%

100%

88%

a

Sample sizes did not allow the estimates for race groups other than Africans to be subdivided between those seeking work and not seeking work since the proportions of coloured people, Indians and whites not seeking work are very small.

Among African, coloured and Indian respondents, some two thirds or more of the unemployed had, or had access to, the means to maintain a wide range of expenditures. Among white respondents, the situation of the unemployed was somewhat worse (with regard to clothing and transport especially) although they generally had money to buy cigarettes and liquor, even if in very modest amounts.

According to the Institute, the people who claimed to be unemployed included a very substantial portion who were not in desperate circumstances. Among the unemployed who had money or access to money to spend, the levels of expenditure appeared to be at roughly the same level as, or higher than, the levels of expenditure among employed people in low-level unskilled work.

Furthermore, respondents who claimed to be unemployed stated that they would not accept formal employment below an average level of R760 a month, among Africans and coloured people, and R1 300 and R1 400 a month among Indians and whites. These amounts equalled or exceeded the average wages in low-level unskilled labour. (See also 1996/97 Survey, pp362–365.)

Adjusting the claimed unemployment figures to take account of the above factors, the Institute arrived at a refined estimate of unemployment in 1995 of 23%, six percentage points lower than the official estimate. The rate estimated for 1996 was 24% (the rate dropped to 23% when people not seeking work were excluded). According to the Institute, a rate of 23% to 24% was within the range of accepted international patterns. However, this level of unemployment was still among the highest in the world. Estimates by the Institute suggested that the overall rate of unemployment was probably increasing by up to two percentage points a year and could reach 43

Results of the survey also suggested that at least 22% of the economically active population were employed in the informal sector (in 1996), well above the CSS's official estimate of 11% (in 1994).

The table below shows the Institute's revised estimates of unemployment by province, compared with the unemployment rates in the October 1995 household survey of the CSS:⁶² [62 Ibid]

Revised estimates of unemployment by province in 1996 (SAIRR) compared with unemployment rates in the 1995 October household survey of the CSS

Province

SAIRR/Mark Data 1996

Central Statistical Service 1995

Eastern Cape

34%

41%

Free State

25%

26%

Gauteng

18%

21%

KwaZulu-Natal

23%

33%

Mpumalanga

19%

33%

North West

30%

33%

Northern Cape

21%

27%

Northern Province

40%

41%

Western Cape

14%

19%

South Africa

24%

29%

The following table and graph show the estimated unemployment rate by race and sex in 1996, as calculated by the Institute'

SAIRR/Mark Data estimates of unemployment rate by race and sex: 1996

African

Rate

Male

21%

Female

39%

Total

30%

Asian

Male

8%

Female

20%

Total

13%

Coloured

Male

12%

Female

25%

Total

19%

White

Male

4%

Female

9%

Total

6%

South Africa

Male

16%

Fema

According to the Institute, the unemployment rates among women were generally double those of men. The unemployment rate among African women was the highest, at 39%.

The table below shows estimated African unemployment according to selected categories, as calculated by the Institute.⁶⁴ [⁶⁴ Ibid]

Estimated African unemployment according to selected categories: 1996 (SAIRR)

Rural former homelands

42%

18–24 years old

41%

18–24 years old: male

29%

18–24 years old: female

53%

Shack settlements

36%

Urban townships

31%

Commercial farming areas

11%

The Institute said that if there was not a tendency for young Africans to remain in school after the age of 18 years, the rates of unemployment in this group would be significantly

South African Reserve Bank

According to the South African Reserve Bank, the average level of total employment in the formal, non-agricultural sector of the economy (excluding domestic workers) dropped by 1.1% in 1996. (See also chapter on *The Economy*.)⁶⁵ [⁶⁵ SARB, *Quarterly Bulletin*, September 1997; *The Citizen* 24 February 1998]

Between 1989 and 1996 the average level of employment in the formal non-agricultural sector dropped by 7%, indicating that about one out of every 14 jobs that existed in 1989, became redundant in the ensuing years. As a proportion of the economically active population, formal non-agricultural sector employment dropped from 45% in 1989 to 36% in 1996. The reserve bank said that a ‘disquieting’ feature of longer-term employment trends in the South African economy was that the number of employment opportunities created during an economic recovery was smaller with each successive recovery.⁶⁶ [⁶⁶ SARB, annual economic report, 1997; SARB, *Quarterly Bulletin*, March 1997; SARB, *Quarterly Bulletin*, June 1997]

Since 1989, formal, non-agricultural employment increased only once—in 1995 when the average level of employment rose by 0.7%. The reserve bank said in March 1997 that despite a high level of economic

activity, there was an absolute decline in aggregate employment from the third quarter of 1995, largely because of determined efforts among private sector producers to reduce costs and raise efficiency. ‘The rate of increase in nominal wages and salaries per worker nevertheless remained downwardly inflexible. In fact, nominal and real wage growth began to accelerate in the second half of 1995 and rose at relatively high rates in 1996 ... the increase in real remuneration per worker in an environment of rising unemployment was not in keeping with what could reasonably be expected under such circumstances,’ the reserve bank said.

The table shows the net gain or loss in formal non-agricultural employment by sector between 1989 and 1996 (brackets denote a decrease):⁶⁷ [⁶⁷ SARB, annual economic report, 1997; telephonic interview with Mr Anton Casteleijn, senior economist, SARB, 10, 19 November 1997]

Change in formal non-agricultural employment^a from 1989 to 1996

1989	
1996	
Net gain (loss)	
Proportional change	
Mining	
	797 805
	566 570
	(231 235)
	(29.0%)
Manufacturing	
	1 582 934
	1 438 140
	(144 794)
	(9.1%)

Electricity

52 640

40 025

(12 615)

(24.0%)

Construction

416 583

326 051

(90 532)

(21.7%)

Trade

757 100

718 475

(38 625)

(5.1%)

Finance

179 855

214 150

34 295

19.1%

Public authorities^b

1 707 869

1 817 962

110 093

6.4%

a

Services have not been included as a separate sector because comprehensive information is not available. The trade and finance sectors include certain service sectors. Domestic workers are excluded.

b

Includes all national government departments, provincial administrations, local authorities, Transnet, South African Post Office, Telkom, parastatals, universities, technikons and agricultural marketing

The reserve bank said that part of the solution to the unemployment problem was continued emphasis on human capital development through investment in training, education and health care, as well as accelerated economic growth. Equally important was for 'the wage determination process to account for productivity improvements and to be sensitive to changes in the underlying conditions of supply and demand in the labour market'. Sustainable employment creation would ultimately depend on investment in the South African economy and the ensuing economic growth, the reserve bank said. (See also chapter on *The Economy*.)⁶⁸ [⁶⁸ SARB, annual economic report, 1997]

Minister of Trade and Industry

The minister of trade and industry, Mr Alec Erwin, said in March 1998 that unemployment in South Africa could drop to between 12% and 13% by 2010. Mr Erwin said that jobs would be created in new areas of industrial activity such as downstream petrochemicals, steel, agricultural industry, tourism, and small and medium enterprises. The director general of trade and industry, Dr Zaverah Rustonjee, said that the manufacturing sector could create between 70000 and 100 000 jobs a year by the end of the century.⁶⁹ [⁶⁹ *The Star Business Report* 11 March 1998]

Ministry of Finance

The director general of finance, Ms Maria Ramos, said in July 1997 that the South African economy was still on track to meet the *Gear* target of about 400000 new jobs by 2000. *Gear* had created a stable

macro-economic environment in which jobs could be created.⁷⁰ [⁷⁰ Ibid 16 July 1997, 12 August 1997]

World Bank

A report published by the World Bank in March 1998 on the South African labour market found that the high level of wages paid to workers contributed to high unemployment among black workers. A 10% increase in real wages could lead to a 7% drop in black employment. If black real wages had remained constant between 1970 and 1994, formal employment among black people would have grown at 1.5% a year, instead of 0.9%—black unemployment would have been some six percentage points lower than at present. According to the report, wage differentials between black and white people could be resolved by removing discrimination and barriers to mobility rather than increasing black wages. Wages, however, were only one factor contributing to a drop in the level of formal employment. Others included a rise in capital-intensive investment, an unskilled workforce which could restrain growth and employment, and declining private investment. The report also found that the Basic Conditions of Employment Act of 1997 would raise unemployment in sectors already experiencing very high unemployment (see also *Basic Conditions of Employment Act of 1997* above).⁷¹ [⁷¹ Fallan P and Lucas R, *South African Labour Markets Adjustment and Inequalities*, The World Bank Southern Africa Department, Discussion Paper 12, 1998]

Labour Absorption

According to the deputy minister of finance, Ms Gill Marcus, the economy's failure to create sufficient formal sector jobs had its roots in a drop in investment in the 1980s and the decline in the economy's labour absorption capacity. She added that South Africa would not achieve its development or job creation targets without accepting the challenges of globalisation. Domestic savings were insufficient to provide the level of investment needed to reverse the drop in job creation. (See also chapter on *The Economy*.)⁷² [⁷² *The Star Business Report* 11 August 1997]

The table below shows the steady drop in the labour absorption capacity of the formal economy between 1973 and 1995, as documented by Mrs A E Loots of the Rand Afrikaans University.⁷³ [⁷³ Schlemmer L and LevitzC, *Unemployment in South Africa*, Spotlight No 1 1998]

Labour absorption capacity of the formal economy: 1973–95

1973–77

80%

1978–81

72%

1982–85

30%

1986–89

27%

1990–95

-11%

The Development Bank of Southern Africa provided an estimated labour absorption rate of 108% for 1960–65, dropping to below 1% in 1990–95, and below 0% in 1996. According to Professor Lawrence Schlemmer, a visiting research fellow at the Institute, assuming no labour turnover, not only were no or hardly any new entrants to the labour market able to find formal employment, but many of those previously employed lost their jobs. This meant that between 1990 and 1995 the number of people outside formal employment increased by some 400 000 to 500 000 a year, but this pattern of gross oversupply of labour began in the early 1980s and became steadily more marked since the

Unemployment Insurance Fund

In August 1997 the minister of labour, Mr Tito Mboweni, extended the compulsory membership of the Unemployment Insurance Fund to all workers earning up to R82 992 a year (previously R76 752). The increase was implemented to keep pace with wage increases and to continue unemployment insurance coverage for the majority of workers in South Africa, the ministry said.⁷⁵ [⁷⁵ *The Citizen* 12 August 1997, *The Star Business Report* 13 August 1997]

Race, Sex, and Disability in the Workplace

The Department of Labour's employment equity proposals were set out in the Employment Equity Bill, published in November 1997 (see *Employment Equity Bill* above).

Public Sector

The *Draft White Paper on Affirmative Action in the Public Service* was published by the Department of Public Service and Administration in December 1997. (See *Draft White Paper on Affirmative Action in the Public Service* above.)

Central Statistical Service

The Central Statistical Service (CSS) said in June 1997 that 50% of posts in the CSS would be occupied by blacks by 1999, 30% would be occupied by women, and 2% by disabled people. The proportion of women at the level of assistant director and above had increased to 56%, while the number of blacks had increased from 82 in 1995 to 302 in 1997. The proportion of whites employed by the CSS dropped to 52% in 1997.⁷⁶ [⁷⁶ *Sowetan* 12 June 1997]

Eskom

According to the chairman of Eskom, Mr Reuel Khoza, more than 50% of all managers, professionals and supervisors at Eskom would be black by 2002.⁷⁷ [⁷⁷ *Ibid* 2 June 1997]

Justice

In May 1997 the minister of justice, Mr Dullah Omar, said that there were 234 black personnel in senior positions in the Department of Justice, compared with 553 whites. Blacks accounted for 58% of the department's staff. There were 571 black magistrates, compared with 1 019 white magistrates; 846 black prosecutors, including senior prosecutors, compared with 821 white prosecutors; and 51 black advocates, compared with 170 white advocates.⁷⁸ [⁷⁸ *Business Day* 28 May 1997, 12 September 1997]

In March 1997 the Pretoria High Court ruled that the Department of Justice's affirmative action policy, implemented in 1995, discriminated unfairly against white male attorneys. The ruling by Mr Justice Johannes Swart set aside a 1995 decision by Mr Omar not to consider white male applicants for promotion to 30 senior positions in the Department of Justice. The action was instituted by the Public Servants Association of South Africa (PSA) and supported by a state attorney, Mr Fanie Swanepoel, and 15 assistant state attorneys. The PSA challenged the right of government departments to make arbitrary affirmative action appointments at the expense of (more) highly qualified white male officials.

The court heard that the 16 men, who were all in line for promotion to the 30 advertised posts, applied but were never called before the selection panel. Among them they had experience ranging from four to 21 years and had all been identified for priority advancement because of the quality of their work. Among the four people appointed initially by the department was a woman with one year's experience in the state attorney's office and four in private practice. She was appointed to the senior position of deputy state attorney. The other three appointments also went to women, with less experience. The remaining positions were put on hold in light of the court action. In their argument the men acknowledged that affirmative action was necessary and lawful to attain a representative public service as stated in the constitution, but said that Mr Omar had ignored other provisions in the constitution which entrenched equality.

In his judgement, Judge Swart said the 16 state attorneys had been unfairly discriminated against as

referred to in section 8(2) of the constitution. He overturned the four appointments made by the department earlier in the year and ordered the department to fill the vacant posts without regard to race or sex, and to make such appointments only on merit.⁷⁹ [⁷⁹ Institute for Futures Research, *Labour Issues*, vol 7 no 1, March 1997; *Business Day*, *Cape Argus*, *The Citizen* 5 March 1997; Fast Facts No 7 1997] (See also *Public Service Laws Amendment Act of 1997* above.)

In July 1997 the minister of justice, the Public Service Commission and the minister for the public service and administration were granted leave to appeal the ruling to the Supreme Court of Appeal.⁸⁰ [⁸⁰ *Business Day* 4 July 1997] The case had not been heard at the time of writing. (See also chapter on *Security*.)
81 [⁸¹ Information supplied by registrar's office, Supreme Court of Appeal, Bloemfontein, 14 October 1997]

South African National Defence Force

In June 1997 the deputy minister of defence, Mr Ronnie Kasrils, said that the majority (69%) of members of the South African National Defence Force (SANDF) were black. Some 22% of officers in the SANDF were black and more than 11% were women. Since 1994, 14 black generals had been appointed, and the deputy chief of the SANDF, Lieutenant General Sipiwe Nyanda, was black. Subsequently, in June 1998, Gen Nyanda was appointed chief of the SANDF.⁸² [⁸² *The Citizen* 18 June 1997, *Business Day* 30 April 1998]

South African Police Service

The South African Police Service (SAPS) said in May 1997 that it had set employment quotas for the service in order to 'reflect the population distribution' by 2005. The SAPS aimed to attain a 50% black staff complement at management level by 2000, while women would comprise at least 30% of middle and senior management. People with disabilities would account for 2% of the staff complement.⁸³ [⁸³ *Ibid* 27 May 1997]

Transport

The minister of transport, Mr Mac Maharaj, said in March 1997 that 30% of the Department of Transport's management would be black by 2000. Mr Maharaj said that nine of the department's 38 managers were black and eight were women. There were 872 filled posts in the department and 181 positions 'held vacant to enhance representivity'. Of the 872 people employed, 68% were white, 24% African, 4% coloured and 4% Indian. Although he was not directly involved in the day-to-day running of the parastatals which reported to him, Mr Maharaj said that he nevertheless had 'a duty' to ensure that their management structures were representative of the South African population. He reported that:⁸⁴ [⁸⁴ *The Star* 6 March 1997]

- the Airports Company had 102 management positions, 75% of which were occupied by whites and

25% by blacks (12% by Africans);

- 62% of the South African Rail Commuter Corporation's managers were white, 16% were African, 15% were Indian and 8% were coloured; and
- 39% of managers in the Air Traffic Navigation Service were white and 61% were black.

Private Sector

According to McGregor Information Services, the number of women on boards of listed companies doubled between 1995 and 1997. However, while 88 directorships of listed companies were held by women in 1997, more than 6000 such positions were held by men. The number of directorships held by black women increased from 14 to 20, while the number held by white women increased from 28 to 68. In 1997, 172 black male directors held 279 directorships of listed companies.⁸⁵ [⁸⁵ Fax communication from McGregor Information Services, 10 October 1997; *The Star Business Report* 8 August 1997]

According to a 1997 report by a firm of management consultants, FSA-Contact, an increasing number of companies (private and public) were implementing affirmative action programmes, but more and more were indicating that their programmes were not successful. FSA-Contact's fifth annual affirmative action monitor among companies found that in 1997 some 88% of companies surveyed had a formal or informal policy in place, compared with 58% in 1993. However, the proportion of companies that felt their affirmative action programme was 'totally or somewhat unsuccessful' had increased from 22% in 1996 to 32% in 1997. There had also been a drop in the degree of commitment from chief executives, senior and middle management to their affirmative action programmes. Some 56% of respondents to the survey indicated that while employees in their organisations viewed affirmative action as a form of reverse discrimination, there was less resistance from white employees than in 1996. More companies, however, reported that black employees had 'inflated expectations'. There was an increase (from 12% in 1996 to 21% in 1997) in the number of organisations that said they had experienced a drop in standards or deterioration of work quality because of affirmative action.

The survey showed that in 1997, 15% of employed professionals were black, compared with 6% in 1994. FSA-Contact projected that this would increase to 33% by 2000. There was also an increase in the number of blacks at senior and middle management levels, albeit at a slower rate. There had been a dramatic drop in the number of white people employed at general staff level. In 1997 less than 50% of general staff were white, compared with 61% in 1994. This figure was expected to drop to 25% in 2000.⁸⁶ [⁸⁶ *Sunday Times Business Times* 7 September 1997]

Some 63% of companies surveyed indicated that their affirmative action employees had been 'poached' by other companies. According to the head of FSA-Contact's remuneration information services, Ms Kris Crawford, the dramatic increase in the number of companies which had their employees 'poached' and the declining length of service of affirmative action employees was a disturbing trend.⁸⁷ [⁸⁷ *Ibid*]

The survey found that the skill shortage and an increase in demand were leading companies to pay premium salaries to black appointees. One in four companies paid premiums of 21% to 30% of basic salary, while the rest paid between 11% and 20%. Black senior managers, middle managers and professionals were getting between 11% to 20% above basic salaries.⁸⁸ [⁸⁸ Ibid]

A survey by the Information Technology Users Council, analysing the application and efficacy of affirmative action policies in member organisations, found that the ratio of black to white managers in the field of information technology more than doubled since 1995. The proportion of black managers increased from 3% in 1995 to 9% in 1996, with a projected increase to 11% in 1997. The proportion of women managers, however, dropped from 23% to 22% in 1996, with a further drop to 21% projected for 1997.⁸⁹ [⁸⁹ *Business Day* 9 May 1997]

The Breakwater Monitor at the Graduate School of Business, University of Cape Town, said in August 1997 that between 1994 and 1996 the number of black people in management positions increased by 60%, while the number of women managers increased by 21%. In 1996 more than 70% of all new management recruits in the top 15 companies surveyed were African, compared with 20% in 1994. Some 42% of management promotions went to Africans.⁹⁰ [⁹⁰ *Cape Argus* 5 August 1997]

A 1997 survey by the EuroChamber of Commerce in Southern Africa (an umbrella body representing individual European chambers of commerce in southern Africa) showed that European companies in South Africa were generally 'noncommittal' about implementing affirmative action policies and empowerment deals. Some 25% of respondents indicated that they were not considering implementing affirmative action to raise their complement of black staff. Despite the attention paid to black empowerment business opportunities, 37% (30% in 1995) of the respondents were not considering black economic empowerment deals as part of their business strategy. About 35% of respondents said they were considering such deals, while 28% indicated that they were either in the process or had already implemented such deals.⁹¹ [⁹¹ *Business Day*, *The Citizen* 15 October 1997]

Productivity

The South African Reserve Bank said that the year-to-year growth in labour productivity (ie the number of units of output obtained per unit of labour input) in the non-agricultural sectors amounted to 3% in 1996 (compared with 3.3% in 1995). In 1991 it was 0.3%. However, positive rates of increase since 1991 coincided with large-scale retrenchment—to address the high unemployment rate, rising productivity levels should be accompanied by increased employment.⁹² [⁹² SARB, annual report 1997; SARB, *Quarterly Bulletin*, September 1997]

According to the reserve bank, the weak competitive position of the South African economy was apparent when unit labour costs and productivity were compared with South Africa's main trading partners. In the first half of the 1990s South Africa's unit labour costs increased approximately 7.5 times as fast as the average of the rates of increase in the main trading partner countries. During the same

period the growth in labour productivity in South Africa was only about 60% of the average productivity growth in those countries.⁹³ [⁹³ SARB, annual report 1997]

The table below provides a breakdown of the proportional change in labour productivity, real remuneration per worker and unit labour costs (at constant prices) in the private and public non-agricultural sectors of the economy from 1991 to 1996, as calculated by the reserve bank (brackets denote a decrease):⁹⁴ [⁹⁴ SARB, *Quarterly Bulletin*, September 1996; SARB, *Quarterly Bulletin*, September 1997]

Change in labour productivity, real remuneration per worker and unit labour costs: 1991–96

<i>Year</i>
Labour productivity
Remuneration per worker ^a
Increase/(decrease) in unit labour costs ^a
1991
0.3%
1.4%
1.1%
1992
1.1%
1.6%
0.5%
1993
2.7%
(0.4%)

(3.1%)

1994

2.7%

3.2%

0.6%

1995

3.3%

0.8%

(2.4%)

1996

3.0%

0.4%

(2.5%)

^a At constant prices.

The line graph below shows the change in labour productivity and real remuneration per worker from 1991

According to a study by the South African Institute of Race Relations in 1997, labour productivity in South Africa tended to increase as a result of the replacement of labour by machines. Because of the high costs of labour, machines were introduced before it would otherwise be economically viable, resulting in poor capital productivity (between 1980 and 1993 capital productivity in South Africa dropped by 1.8%). According to Ms Karin Liebenberg of the National Productivity Institute (NPI), South Africa and Malaysia had roughly the same gross domestic product (GDP) per employee in 1995. However, while Malaysia could increase productivity and employment at the same time, South Africa could increase productivity only by reducing employment opportunities. The reason for this was that

Malaysia restrained its relative labour costs and increased overall output in non-agricultural sectors far more rapidly than South Africa could. Between 1991 and 1994 the real output growth rate of manufacturing in Malaysia was 15%, compared with 2.5% in South Africa.⁹⁵ [⁹⁵ Schlemmer L and LevitzC, *Unemployment in South Africa*, Spotlight No 1 1998]

The table below shows the increase/decrease in multifactor productivity of the main economic sectors from 1991 to 1996, as calculated by the NPI:⁹⁶ [⁹⁶ National Productivity Institute, *Productivity Statistics*, 1997]

Increase/(decrease) in multifactor^a productivity: 1991–96

1991

1992

1993

1994

1995

1996

Agriculture, forestry and fishing

6.5%

(25.8%)

26.5%

13.3%

14.4%

25.4%

Mining and quarrying

(0.5%)

5.9%

5.8%

(1.3%)

(1.3%)

0.6%

Manufacturing

(4.8%)

(2.9%)

(1.8%)

1.2%

4.7%

(2.9%)

Electricity, gas and water

5.9%

4.2%

7.9%

8.4%

4.5%

5.0%

Construction

0.7%

(2.3%)

(3.3%)

(0.7%)

3.5%

9.4%

Wholesale and retail trade, catering and accommodation

(0.2%)

(2.2%)

1.2%

5.9%

4.2%

2.7%

Transport, storage and communication

0.8%

3.9%

6.9%

8.7%

4.2%

3.6%

Finance, insurance, real estate and business service

0.9%

(2.2%)

(0.1%)

2.6%

1.7%

1.4%

Private economy^b

(0.4%)

(1.9%)

2.8%

3.5%

2.6%

2.7%

Private economy excluding agriculture

(0.6%)

(0.1%)

1.6%

3.1%

3.6%

1.5%

Goods producing sector^c

(1.2%)

(3.0%)

3.5%

2.6%

1.7%

2.7%

Goods producing sector excluding agriculture

(1.8%)

0.3%

1.5%

1.4%

3.6%

0.4%

Services^d

0.6%

(0.8%)

1.8%

5.4%

3.4%

2.5%

^a A ^b Pr^c Includes agriculture, construction, electricity, manufacturing and mining.

^d Includes commerce, communications, finance, and transport.

The following table compares labour productivity in terms of GDP per employee per hour, in various countries, as published in *The World Competitiveness Yearbook* for 1997 (South Africa was ranked 29th out of 44 countries:)⁹⁷ [⁹⁷ Fax communication from the International Institute for Management Development, Switzerland, 15 October 1997]

Labour productivity: 1996

Ranking

Country

GDP per employee per hour US\$

1

Luxembourg

45.33

2

Belgium

42.92

3

Norway

42.27

4

Switzerland

41.60

5

France

40.38

6

Germany

39.44

7

Japan

39.42

8

Denmark

39.16

9

Austria

35.81

10

Finland

33.87

11

Netherlands

33.49

12

Italy

33.18

13

United States

31.64

14

Ireland

28.56

15

Sweden

28.03

16

Iceland

27.72

17

Spain

26.35

18

Singapore

24.85

19

Canada

22.97

20

United Kingdom

22.65

21

Australia

22.28

22

Israel

22.22

23

Hong Kong

20.63

24

Greece

17.75

25

Argentina

13.56

26

Taiwan

13.55

27

Portugal

13.29

28

Korea

10.18

29

South Africa

8.18

30

Colombia

7.85

31

Hungary

6.27

32

Chile

6.17

33

Malaysia

5.67

34

Poland

5.03

35

Czech Republic

5.01

36

Venezuela

4.37

37

Turkey

4.05

38

Brazil

3.99

39

Russia

3.72

40

Mexico

3.68

41

Thailand

2.10

42

Philippines

1.42

43

Indonesia

1.21

The table below shows overall productivity in various countries in 1996 in terms of GDP per person employed, as published in *The World Competitiveness Yearbook* for 1997:⁹⁸ [⁹⁸ Ibid]

Overall productivity: 1996

Ranking

Country

GDP1

Luxembourg

80 328

2

Switzerland

76 872

3

Norway

73 501

4

Belgium

73 443

5

Japan

70 919

6

France

69 860

7

Germany

66 530

8

Denmark

66 149

9

Sweden

63 128

10

Austria

61 624

11

United States

59 792

12

Italy

59 715

13

Finland

59 537

14

Netherlands

55 623

15

Hong Kong

51 569

16

Iceland

51 478

17

Singapore

50 050

18

Ireland

49 582

19

Australia

47 143

20

Spain

46 923

21

Israel

46 913

22

United Kingdom

44 151

23

Canada

42 768

24

New Zealand

37 733

25

Greece

31 935

26

Taiwan

30 114

27

Argentina

28 196

28

Portugal

23 994

29

South Korea

23 391

30

Colombia

16 925

31

South Africa

16 482

32

Chile

13 925

33

Malaysia

12 126

34

Hungary

11 379

35

Czech Republic

9 855

36

Turkey

9 375

37

Poland

8 886

38

Venezuela

8 701

39

Mexico

8 466

40

Brazil

7 338

41

Russia

6 685

42

Thailand

4 418

43

Philippines

3 072

44

Indonesia

2 411

45

China

1 118

–

India

–

The following bar chart shows the overall productivity of a number

The following table shows overall productivity growth (between 1995 and 1996) in various countries, as published in *The World Competitiveness Yearbook* for 1997 (brackets denote negative growth):⁹⁹ [⁹⁹ Ibid]

Overall productivity growth: 1996

Ranking

Country

Percentage change of real GDP per person employed 1995–96

1

China

8.87%

2

Thailand

7.81%

3

Chile

5.71%

4

Iceland

5.68%

5

Ireland

5.65%

6

Singapore

5.46%

7

Taiwan

5.44%

8

Malaysia

5.10%

9

Indonesia

5.07%

10

Korea

4.99%

11

Hong Kong

3.81%

12

Poland

3.67%

13

South Africa

3.22%

14

Argentina

3.22%

15

Colombia

3.21%

16

Czech Republic

3.13%

17

Turkey

3.10%

18

Italy

3.00%

19

Japan

2.93%

20

Hungary

2.85%

21

Belgium

2.83%

22

Germany

2.11%

23

Australia

1.79%

24

Netherlands

1.59%

25

Israel

1.40%

26

Sweden

1.39%

27

United Kingdom

1.39%

28

Austria

0.98%

29

United States

0.98%

30

France

0.88%

31

Luxembourg

0.86%

32

Portugal

0.85%

33

Norway

0.63%

34

Canada

0.20%

35

Spain

0.14%

36

Denmark

(0.25%)

37

Greece

(0.34%)

38

Finland

(0.37%)

39

Philippines

(0.37%)

40

Switzerland

(1.42%)

41

Venezuela

(1.69%)

42

New Zealand

(2.60%)

43

Russia

(4.44%)

–

Brazil

–

–

India

–

–

Mexico

–

South Africa ranked 29th in terms of GDP per employee per hour (labour productivity), 31st in terms of GDP per person employed (overall productivity), a

Skill Shortages and Losses

Shortages

In January 1997 the Management Development Unit at Wits Business School said that the shortage of managers in South Africa was reaching critical proportions. The ratio of managers to staff in South Africa was about 1:50, compared with 1:6 in Japan. Furthermore, corporate affirmative action programmes were introducing new, often inexperienced and inadequately skilled managers, thus intensifying the problem.¹⁰⁰ [¹⁰⁰ *The Star* 29 January 1997]

FSA-Contact said in October 1997 that outsourcing was becoming an increasingly popular option among South African companies faced with skill shortages. Functions outsourced included transport, security, catering, merchandising, data processing support and information technology (IT). IT and public relations were the most readily outsourced business functions. Some 43% of surveyed companies indicated that they outsourced their IT functions at specialised, skilled and senior levels, while 30% outsourced their IT functions at mid-managerial and highly specialised levels.¹⁰¹ [¹⁰¹ *The Star Business Report* 27 October 1997; *Sowetan* 28 October 1997]

Between 1993 and mid-1997 the proportion of organisations that experienced shortages of skilled staff increased from 8% to 42%, according to a study of 750 companies by P-E Corporate Services. The shortage of senior, middle and supervisory managers was estimated at between 300 000 and 500 000 people in 1997. High staff turnover was costing South African firms about R2bn a year—staff that left had on average over four years' service or experience, making it expensive and difficult to replace them. Emigration accounted for about 11% of skilled staff turnover in the first half of 1997. About 13% of executives who resigned in this period did so to emigrate.¹⁰² [¹⁰² *Financial Mail* 20 June 1997; telephonic interview with Mr Martin Westcott, managing director, P-E Corporate Services, 21 November 1997; *Sunday Times Business Times* 22 March 1998]

See also chapters on *Education* and *Population*.

Losses

In 1996, 1 970 people in professional, semi-professional and technical occupations emigrated from South Africa, while 843 immigrated. This represented a net loss of 1 127 professionals. Between 1994 and 1996 South Africa lost 2866 professionals (see *Immigrants and emigrants* above and chapter on *Population*).¹⁰³ [¹⁰³ CSS, *Tourism and Migration, May 1996*, Statistical Release PO351, 29 August 1996; CSS, *Tourism and Migration, January 1995*, Statistical Release PO351, 22 May 1995]

According to research published in 1997 by an auditing firm, Deloitte & Touche, some 75% of top newly qualified chartered accountants in South Africa looked for work abroad, despite being able to command salaries of up to R20 000 a month at home. It was also becoming increasingly difficult to attract these people back to South Africa after they had spent time overseas gaining international experience. Some 80% of graduates based overseas indicated that they would return to South Africa, but were concerned about the lack of personal security, affirmative action and high taxes. South African companies were adopting the international trend of offering 'golden hellos' to attract and retain the right candidates.¹⁰⁴ [¹⁰⁴ *Sunday Times Business Times* 23 March 1997]

In August 1997 a report published by FSA-Contact stated that some 13% of executives had quit their jobs to emigrate. The survey, based on interviews with managers and executives of 1 200 public and private sector corporations, found that nearly 84% of emigrating executives gave escalating crime and violence as their reason for leaving the country. Other reasons cited were a perceived drop in educational and health care standards. Only 5% left because of better employment opportunities. According to the head of FSA-Contact's remuneration information services, Ms Kris Crawford, emigration was the third highest reason for turnover of executive personnel between July 1996 and July 1997, after retirement and moving to another company. Sectors most affected by emigration were sales and marketing, information technology and finance.¹⁰⁵ [¹⁰⁵ *Ibid* 18 August 1997]

Wages and Incomes

Income Levels

State of Play

In 1997 the Central Statistical Service (CSS) published findings of an income and expenditure survey conducted in 1995. The report used the 1991 census estimates as a baseline for the projected 1995 figures. The CSS said, however, that the population census conducted in October 1996 would have an effect on the figures in the report, as the preliminary estimates of the size of the South African population indicated that there were fewer people in the country and that urbanisation had been more rapid than was previously thought. The overall trends in the report were nevertheless indicative of the broad income and expenditure patterns of South African households in 1995.¹⁰⁶ [¹⁰⁶ CSS, *Earning and Spending in South Africa, Selected Findings of the 1995 Income and Expenditure Survey*, 1997]

According to the CSS, in October 1995 the average annual income per household in South Africa was R41 000. The average income of African households was R23 000, compared with R32000 for coloured households, R71000 for Indian and R103000 for white households.

The table below shows average annual income by various sub-categories of the population:¹⁰⁷ [¹⁰⁷ *Ibid*]

Average annual income by various sub-categories: 1995

AveType of area of residence

Urban

55 000

Non-urban

23 000

Type of dwelling

House

52 000

Informal dwelling

15 000

Traditional dwelling

14 000

Household size

One person

25 000

Two people

49 000

Three people

47 000

Four people

51 000

Five people

46 000

Six people

37 000

Seven people

30 000

Eight or more people

28 000

Sex of head of household

Male

48 000

Female

25 000

Occupation of head of household

Management/professional/ technical/administration

101 000

Clerical and sales

41 000

Production/transport/services

38 000

Pensioners

23 000

According to the CSS, urban households had more than twice the average annual income of non-urban households. Households living in informal or traditional dwellings had a much lower income than those living in houses. Households with four people had the highest average annual income, while small (one person) and large households (eight or more people) had the lowest. Where men were the head of the household, the average annual income was almost double that of households where a woman was the head.

The CSS said that in 1995 the average South African household spent a large proportion of its income on essential products and services, such as food and housing. On average, 59% of annual household expenditure went towards paying for four items—food (18%), housing (16%), income tax (15%) and transport (10%). Some 5% of annual expenditure was on footwear and clothing, 4% on health care and 3% on personal care. A small portion of annual expenditure went towards investments and savings (2%) and pensions (2%).¹⁰⁸ [¹⁰⁸ Ibid]

Income by Province and Race

The following table shows the average annual income by province and race (the race of the head of the household ie the main breadwinner or the person who assumes responsibility for decision making in the household):¹⁰⁹ [¹⁰⁹ Ibid]

Average annual income by race and province: 1995

Province

AfrColIndWhiAve African income as a proportion of provincial average

African income as a proportion of white income

Eastern Cape

17 000

24 000

58 000

90 000

24 000

70.8%

18.9%

Free State

14 000

16 000

—a

72 000

25 000

56.0%

19.4%

Gauteng

37 000

53 000

111 000

118 000

71 000

52.1%

31.4%

KwaZulu-Natal

24 000

41 000

61 000

98 000

37 000

64.9%

24.5%

Mpumalanga

20 000

30 000

78 000

82 000

30 000

66.7%

24.4%

North West

21 000

25 000

_a

93 000

30 000

70.0%

22.6%

Northern Cape

13 000

18 000

34 000

79 000

31 000

41.9%

16.5%

Northern Province

26 000

43 000

—**a**

140 000^b

31 000

83.9%

18.6%

Western Cape

22 000

33 000

54 000

98 000

53 000

41.5%

22.4%

a

Number of households in the survey too small for analysis.

b

The number of white households in this sample was small and therefore this figure should be treated with caution.

Households in Gauteng were, on average, much better off than those in other provinces. They earned 134% more than households in the Western Cape, which had the second highest average income.

The table below shows the proportional distribution of the population in each province by level of annual income:¹¹⁰ [110 Ibid]

Proportional distribution of the population in each province by level of annual income: 1995

R400–R6 868

R6 869–R12 660

R12 661–R23 940

R23 941–R52 800

R52 801+

Eastern Cape

32%

27%

17%

13%

11%

Free State

31%

25%

17%

14%

13%

Gauteng

5%

10%

18%

26%

42%

KwaZulu-Natal

12%

20%

25%

24%

19%

Mpumalanga

17%

22%

28%

19%

12%

North West

24%

25%

20%

17%

14%

Northern Cape

23%

24%

22%

17%

14%

Northern Province

26%

23%

19%

18%

15%

Western Cape

6%

14%

23%

27%

30%

a

Figures should add up horizontally but may not, owing to rounding.

The single largest proportion of households in the Eastern Cape, Free State and the Northern Province were in the lowest income category, while in Gauteng and the Western Cape there were proportionally more households in the highest income category ie earning more

Income by Sex and Race

The survey also found that 23% of African households were in the lowest income category (R400–R6 868), compared with 11% of coloured, and 1% each of Indian and white households. Some 65% of white households were in the highest income category (R52 801+), compared with 45% of Indian, 17% of coloured and 10% of African households. Irrespective of race, households headed by women were significantly poorer than those headed by men. The single largest proportion of female-headed households (26%) were in the lowest income group, while the single largest proportion of households headed by men (27%) were in the highest income group.

The following table shows the proportional breakdown of income by sex and race:¹¹¹ [111 Ibid]

Income distribution by sex and race: 1995^a

R400–R6 868

R6 869–R12 660

R12 661–R23 940

R23 941–R52 800

R52 801+

African

Male

19%

24%

25%

20%

12%

Female

31%

25%

21%

17%

6%

Average

23%

24%

24%

19%

10%

Coloured

Male

9%

19%

23%

30%

19%

Female

16%

20%

27%

26%

11%

Average

11%

19%

25%

29%

17%

Indian

Male

1%

3%

12%

36%

48%

Female

4%

13%

20%

31%

32%

Average

1%

5%

13%

35%

45%

White

Male

0%

2%

6%

19%

73%

Female

5%

7%

17%

32%

40%

Average

1%
4%
8%
22%
65%

^a Figures should add up horizontally but may not, owing

Urban/non-Urban Distribution of Income by Sex

The following table shows urban and non-urban levels of income by sex and level of income:¹¹² [¹¹² Ibid]

Urban/non-urban distribution by sex and level of income: 1995^a

	Urban	Non-urban
Income category (R)		
Male		
Female		
Male		
Female		
400–6 868		
	5%	
	15%	
	23%	

37%

6 869–12 660

10%

18%

28%

28%

12 661–23 940

17%

24%

24%

19%

23 941–52 800

27%

26%

15%

12%

52 801+

41%

18%

10%

4%

^a Figures should add up vertically but may not, owing to rounding.

In 1995 the poorest households in South Africa were headed by rural African women, while the most affluent were headed by white urban

Monthly Household Income

The 1997 All Media and Products Survey (Amps), published by the South African Advertising Research Foundation, showed that more than 20% of households in South Africa were earning below R500 a month in 1997. Some 27% of African households earned less than R500 a month (the single largest category among African households), compared with 3% of coloured, Indian and white households. About 23% of coloured, Indian and white households earned more than R9000, compared with fewer than 1% of African households. White households earning more than R9 000 a month comprised the single largest category among whites (33%).¹¹³ [¹¹³ South African Advertising Research Foundation, *All Media and Products Survey 97 and Trends 1993–97*, September 1997]

When comparing 1997 with 1996, the figures showed that fewer African households were in the lower income categories in 1997, while more coloured, Indian and white households were dropping out of the higher income categories. There was also an increase in the number of coloured, Indian and white households in the lowest income category.

The Amps report provided the following breakdown of income groups in South Africa in 1997 by race and level of income:¹¹⁴ [¹¹⁴ Ibid]

Claimed monthly household incomes by race and level of income: 1997^a

Income group R/month

Total population

African

Coloured, Indian, white^b

White

1996

1997

1996

1997

1996

1997

1996

1997

1-499

22.5%

19.9%

30.8%

26.9%

2.9%

3.3%

0.7%

1.3%

500-899

17.7%

17.9%

23.0%

23.7%

5.1%

4.1%

2.0%

1.3%

900–1 399

17.2%

17.1%

21.1%

21.3%

7.8%

7.2%

3.8%

3.6%

1 400–2 499

14.5%

15.0%

14.7%

15.6%

14.0%

13.7%

10.1%

8.6%

2 500–3 999

8.8%

9.3%

5.9%

6.9%

15.5%

15.0%

14.5%

13.4%

4 000–5 999

6.9%

7.0%

2.6%

3.3%

17.1%

15.7%

18.2%

17.2%

6 000–8 999

6.0%

6.4%

1.3%

1.7%

17.2%

17.7%

21.5%

22.0%

9 000+

6.4%

7.4%

0.5%

0.7%

20.5%

23.2%

29.2%

32.7%

^a Figures should add up vertically but may not, owing to rounding.

^b Individual groups too small to record.

The bar chart below compares the proportional breakdown of monthly household incomes of African

The table below shows the average monthly household income by race in 1996 and 1997 and the change over that period, as calculated by Amps:¹¹⁵ [¹¹⁵ Ibid]

Average claimed monthly household income by race: 1996 and 1997

Total population

African

Coloured, Indian, white^a

White

Average R/month: 1996

2 579

1 252

5 727

7 108

Average R/month: 1997

2 751

1 378

6 005

7 444

Increase/(decrease): 1996–97

6.7%

10.1%

4.9%

4.7%

^a Individual groups too small to record.

In October 1997 a report by the Breakwater Monitor at the Graduate School of Business, University of Cape Town, showed that among the employed, a third of black South Africans earned less than R500 a month, compared with fewer than 5% of whites

Rich/poor Income Disparities

According to the 1997 *Human Development Report* published by the United Nations Development Programme, the poorest 20% of households in South Africa accounted for 3% of total consumption, while the richest 20% accounted for 63%.¹¹⁷ [117 United Nations World Development Programme, *World Development Report 1997, The State in a Changing World*]

A 1997 report on income and expenditure in South Africa by the CSS found that income distribution in South Africa was highly unequal in 1995:¹¹⁸ [118 CSS, *Earning and Spending in South Africa*, 1997]

- the poorest 10% of households received 1% of all household income;
- the poorest 20% of households received 3% of all household income;
- the poorest 30% of households received 5% of all household income;
- the poorest 50% of households received 11% of all household income;
- 60% of households received 16% of all household income;
- 80% of households received 35% of all household income;
- the richest 20% of households received 65% of all household income; and
- the richest 10% of households received 48% of all household income.

(See *Trends* below.)

The Gini coefficient indicates the relative degree of income inequality in a country, varying from the value of zero, indicating absolute equality in income distribution, to the value of one, indicating absolute inequality. The CSS said that in 1995 South Africa's Gini coefficient was 0.59 (0.65 in 1993)—a high degree of inequality, comparable to countries such as Brazil (0.61) and Mexico (0.50). In the 12 main urban areas of South Africa, the overall Gini coefficient dropped from 0.63 in 1990 to 0.55 in 1995.¹¹⁹ [119 Ibid; *F & T Weekly* 20 June 1997; Human Sciences Research Council, *Profile of Poverty, Inequality and Human Development in South Africa*, 1995]

Trends

According to the MarkData quarterly omnibus surveys, reported income among fully employed Africans increased from an average of R725 a month in mid-1995, to R1 670 in May 1997. This was an increase of 40% a year in real terms.¹²⁰ [120 Schlemmer L and Levitz C, *Unemployment in South Africa*, Spotlight No 1 1998]

In 1997 the CSS published a comparison of the findings of its two most recent income and expenditure surveys, namely the survey of household expenditure of 1990, and the income and expenditure survey of 1995. The 1990 survey was conducted among households in the 12 main urban areas of South Africa and as a result the 1995 figures were adjusted to make the data comparable.

The table below shows the average annual household income in the 12 main urban areas by race in 1990 and 1995:¹²¹ [121 CSS, *Earning and Spending in South Africa*, 1997]

Average annual household income^a in the 12 main urban areas: 1990 and 1995

AfrColIndWhiAve1990

20 000

38 000

45 000

117 000

67 000

1995

48 000

64 000

87 000

113 000

83 000

Increase/(decrease)

140.0%

68.4%

93.3%

(3.4%)

23.9%

^a In real terms.

The table below shows the proportion of households in each income quintile (each quintile containing approximately 20% of households) by the race of the head of the household in the 12 main urban areas, in 1990 and 1995:¹²² [¹²² Ibid]

Proportion of households in each income quintile by race in the 12 main urban areas: 1990 and 1995

African

Quintile 1 (top)

Quintile 2

Quintile 3

Quintile 4

Quintile 5 (bottom)

1990

2%

10%

23%

31%

34%

1995

6%

9%

18%

29%

38%

Coloured

1990

8%

28%

33%

20%

12%

1995

9%

26%

17%

35%

13%

Indian

1990

17%

36%

27%

12%

8%

1995

27%

22%

25%

12%

15%

White

1990

51%
 30%
 12%
 5%
 3%
 1995
 33%
 29%
 2

The table shows that between 1990 and 1995, income inequalities among African households increased. While the proportion of African households in the top quintile increased from 2% to 6%, the proportion in the bottom quintile increased from 34% to 38%. This trend was also evident among coloured and Indian households. Among white households, there were proportionally fewer households in the top quintile in 1995 (33%) when compared with 1990 (51%). The proportion of households in the bottom quintile increased from 3% to 6%.

According to the CSS, the average annual income of the poorest 20% of households increased from some R7 000 in 1990 to R12 000 in 1995 (in real terms).

The following table provides a breakdown of the average annual real income in each quintile by race in 1990 and 1995:¹²³ [123 Ibid]

Average annual real income in each quintile by race: 1990 and 1995

African

QuiQuiQuiQuiQui1990

116 000

52 000

28 000

16 000

7 000

1995

236 000

88 000

52 000

27 000

12 000

Coloured

1990

115 000

56 000

29 000

16 000

8 000

1995

159 000

98 000

53 000

26 000

13 000

Indian

1990

133 000

55 000

29 000

17 000

9 000

1995

170 000

89 000

50 000

33 000

13 000

White

1990

165 000

60 000

30 000

17 000

8 000

1995

198 000

93 000

52 000

28 000

13 000

Average

1990

162 000

58 000

29 000

16 000

7 000

1995

201 000

92 000

52 000

27 000

12 000

Wages

Overall Remuneration Trends

The South African Reserve Bank said that the increase in the average real remuneration per worker in the formal non-agricultural sectors of the economy slowed down from 3.2% in 1994 to 0.8% in 1995 and 0.5% in 1996. Between 1989 and 1996 real remuneration per worker in the formal non-agricultural sectors of the economy increased at a rate of 1% a year. ‘The potential inflationary impact of this was, fortunately, curbed by growing labour productivity,’ the reserve bank said. According to the bank, real remuneration per worker in the private sector increased by 3% in 1996, while in the public sector it increased by 1%.¹²⁴ [¹²⁴ SARB, annual report 1997; telephonic interview with Mr Anton Casteleijn, senior economist, SARB, 10 November 1997]

Earnings by Sector

The table below provides a breakdown of changes in average monthly real earnings by economic sector between September 1996 and September 1997:¹²⁵ [¹²⁵ CSS, *Labour Statistics: Employment and Salaries and Wages (Summary), September 1997*, Statistical Release PO200, 2 February 1998]

Average monthly real earnings^a by Sector

SepSepIncrease/ (decrease)

Mining

2 263

2 435

7.6%

Electricity, gas and water

5 763

6 353

10.2%

Construction

1 746

1 736

(0.6%)

Wholesale and retail trade, catering and accommodation

2 536

2 555

0.7%

Manufacturing

2 959

2 950

(0.3%)

Transport,^b storage and communication

4 559

4 529

(0.7%)

Financial intermediation, insurance, real estate and business services

5 241

5 138

(2.0%)

Community, social and personal services^c

3 553

3 555

0.1%

Average

3 105

3 126

0.7%

^a At constant 1995 prices.^b Excluding taxis, local authorities and the former 'independent' homelands.^c Mainly government.

Between September 1996 and September 1997 average real earnings in the electricity, gas and water sector increased by 10%, while in the mining sector earnings increased by 8%. In all other sectors, average real earnings increased by less than 1% or showed a real decrease.

Mining Wages and the Gold Price

The following table provides a breakdown of the average number of employees in service annually on member gold mines of the Chamber of Mines of South Africa, the average monthly real wage in the mining sector and the average London gold price from 1980 to 1996 (see also chapter on *The Economy*):¹²⁶ [¹²⁶ CSS, *South African Labour Statistics*, 1995; CSS, *Labour Statistics, Employment and Salaries and Wages (Summary)*, March 1996, Statistical Release PO200, 2 September 1996; CSS, *Labour Statistics, Employment and Salaries and Wages (Summary)*, December 1996, Statistical Release PO200, 29 April 1997; 1996/97 Survey, pp357, 384; Chamber of Mines of South Africa, *Statistical Tables*, 1996]

Average number of employees on gold mines,^a average monthly real wage in the mining sector and the average London gold price: 1980–96

Gold price in American dollars

Gold price in South African rands^b

Average monthly wage^c

R

Increase/ (decrease) in average monthly wage

Average number of employees in service

Increase/ (decrease)

1980

612.86

1 880.67

1 020

—

469 257

—

1981

459.85

1 361.36

1 066

4.5%

478 938

2.1%

1982

375.85

1 213.38

1 104

3.6%

475 769

(0.7%)

1983

424.31

1 247.75

1 102

(0.2%)

487 761

2.5%

1984

360.45

1 248.25

1 136

3.1%

498 421

2.2%

1985

317.29

1 447.31

1 121

(1.3%)

513 832

3.1%

1986

367.59

1 443.95

1 091

(2.7%)

534 255

4.0%

1987

446.60

1 344.39

1 117

2.4%

530 574

(0.7%)

1988

437.09

1 301.29

1 183

5.9%

515 739

(2.8%)

1989

381.54

1 142.89

1 209

2.2%

505 262

(2.0%)

1990

383.58

991.88

1 235

2.2%

473 685

(6.2%)

1991

362.19

866.90

1 231

(0.3%)

424 250

(10.4%)

1992

343.72

746.37

1 218

(1.1%)

406 792

(4.1%)

1993

359.70

816.61

1 231

1.1%

386 653

(5.0%)

1994

384.05

748.73

1 170

(5.0%)

391 288

1.2%

1995

384.17

816.81

1 181

0.9%

377 017

(3.6%)

1996

387.71

908.31

1 302

10.2%

342 439

(9.2%)

^a Chamber of Mines gold mines only.

^b The rand price of gold is expressed in real terms with 1990 as the base year.

^c At constant 1990 prices.

The line graph below shows the trends in average monthly real wages in the mining sector between 1980 and 1996, and the average London gold price in constant

Prior to 1996, real wages in the mining sector were highest in 1990, although the average price of gold in rands had been dropping since 1985, when it was at a high of R1 447. Average real monthly wages were higher in 1994 when the price of gold was R749 than in 1980 when the price of gold was R1881. In 1980 the average monthly wage was 54% of the price of gold (South African rands), while in 1994 it was 156%. There was a decline in the average number of employees on Chamber of Mines gold mines in almost every year from 1987 to 1996 (with the exception of 1994, when there was a slight increase). In 1996 employment on gold mines was 73% of the number in 1980 and the lowest it had been since 1953.

Earnings in the Manufacturing Sector

The table below provides a breakdown of annual real earnings of workers in the manufacturing sector by race in various years from 1975 to 1996 (the latest date for which information was available) and the increase/decrease between 1975 and 1996 (brackets denote a decrease):¹²⁷ [¹²⁷ Bureau for Economic Research, *Trends*, University of Stellenbosch, December 1997]

Annual real earnings of workers in the manufacturing sector: 1975–96

African

1975

1980

1985

1990

1995

1996

Real earnings (R)

8 480

10 305

11 390

12 620

12 821

12 630

Change in real earnings^a

2.6%

4.2%

(1.9%)

(0.8%)

1.0%

(1.5%)

Change in real earnings 1975–96

48.9%

Asian

Real earnings (R)

12 671

14 229

16 350

18 471

20 221

20 672

Change in real earnings^a

5.9%

3.7%

(4.3%)

2.3%

(1.5%)

2.2%

Change in real earnings 1975–96

63.1%

Coloured

Real earnings (R)

11 329

12 427

13 173

13 705

14 197

14 427

Change in real earnings^a

1.1%

5.2%

(2.0%)

2.4%

0.8%

1.6%

Change in real earnings 1975–96

27.3%

White

Real earnings

42 881

45 486

45 472

43 288

41 910

42 933

Change in real earnings^a

0.5%

5.1%

(5.0%)

1.1%

(2.4%)

2.4%

Change in real earnings 1975–95

0.1%

Total population

Real earnings

16 917

18 635

19 650

19 854

20 959

20757

Change in real earnings^a

2.2%

4.0%

(3.0%)

0.0%

0.8%

(1.0%)

Change in real earnings 1975–95

22.7%

^a Average annual change over five years (ex

Between 1975 and 1996 real earnings of Asians increased by 63%, those of Africans by 49% and of coloured people by 27%. Real earnings of whites increased by only 0.1%. The ratio of average white to average African real earnings in the manufacturing sector dropped from 5:1 in 1975 to 3:1 in 1996.

The CSS provided the following breakdown of average real earnings per month in the manufacturing sector in September 1996 and September 1997:¹²⁸ [128 CSS, *Labour Statistics, Employment Salaries and Wages (Summary), September 1997*, Statistical Release PO200, 2 January 1998]

Average monthly real earnings^a in

SepSepIncrease/ (decrease)

African

1 786

1 785

(0.1%)

Asian

2 945

2 885

(2.0%)

Coloured

2 055

2 124

3.4%

White

6 045

6 055

0.2%

Unspecified

3 738

3 659

(2.1%)

Total

2 959

2 950

(0.3%)

^a At constant 1995 prices.

According to the *South African Competitiveness Monitor 1996*, South Africa's manufacturing earnings per employee in 1993 (at constant purchasing power) were some US\$9 088, compared with manufacturing earnings in Brazil (\$5 866), Thailand (\$4 661), Malaysia (\$4 148), India (\$1 230), Indonesia (\$1 128) and China (\$656). The average in South Africa was not far below some very highly productive economies—Singapore (\$15393), Taiwan (\$14170), Hong Kong (\$13 220) and South Korea (\$12 269).¹²⁹ [¹²⁹ Schlemmer L and LevitzC, *Unemployment in South Africa*, Spotlight No 1 1998]

Wage Settlements

Andrew Levy and Associates said that the nominal wage increases negotiated in centralised and plant-level bargaining structures in 1997 averaged 9.7%—0.2 percentage points lower than the 1996 level. The average settlements reached in 1997 with the major unions ranged from 8.3% (Paper, Printing, Wood and Allied Workers' Union), to 11.2% (National Union of Mineworkers). The consultancy calculated the average minimum wage across industries in the non-agricultural sectors (excluding domestic workers) at R1680 a month, compared with R1 590 in 1996, an increase of 6% in nominal terms.¹³⁰ [¹³⁰ Andrew Levy and Associates, *The Wage Settlement Survey*, Quarterly Report, December 1997]

A study by the South African Institute of Race Relations in 1997 found that wage increases in South Africa tended to be negotiated fairly consistently at a level above that of inflation. Statistics showed that the level of wage increases was contrary to normal expectations of supply and demand in an economy which was shedding jobs. South Africa's wage settlements were slightly above inflation in 1994, significantly above it in 1995 and 1996, and in line with the level of inflation in the first half of 1997, despite a drop in employment growth in the companies subject to the settlements.

According to an analyst at BOE NatWest Securities, Mr J P Landman, wage settlements in 1996 in economic sectors not covered by collective bargaining on a group basis were higher than collective agreements. Decentralised salary increases were fixed at 11.5% against the 9.9% through collective bargaining. The problem with centralised bargaining, however, was that the wages set could be too high for the smaller employers included in the agreement. The South African industrial relations system was one of the factors preventing wage rates dropping to market clearing levels, at least in the highly unionised larger corporate sector.¹³¹ [¹³¹ Schlemmer L and LevitzC, *Unemployment in South Africa*, Spotlight No 1 1998]

Household Subsistence Level

The household subsistence level is defined as an estimate of the income needed by an individual household if it is to maintain a minimum level of health and decency in the short term. It is calculated as the lowest retail cost of a budget of necessities of adequate quality, including food, clothing, fuel, lighting, washing and cleaning materials, rent and transport.

The table below shows household subsistence levels (HSLs) for a low-income family of six in

September 1995, 1996, and 1997, as calculated by the Institute for Development Planning and Research at the University of Port Elizabeth:¹³² [¹³² The Institute for Development Planning and Research, *The Household Subsistence Level in the Major Urban Centres of the Republic of South Africa, September 1996*, Fact Paper no 103, University of Port Elizabeth; The Institute for Development Planning and Research, *The Household Subsistence Level in the Major Urban Centres of the Republic of South Africa, September 1997*, Fact Paper no 105, University of Port Elizabeth]

Household subsistence levels for low-income families: September 1995–September 1997

Centre

September 1995 R/month

September 1996 R/month

Increase

September 1997 R/month

Increase

Benoni

1 061.14

1 173.32

10.6%

1 323.65

12.8%

Bloemfontein

1 061.84

1 152.13

8.5%

1 241.24

7.7%

Boksburg

1 060.88

1 173.93

10.7%

1 310.75

11.7%

Brakpan

1 059.67

1 150.83

8.6%

1 301.45

13.1%

Brits

1 072.18

1 199.91

11.9%

1 285.13

7.1%

Cape Town

1 056.63

1 097.54

3.9%

1 236.22

12.6%

Durban

1 035.01

1 166.05

12.7%

1 286.73

10.3%

East London

1 075.41

1 247.21

16.0%

1 251.24

0.3%

George

1 034.11

1 115.52

7.9%

1 232.87

10.5%

Germiston

1 082.56

1 178.15

8.8%

1 287.39

9.3%

Johannesburg

1 055.11

1 172.02

11.1%

1 292.53

10.3%

Kimberley

1 083.35

1 197.81

10.6%

1 299.24

8.5%

King William's Town

994.55

1 080.76

8.7%

1 241.43

14.9%

Krugersdorp

1 052.60

1 165.76

10.8%

1 312.59

12.6%

Mossel Bay

1 056.76

1 134.13

7.3%

1 244.83

9.8%

Pietermaritzburg

949.05

1 094.80

15.4%

1 207.87

10.3%

Port Elizabeth

979.57

1 113.71

13.7%

1 174.44

5.5%

Pretoria

1 040.02

1 216.69

17.0%

1 286.92

5.8%

Springs

990.34

1 146.95

15.8%

1 278.80

11.5%

Uitenhage

959.17

1 076.10

12.2%

1 205.16

12.0%

Umtata

1 013.16

1 159.36

14.4%

1 200.91

3.6%

Vaal Triangle

1 037.61

1 136.59

Policy Review

The Basic Conditions of Employment Act of 1997, passed during the period under review, aimed to regulate minimum conditions of employment by imposing certain restrictions on working time, overtime, and child labour. The act also provided for lengthier maternity and family responsibility leave. The act was the issue of intense debate and was opposed by a number of parties—organised labour

criticised it for not being prescriptive enough and for not immediately enforcing a 40-hour working week, while organised business expressed concern at the negative effect it could have on job creation, labour market flexibility, labour costs, and small business. While certain provisions of the act came into effect early in 1998, most provisions would be implemented only after a study of its impact on small business had been completed. The government was criticised for doing an impact assessment only after the act had been passed.

Surveys of private sector organisations found that although an increasing number of companies were implementing affirmative action programmes, more and more said that their programmes were not successful. There were problems with 'poaching', a shortage of skills, and 'inflated expectations' on the part of black employees.

The Employment Equity Bill sought to introduce compulsory affirmative action in the private sector as the government believed it was necessary to redress past discrimination and imbalances. Provisions in the bill included the requirement that all designated employers (ie those employing more than 50 people) audit their workforce composition to assess whether it was adequately representative in terms of blacks, women and disabled people. Furthermore, an employment equity plan would have to be drawn up detailing numerical goals and the timeframe in which these would be achieved. The plan would have to be submitted to the department for approval and the progress of its implementation would be monitored. Fines of up to R900 000 could be imposed on employers who did not comply with certain provisions in the bill, such as failure to accord 'preferential treatment' to members of the designated groups in appointments and promotions.

A number of organisations, notably the South African Institute of Race Relations, opposed the bill for being too prescriptive, reintroducing race classification, and creating a greater bureaucracy. Concern was also expressed at the ability of the department to competently and efficiently assess and monitor the equity plans.

Affirmative action in the public service received a boost through the publication of a *Draft White Paper on Affirmative Action in the Public Service* and the enactment of the Public Service Laws Amendment Act of 1997. The white paper proposed measures to speed up affirmative action in the public service, and the act aimed to ensure that affirmative action positions or promotions in the public service could not be challenged in court.

In order to address rising unemployment in South Africa, the government proposed a 'job summit'. The summit was scheduled to take place during 1998 but no date had been set at the time of writing.

With the introduction of a number of new policies and laws relating to the labour market, concern was expressed by a number of organisations, including the South African Institute of Race Relations, that the South African labour market was becoming over-regulated. An inflexible labour market could hamper job creation, increase unemployment, discourage foreign investment, and push up labour costs.

Key Projections

- A firm of management consultants, FSA-Contact, projected that the proportion of employed professionals (private and public sector) who were black would increase from 15% in 1997 to 33% by 2000. The number of white people employed at general staff level would drop from some 50% in 1997 to 25% by 2000.
- The minister of transport, Mr Mac Maharaj, said in March 1997 that 30% of the Department of Transport's management would be black by 2000.
- According to the chairman of Eskom, Mr Reuel Khoza, more than 50% of all managers, professionals and supervisors at Eskom would be black by 2002.
- A study published by the South African Institute of Race Relations found that although the level of unemployment was not as high as official estimates suggested, the rate of unemployment could be increasing by up to two percentage points a year, and could reach 43% by 2006.
- According to the minister of trade and industry, Mr Alec Erwin, unemployment in South Africa could drop to between 12% and 13% by 2010.

WELFARE

Bird's Eye View

During the year under review the Department of Welfare developed a social welfare policy which would shift the focus of resources from the aged to women and children. A *White Paper for Social Welfare* said that the state would admit to old-age homes only those old people who were frail and indigent; the focus would be on community care for the aged rather than on state-subsidised old-age homes.

The government also gave increased attention to recognising the rights of disabled people. In late 1997 the Office on the Status of Disabled Persons was established in the office of the deputy president to co-ordinate the efforts of government departments and state structures in ensuring that disabled people had access to the fundamental rights laid down in the constitution. A *White Paper on an Integrated Disability Strategy* proposed that disability issues should be integrated in all government development strategies, planning and programmes.

In order to make the child maintenance grant more accessible to more children in need, the department introduced a new child support grant in January 1998. The new benefit would be extended to a broader base of children (up to 3m), to include those who had previously not had access to such grants. The Welfare Laws Amendment Act of 1997 proposed extending payment of the benefit to a child's primary

caregiver, including members of the child's extended family without prior consent of a commissioner of child welfare.

A Maintenance Bill also sought to benefit caregivers of children by empowering courts to grant maintenance orders in the absence of defaulters. The bill further provided that deductions be made from the wages of defaulters.

The Natural Fathers of Children Born out of Wedlock Act of 1997 in turn provided for natural fathers to have the possibility of access to and custody and guardianship of their children born out of wedlock.

Another act passed during the period under review was the Nonprofit Organisations Act of 1997 which aimed to establish an administrative and regulatory environment for nonprofit organisations and to encourage such organisations to maintain adequate standards of governance and transparency.

According to the Pension Funds Amendment Act of 1997, following the termination of membership of a pension fund, benefits or rights could be transferred to a new fund of which the person was now a member.

In 1997 the government implemented various measures to increase efficiency and reduce incompetence and corruption in the welfare delivery system. The Department of Welfare continued with the exercise begun in 1996 to reregister South Africa's social welfare grant beneficiaries in an attempt to reduce pension fraud and payments of social grants to 'ghost beneficiaries'.

Key Points

Policy

White Paper for Social Welfare

A *White Paper for Social Welfare* was published by the Ministry for Welfare and Population Development in August 1997. It recommended that while individuals should be responsible, as far as possible, for providing for their old age, civil society organisations should care for older members in need. The government should care for the disadvantaged, destitute, and frail older people who required 24-hour care and who did not have the financial resources to meet their needs. Publicly funded homes for older people should provide for the frail elderly only.¹ [1 Ministry for Welfare and Population Development, *White Paper for Social Welfare*, *Government Gazette* no 18 166, 8 August 1997]

The white paper also recommended subsidising adoptions as an alternative to foster child grants to families. Services to disabled children, particularly black children in rural areas, should be upgraded and care grants to disabled children should be reviewed, it said.

According to the white paper, strategies should be developed to assist people with disabilities, including ways of facilitating the access of disabled people to public buildings, implementing public education programmes to raise awareness of the needs of the disabled, and developing employment opportunity programmes for disabled people who were unable to work in the open labour market.² [² Ibid] (See *White Paper on an Integrated Disability Strategy* below.)

The treatment of substance abuse should include educating the public on the dangers thereof, promoting community-based treatment programmes and centres, implementing treatment and aftercare programmes to ensure effective reintegration of drug dependants into the community, and investigating funding mechanisms, such as medical aid society membership, to finance the cost of treatment.³ [³ Ibid]

According to the white paper, social welfare programmes for offenders, victims of crime, and their families should include developing employment plans, skills training, halfway houses and community-based temporary shelter for ex-offenders. Only those offenders who posed a serious threat to society should be institutionalised, and alternative forms of sentencing should be developed for others.⁴ [⁴ Ibid]

White Paper on an Integrated Disability Strategy

A *White Paper on an Integrated Disability Strategy*, published by the office of the deputy president in November 1997, proposed that disability issues should be integrated in all government development strategies, planning, and programmes.

The white paper said that there was a need for new legislation to ensure protection of the rights of disabled people. Research and monitoring were essential to ensure that legislation was effective and policy was implemented.⁵ [⁵ Office of the Deputy President, *White Paper on an Integrated National Disability Strategy*, November 1997]

Legislation

Nonprofit Organisations Act of 1997

The objectives of the Nonprofit Organisations Act, passed in December 1997, were, among other things, to provide for an environment in which nonprofit organisations could ‘flourish’, to establish an administrative and regulatory framework in which nonprofit organisations could operate, and to encourage nonprofit organisations to maintain adequate standards of governance and transparency. The act further laid down the requirements and process for the voluntary registration of nonprofit organisations.⁶ [⁶ Nonprofit Organisations Act, *Government Gazette* no 18 487, 7 January 1998]

The act followed the abandonment of an earlier draft bill, proposed by a group of non-governmental organisations, that sought to provide for extensive government control of such bodies. The South African Institute of Race Relations mobilised widespread opposition to the draft bill and played a big

role in drafting the one that was enacted.⁷ [7 Fast Facts Nos 7, 11, 12, 1997]

Welfare Laws Amendment Act of 1997

The Welfare Laws Amendment Act, assented to by the president in December 1997, amended the Social Assistance Act of 1992, to provide for a new child support grant system. The act further provided for payment of the new grant to a child's primary caregiver without undermining the parents' responsibility. The act also amended the Child Care Act of 1983 to allow members of the extended family of a child to care for and receive grants on behalf of children younger than seven years without the prior consent of a commissioner of child welfare.⁸ [8 Personal communication with the Clerk of Papers, Parliament, 19 March 1998]

The act further aimed to restore to the Department of Welfare responsibility for the administration of the Social Assistance Act, which had been assigned to provincial governments in 1996.⁹ [9 Personal communication with the Clerk of Papers, Parliament, 19 March 1998] (See also chapter on *Government and Constitution*.)

Pension Funds Amendment Act of 1997

The Pension Funds Amendment Act, assented to by the president in December 1997, set out amendments to the Pension Funds Act of 1956 to provide for, among other things, the following:¹⁰ [10 *Government Gazette* no 18 509, 17 December 1997]

- once a person's membership of a fund had terminated benefits or rights would be transferred from that fund to the fund of which the person was now a member; and
- a pension fund was prohibited from investing in or lending to the business of its members' employer any of its assets in excess of 5% of its total assets or a greater proportion allowed by the registrar but not exceeding 10% of its total assets. The act also provided for the voluntary dissolution and liquidation of pension funds.

Natural Fathers of Children Born Out of Wedlock Act of 1997

The Natural Fathers of Children Born out of Wedlock Act, passed in November 1997, aimed to provide for the 'possibility of access to and custody and guardianship of children born out of wedlock by their natural fathers' (rights which at present only accrue to the child's natural mother). Natural fathers had to be notified of any intended adoption of their children born out of wedlock. However, this excluded cases where a child was born out of an incestuous relationship or as a result of rape.¹¹ [11 *Government Gazette* no 18 502, 12 December 1997]

Maintenance Bill

The Maintenance Bill, published by the Department of Justice for public comment in November 1997, aimed to reform the maintenance system and give magistrates new powers in handling maintenance defaulters. The bill proposed that courts be permitted to grant maintenance orders in the absence of defaulters and that deductions be made directly from their wages. Payments by defaulters would be made through stop order or debit order. A set of principles and guidelines would be established to assist magistrates and maintenance officers in assessing the appropriate levels of maintenance. Specialised staff would locate defaulters and serve court documents on them. The South African Law Commission would monitor implementation of the new system.¹² [¹² *Business Day, The Citizen* 14 November 1997] At the time of writing the bill was with the state law advisers in the Department of Justice for revision.¹³ [¹³ Telephonic conversation with a spokesman from the Department of Justice, 9 March 1998]

Finance

The Budget

According to the 1998 *Budget Review*, R19.8bn was budgeted for welfare and social security in 1998/99, an increase of 7% on 1997/98. The amount was 9.6% of the 1998/99 budget and 3% of gross domestic product (GDP). According to the government's medium-term expenditure framework, which proposed a three-year budget plan for the period 1998/99 to 2000/01, spending on welfare and social security would rise to R22.2bn in 2000/01, an increase of 12% over the three-year period. However, the budgeted allocation to social security and welfare would drop slightly from 9.6% of total expenditure in 1998/99 to 9.3% in 2000/01, and from 3% of GDP to 2.7% over the same period.¹⁴ [¹⁴ Department of Finance, *Budget Review 1998*, 1998, p5.8] (See also chapter on *The Economy*.)

About 90% of expenditure on social security and welfare services was taken up by social grants, of which the old-age pension was the most important, according to the government's medium-term budget policy statement.¹⁵ [¹⁵ Ministry of Finance, *Medium Term Budget Policy Statement 1997*, 2 December 1997, p14]

Provincial Welfare Budgets

The nine provincial departments of welfare made the following allocations for welfare in the 1996/97 and 1997/98 financial years (information on the provincial allocations for 1998/99 were not available at the time of writing):¹⁶ [¹⁶ Gauteng Provincial Government, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Northern Province, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Eastern Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Free State, *Estimate of Revenue and Estimate of Expenditure for the Financial Expenditure for the Financial Year ending 31 March 1997*; Province of the Northern Cape, *Estimate of Revenue and Estimate of Expenditure for the Financial Year ending 31 March 1998*; Province of the Western Cape, *Estimate of Revenue and Estimate of Expenditure for the*

Financial Year ending 31 March 1998; North West Province, Estimate of Expenditure to be defrayed from the Provincial Revenue Fund during the Financial Year ending 31 March 1998]

Allocations to provincial welfare services: 1996/97 and 1997/98

199199Increase (decrease)

Eastern Cape

2 461.0

2 848.1

7.8%

Free State

887.8

1 024.4

15.4%

Gauteng

1 788.7

2 344.0

31.0%

KwaZulu-Natal

3 091.8

3 354.0

8.5%

Mpumalanga

62.1

86.3

39.0%

North West

1 026.3

1 095.9

6.8%

Northern Cape

418.2

551.1

31.8%

Northern Province

1 487.1

1 565.8

5.3%

Western Cape

2 055.3

2 267.2

10.3%

Total

13 278.3

15 136.8

14.0%

The bar chart below compares allocations to provincial welfare services in 1996/97 and 1997/98:

The following table gives an indication of the proportions allocated by the provinces to the various types of welfare assistance:¹⁷ [¹⁷ Various provincial estimates of expenditure, 1997/98]

Breakdown of provincial welfare spending: 1997/98

Proportion

Social security^a

87.5%

Social assistance^b

5.6%

Social welfare services^c

3.4%

Administration

2.2%

Facilities development, maintenance

0.6%

Social development^d

0.5%

Auxiliary/associated services

0.1%

Other

0.3%

Total^e

100.0%

a

Includes grants for the aged, child and family care, the disabled, and relief of distress.

b

Includes assistance to homes for the aged, children, disabled, drug addicts, welfare organisations and transit centres for offenders.

c

Includes management and maintenance of services in homes, places of safety or treatment centres for the aged, children, chronically ill, drug dependants, families and offenders.

d

Includes community and population development programmes.

e

Figures may not add up owing

Irregularities in Welfare Departments

The committee for restructuring of social security, a task team set up by the government to investigate the high incidence of pension fraud in South Africa, said in its report to the cabinet in February 1997 that at least R1bn of a total of R14.3bn allocated each year to social security was lost because of corruption and incompetence in provincial welfare departments.¹⁸ [¹⁸ *Mail and Guardian* 14 February 1997]

In August 1997 the minister for welfare and population development, Ms Geraldine Fraser-Moleketi, said that her department was reregistering South Africa's 3m social welfare grant beneficiaries in an attempt to stop abuse of the system. It was expected that this exercise would save about R2bn in welfare spending in two years.¹⁹ [¹⁹ *Business Day* 4 August 1997]

The director general of welfare, Dr Leila Patel, said in October 1997 that 89 officials in South Africa (excluding the Eastern Cape) were either under investigation or had been convicted for fraudulent involvement in welfare payments. Of these, 14 were in the Free State, 26 in Gauteng, and 31 in the Western Cape. More than 530 beneficiaries and members of the public were being investigated or had been convicted.²⁰ [²⁰ *Ibid* 16 October 1997]

Ms Fraser-Moleketi said in February 1998 that a total of 600000 cases of irregular state welfare grants were uncovered as a result of a year-long 'clean-up' operation.²¹ [²¹ *Business Day, The Citizen* 10 February 1998]

Public Welfare Services and Payments

Social Grants

In March 1998 the minister for welfare and population development, Ms Geraldine Fraser-Moleketi, announced that social security grants would be increased by 4.3% from July 1998, compared with an increase of 9% in 1997.²² [²² *Hansard* (NA) 7, col 2312, 8 May 1997] As a result the monthly allowances for pensioners, disabled people and caregivers of children with disabilities would rise from R470 to R490. War veterans' grants would increase from R488 to R508. Foster care grants would increase from R340 to R350, while grants-in-aid (ie to home caregivers of the chronically ill and people with disabilities) would increase from R80 to R90.²³ [²³ Information provided by the Department of Welfare, 11 March 1998]

Ms Fraser-Moleketi said in 1997 that some 3m beneficiaries received monthly payments of pensions and various social grants, as set out in the following table:²⁴ [²⁴ *Hansard* (NA) 7, col 2312, 8 May 1997; Department of Finance, *Budget Review 1998*, 1998 p5.19]

Number of beneficiaries of social grants: 1997

Number of beneficiaries

Maximum value of monthly grant per beneficiary 1998R

Old-age pensions

1 742 253

490

War veteran grants

11 495

508

Disability grants

754 830

490

Child maintenance grants

222 715

100

Maintenance grants to parents

177 884

-a

Foster care grants

42 917

350

Care dependent grants

3 815

490

Grants-in-aid

9 720

90

Total

2 965 629

—

^a From 1998 parents no longer received maintenance grants, only c

Children

Ms Fraser-Moleketi said in March 1998 that a new child support grant would be introduced from 1st April 1998. The grant would be paid to the primary caregiver of children under the age of seven years if the caregiver met the conditions of a means test. The grant would amount to R100 per child per month. According to Ms Fraser-Moleketi, some 3m children in poor households would receive the grants within five years. The new child support grant would replace the state maintenance grant which would be phased out over three years. According to Ms Fraser-Moleketi, the amount received by beneficiaries of the state maintenance grant would be reduced by 25% every year from April 1998. The state maintenance grant would be replaced because it previously reached mainly Indian and coloured children, and white children to a lesser extent.²⁵ [Information provided by the Department of Welfare, 11 March 1998; Fast Facts June 1997]

Old-Age Pensions and Old-Age Homes

Ms Fraser-Moleketi said in Parliament in May 1997 that the government would give preference to the needs of children and women in allocating resources. Although the elderly received the single largest proportion of the social security and services budget (44%), her department was gradually correcting the imbalance. In the same month the executive director of the South African Council for the Aged, Mr Syd Eckley, said that there were 53 000 people in old-age homes in South Africa, about 4.5% of the aged population. It was likely that the proportion would drop to 1.5% in five years because of government cuts in spending and the application of stricter criteria for entrance into old-age institutions, Mr Eckley said.²⁶ [*Cape Times* 13 May 1997]

Earlier, in March 1997, the KwaZulu-Natal Council for the Aged said that although the government allocated R48m a year for care of the elderly in South Africa, R40m of this went to institutions that housed mainly whites. At present, the monthly cost of caring for one person in an old-age home was R1 610, of which the government contributed R1 275 (79%) and the resident R335 from his or her pension. According to the government's draft *White Paper for Social Welfare* (see also *White Paper for Social*

Welfare below), the state would admit only old people who were frail and indigent—about 2% of the aged. In addition, the focus would be on community care for the aged rather than state-subsidised old-age homes. According to the director of the council, Ms Pat Naicker, at present the state cared for 6% of those in need of frail care. Unless the government implemented proper community services and provided affordable accommodation for the aged, increasing numbers of old people would become destitute, Ms Naicker said.²⁷ [²⁷ *Post Natal* 5 March 1997]

Welfare Facilities

The Department of Welfare published a report on welfare facilities in South Africa, entitled *Welfare Facilities of South Africa: Implications for Policy and Planning*, in April 1997. The following table gives a breakdown of the number of welfare facilities by province in January 1997:²⁸ [²⁸ Department of Welfare, *Welfare Facilities of South Africa: Implications for Policy and Planning*, April 1997]

Number of public and private welfare facilities by province: January 1997

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

Total

Treatment centres

1

1

14

5

2

1

1

1

5

31

Children's homes

20

9

41

4

1

52

7

2

46

182

Crèches

357

546

1 035

112

244

802

102

257

1 153

4 608

Places of safety^a

13

5

16

3

0

18

16

13

16

100

Homes for disabled

10

6

42

4

7

20

3

1

18

111

Protective work shops

15

11

56

5

7

37

5

8

35

179

Homes for the aged

61

64

249

33

25

59

35

9

186

721

Housing schemes for the aged

44

45

92

19

3

52

11

11

98

375

Service centres for the aged

41

42

107

13

20

39

11

10

90

373

Total

562

729

1 652

198

309

1 080

191

312

1 647

6 680

a

Places of safety are residential facilities where children or other people involved in court proceedings are housed and ca

Feeding Schemes

A report compiled by the child health unit at the University of the Western Cape and presented to the Department of Health in September 1997 said that the primary school nutrition programme, the government's school feeding scheme, was not working effectively in parts of South Africa where malnutrition was highest (the programme had been launched in 1994 as a presidential lead project and had a budget of R496m in 1997/98. According to the 1998 *Budget Review*, it reached an estimated 4.9m children). This was shown, for example, by a survey at the end of 1996 which reported that 18 out of 125 schools questioned in the Eastern Cape, the Free State and the Northern Province had received no feeding in the previous three months. The report added that meals in most schools did not meet the minimum energy requirement of the programme, and that it was inadequately managed.²⁹ [²⁹ *The Citizen* 12 September 1997; Ministry of Finance, *Medium Term Budget Policy Statement 1997*, 2 December 1997, p46; Department of Finance, *Budget Review 1998*, March 1998, p5.4] (See also 1996/97 Survey, p432.)

Private Welfare Services

The minister for welfare and population development, Ms Geraldine Fraser-Moleketi, said in May 1997 that approximately 1400 non-governmental organisations, most of which were registered welfare organisations, would receive subsidies amounting to R1.5bn during 1997/98 for services, facilities and developmental programmes—an increase of some 20% over 1996/97. The developmental programmes included child and family services, early childhood development, care of the elderly, services for people with disabilities, treatment and rehabilitation for people who abused alcohol and drugs, and services for offenders, victims and their families.³⁰ [³⁰ *Hansard* (NA) 7 col 2312, 8 May 1998]

Policy Review

The minister for welfare and population development, Ms Geraldine Fraser-Moleketi, launched a new child support grant in April 1998 to replace the state maintenance grant. Previously poor families (mainly Indian, coloured and white) received a monthly parent allowance of R430 and a child allowance of R135 per child under 18 years of age for up to two children. Under the new scheme the primary caregivers of children under seven years of age would receive R100 per child per month. Separate allowances to the parents were no longer given. Whereas the previous system benefited some 220000 children, the minister aimed to broaden access to the new grant to some 3m children within five years. Although there was general agreement that the old system had to be changed, concern was expressed that the new grant was set at a very low level—just above household subsistence level of children of that age. In addition, there was unhappiness with the fact that the new grants would be paid to children up to age seven only, rather than to children up to age nine as initially suggested by the Lund Committee on Child Family Support (see 1996/97 Survey, p440). Although the new grants were substantially lower than under the previous system they were expected to reach many more poor families, particularly Africans in the rural areas who had previously been excluded.

In April 1998 the Black Sash said that the new child support grant was ‘unconstitutional’ because it depended on a quota system. The Black Sash said that provinces were apparently instructed to limit the number of grant applications they could process. The organisation claimed that fewer than 2m children would receive the grant and threatened to challenge the ‘quota system’ in the Constitutional Court if enforced.

During the period under review the Department of Welfare passed the Welfare Laws Amendment Act of 1997, which removed significant powers from the provinces to the national government. This was done mainly through amendments to certain definitions. The Department of Welfare maintained that the assignment of these powers to the provinces in terms of the Social Assistance Act of 1992 was a mistake and invalid, as issues regulated by the act were in fact national competencies. Three parties, the Democratic Party, the Inkatha Freedom Party and the National Party (NP) opposed the bill. The National Party had earlier threatened to take the Welfare Laws Amendment Bill to court, but at the time of writing no legal action had been taken.

In a white paper on social welfare, the Department of Welfare proposed a reduction in the assistance given to the aged—particularly those in old-age homes. The white paper said that the state would admit only old people who were frail and indigent—about 2% of the aged. At the time of writing about 4.5% of the aged population lived in old-age homes. However, the South African Council for the Aged said that the proportion would drop to 1.5% in five years because of the government’s cuts in spending and the application of stricter criteria for entrance into old-age institutions. The council warned that increased numbers of old people would become destitute unless the government provided affordable accommodation for the aged.

Key Projections

- By 2002 the proportion of the aged population in old-age homes in South Africa would drop to 1.5% because of government cuts in spending and the application of stricter criteria for entrance into old-age homes, according to the executive director of the South African Council for the Aged, Mr Syd Eckley.

LIVING CONDITIONS

Bird's Eye View

In February 1998 the minister of housing, Ms Sankie Mthembu-Mahanyele, acknowledged for the first time that the government might not be able to reach its target of building 1m low-cost houses by 1999. She said that the target would 'definitely' be reached by March 2000. In September 1997 the Department of Housing instructed all provinces to freeze expenditure on new housing projects as some provinces had overspent.

Bond boycotts continued during 1997 and 1998. Some 49 000 households countrywide were not repaying their home loans despite calls from civic organisations to end bond boycotts. However, the National Housing Finance Corporation said that the 'culture' of non-payment in the low-cost housing market 'generally' did not exist.

Even though some 454 000 new electricity connections were made in 1996, just under three quarters of rural houses did not have electricity. By the end of 1996 some 55% of houses in urban and non-urban areas had electricity.

The process of land redistribution programmes gained momentum during the period under review. Some 18m hectares of land had been redistributed by March 1998 to about 20 000 households. The minister for agriculture and land affairs, Mr Derek Hanekom, warned in February 1998 that the government could begin expropriating land as some landowners were resisting reaching an agreement with the government to redistribute land more equitably.

A number of bills were tabled during the period under review. The draft National Home Builders Registration Council Bill, giving statutory recognition to the National Home Builders Registration Council, sought to protect home owners by making it compulsory for builders to register with the council.

The National Water Bill proposed to remove control of water in South Africa from private hands and place it in the hands of state-controlled agencies. The bill, if enacted, would abolish the riparian system—in terms of which ownership of land next to a river entitles the owner to water, fishing, and irrigation rights—and replace it with a water allocation system based on beneficial use in the public interest.

The Extension of Security of Tenure Act of 1997 made provision for regulating the conditions and circumstances under which the right of persons to reside on land may be terminated. In terms of the act should a landowner evict an occupier without a court order, he could be jailed for up to two years or fined, or both.

The Prevention of Illegal Evictions from and Unlawful Occupation of Land Bill made provision for fair procedures for the eviction of people who occupied land without the permission of the owner or the person in charge of such land. Some political parties expressed fears that the bill would encourage illegal occupation of land.

Key Points

- About 25% of the government's target of 1m houses by 1999 had been built by December 1997.
- The government's projected housing allocation in 1998/99 was R3.63bn. This was 24% lower than the adjusted appropriation of R4.77bn in 1997/98, but only 10% lower than the original 1997/98 budget.
- During 1997/98 expenditure by the government under the housing subsidy scheme reached between R250m and R300m a month.
- The National Housing Finance Corporation (NHFC) disbursed loan facilities totalling R246m from April 1996 to September 1997. The NHFC said the loan facilities were expected to benefit 213 500 households.
- The NHFC said that the 'culture' of non-payment in the low-cost housing market 'generally' did not exist. This was despite a 10% to 15% default rate on the 300 000 loans extended in the early 1990s.
- From June 1995 to February 1998, Servcon Housing Solutions negotiated the rescheduling of 600 loans and the rightsizing of 5 400 leases. However, 2 000 clients had subsequently defaulted in the rightsizing option.
- Financial institutions provided some 35 000 loans valued at R2bn between June 1996 and May 1997 in areas covered by the Mortgage Indemnity Fund (MIF).
- According to the MIF, various banks reported that some 3 000 bond defaulters had been issued eviction orders during 1997.
- At the end of 1996, 73% of rural and 21% of urban households were without electricity.
- The number of new connections in 1996 totalled 453 995, compared with 478767 in 1995 (a decrease

of 5%). According to the National Electricity Regulator, in the period 1994–96 some 1.4m new electricity connections were made.

- A report on poverty and inequality published in 1998 said that most of the poor met their energy needs using fuels such as wood, dung or crop waste, or a combination of these and coal, gas or paraffin. Some 44% of households used paraffin every day, making it the single most widely used commercial fuel in urban and rural areas.
- From January 1995 to January 1998 the Commission on Restitution of Land Rights received 23 414 claims countrywide. A total of 19 911 claims were in urban areas, compared with 3 503 in rural areas.
- By the end of 1997, 18 restitution cases had been resolved and some 27000 people had recovered about 150 000 hectares of land.
- As at September 1997, 1 020 water supply projects had been identified, were under way or had been completed, according to the 1998 *Budget Review*. These would provide some 8.9m people with access to water supply and 100 000 to adequate sanitation.

Municipal Infrastructure

The municipal infrastructure programme (MIP) was initiated as part of once-off grants made at the inception of the reconstruction and development programme in 1994. The goal of the MIP is to rehabilitate, upgrade and provide new municipal infrastructure to meet the basic needs of communities as quickly as possible (see 1996/97 Survey, p729). The programme channels capital subsidies to investment in basic service infrastructure for low-income households and towards the rehabilitation of collapsed infrastructure in previously disadvantaged areas. It is connected to the government's housing subsidy programme.¹ [¹ Department of Finance, *Budget Review*, March 1998, p6.16]

Funding

Out of a total of R1 352m which was made available for the delivery of services through the municipal infrastructure programme (MIP) and the extension to the MIP from 1994 to January 1997, R1 266m (94%) had been committed to actual projects.² [² Municipal Infrastructure Programme, 1996 annual report]

The Department of Constitutional Development had exceeded its 1997/98 allocation of R683m for spending on municipal projects by 42% from April to December 1997 as their implementation gained momentum. The additional expenditure had been financed from rollovers from previous financial years, when spending on municipal infrastructure projects had been slow.³ [³ *Business Day* 20 January 1998; *Government Gazette* no 18 632, 16 January 1998]

According to the 1998 *Budget Review*, the municipal infrastructure programme was allocated R583m for

the 1998/99 financial year. The amount would increase to R990m in 2000/01.⁴ [⁴ Department of Finance, *Budget Review*, March 1998, p6.5; Mr Trevor Manuel, minister of finance, budget speech, 11 March 1998]

The Infrastructure Finance Corporation (Inca) had committed R829m to infrastructure funding in 1997, its first year of operation, of which R685m had been disbursed. The managing director of Inca, Mr Johan Kruger, said that the bulk of the funding, which represented 7% of all long-term municipal borrowing from the private sector, was provided to creditworthy local authorities.⁵ [⁵ *Business Day* 3 March 1998] Inca planned to channel between R700m and R900m to the infrastructure sector in 1999.⁶ [⁶ *Ibid*]

According to the 1998 *Budget Review*, the Department of Constitutional Development was engaged in setting up business partnerships between municipalities and private companies. The *Budget Review* said that the total capital invested by the private sector in 1997/98 was over R1bn.⁷ [⁷ Department of Finance, *Budget Review*, March 1998, p7.31; Mr Trevor Manuel, minister of finance, budget speech, 11 March 1998]

Domestic Energy

According to the minister of minerals and energy, Mr Penuell Maduna, at the beginning of 1997 nearly 20m people did not have electricity in South Africa. At the end of 1996, 73% of rural and 21% of urban households were without electricity. (Figures for 1997 were not available at the time of writing.)⁸ [⁸ National Electricity Regulator (NER), 1996 progress report]

Policy

Green Paper on Energy

The Department of Minerals and Energy was drafting a green paper on energy, but it had not been published at the time of writing.

Legislation

No legislation had been tabled at the time of writing.

Sources of Energy

A survey conducted by the Central Statistical Service (CSS) in 1995 showed that publicly sourced electricity was the main energy source among all races for cooking, heating and lighting in both urban and non-urban areas (see 1996/97 Survey, p733). From 1994 to 1995 (the latest year for which figures were available) the proportion of Africans in urban areas who used publicly sourced energy rose from 58% to 71%. In rural areas only 16% of African households were using publicly sourced energy for cooking, but almost 25% were using this source for lighting, compared with 16% in 1994. Candles were

used for lighting in non-urban areas by 48% of African and 30% of coloured households. Wood was still used widely by non-urban African and coloured households (see 1996/97 Survey, p733).

Users of Energy

The progress report of the National Electricity Regulator (NER), published in 1996, said the consumption of electricity by newly connected consumers in disadvantaged areas remained ‘alarmingly’ low. The NER said that among newly connected consumers there was an ‘extremely’ slow change to electrical appliances for cooking and heating purposes. According to the NER, the main reasons appeared to be the inability of households to afford replacing existing appliances with electrical appliances and the high cost of paying for consumption.⁹ [⁹ NER, *Lighting up South Africa*, 1996]

A report prepared in 1998 for the office of the deputy president and the interministerial committee for poverty and inequality, and entitled *Poverty and Inequality in South Africa*, said that most of the poor met their energy needs using fuels such as wood, dung or crop waste, or a combination of these and hydro-carbon fuels (coal, gas or paraffin), and sometimes electricity. Some 44% of households used paraffin every day as a source of energy, making it the single most widely used commercial fuel in urban and rural areas.¹⁰ [¹⁰ Report prepared for the office of the deputy president and the interministerial committee for poverty and inequality, *Poverty and Inequality in South Africa*, 13 May 1998, p24]

Electrification

Targets

The government’s electrification target was 2.5m new electrical connections throughout South Africa between 1994 and 1999, of which Eskom had to deliver 1.75m new connections and local authorities 750 000 (see 1996/97 Survey, p734).

Connections

By the end of 1996 some 55% of houses in urban and non-urban areas had electricity, while 45% were not electrified. The number of new connections in 1996 totalled 453 995, compared with 478 767 in 1995. (At the time of writing figures for 1997 were not available.) The table below shows the number of electrical connections made in the period 1994–96 by the state’s electricity utility, Eskom, and municipalities:¹¹ [¹¹ NER, *Lighting up South Africa*, 1996]

Number of electrical connections made: 1994–96

1994

1995

1996

Increase/ (decrease) 1995–96

Eskom

254 383

313 179

307 047

(2.0%)

Local government

129 951

118 173

126 057

6.7%

Farmworkers^a

16 833

15 134

9 414

(37.8%)

Other

34 584

32 281

11 477

(64.4%)

Total

435 756

478 767

453 995

(5.2%)

^a Farmworker housing was electrified by various authorities.

In the period 1994–96 some 1.4m electrical connections were made, according to the National Electricity Regulator. Between 1995 and 1996 the number of new connections dropped by 5%. Compared with 1995 figures, the national average cost per connection in rural areas in 1996 increased slightly from R3 568 to R3 623 (ie by 1.5%). In urban areas the cost per connection increased by 25% from R2 170 to R2

The table below shows the proportion of houses in both urban and rural areas which had electrical connections in 1995 and 1996:¹³ [¹³ NER, 1996/97 annual report]

Proportion of houses with electricity by province: 1995 and 1996

————Urban————

————Rural————

Province

1995

1996

1995

1996

Eastern Cape

67.2%

71.3%

5.8%

12.5%

Free State

67.6%

71.4%

32.5%

37.1%

Gauteng

77.7%

79.2%

54.4%

53.4%

KwaZulu-Natal

78.7%

81.7%

14.0%

17.5%

Mpumalanga

59.4%

63.4%

37.2%

50.1%

North West

69.9%

73.2%

20.5%

27.5%

Northern Cape

76.1%

79.2%

46.8%

63.6%

Northern Province

71.2%

72.7%

23.7%

30.2%

Western Cape

88.1%

88.8%

47.0%

49.5%

Total

76.5%

78.7%

20.6%

26.9%

The graph below shows the proportion of urban houses with electricity by province in 1

The graph below shows the proportion of rural houses with electricity by province in 1995 and 1996:

Housing

National Policy

In April 1998 the minister of housing, Ms Sankie Mthembu-Mahanyele, said that a second housing white paper was being drafted to develop a differentiated approach to housing provision and to clarify the role of financial institutions. The white paper would include new methods to fund the lower end of the market and look at transitional housing (see *Rental housing* below). It would set out a housing code giving specific details on minimum standards for housing construction.¹⁴ [¹⁴ *Business Day*, *The Star Business Report* 21 April 1998]

National Subsidy Policy

In December 1997 the cabinet approved the merging of the two lowest-income categories qualifying for a housing subsidy, namely R0–R800 and R801–R1500 per month.¹⁵ [¹⁵ Information supplied by the senior

communication officer, Department of Housing, Ms Busi Khumalo, 20 January 1998] Ms Mthembi-Mahanyele said the change would enable poor families earning R1 500 or less per month to qualify for the maximum housing subsidy of R15 000 or consolidation subsidy of R7 500. She added that the merging of the two categories meant that the affordability level of a substantial proportion of all households who lived below the average minimum living level would be increased.¹⁶ [¹⁶ *The Citizen* 8 December 1997] The table below reflects the amount of subsidy per income group payable under normal circumstances:¹⁷ [¹⁷ Information supplied by Busi Khumalo, Department of Housing, 20 January 1998]

Subsidy eligibility by income group

Monthly income of beneficiary

Subsidy amount

Up to R1 500

R15 000

R1 501 to R2 500

R9 500

R2 501 to R3 500

R5 00

Other Policy Matters

Rental Housing

In November 1997 Ms Mthembi-Mahanyele said her ministry was revising the subsidy implementation manual to make provision for rental and social housing. (Social housing is where rental accommodation is subsidised by the government to make housing accessible to the poor.)¹⁸ [¹⁸ Fax from the Department of Housing, 11 March 1998] Ms Mthembi-Mahanyele said that through social housing, there was a possibility of renewing 'dead' city centres and bringing 'vibrancy' to city life. A second white paper on housing was also being drafted, according to the minister.¹⁹ [¹⁹ *Business Day* 17 November 1997]

Rural Housing

All South Africans who had a household income below R3 500 a month were eligible to access the

housing subsidy grant. However, the criteria set out in, and the underlying principles of, the *Housing Subsidy Implementation Manual* (developed for an urban model) were not conducive to housing provision in rural areas, according to the Department of Housing.²⁰ [20 Department of Housing, 1996 annual report]

The Department of Land Affairs operated a subsidy scheme (the settlement/land acquisition grant) which was seen as an alternative to the housing subsidy of the Department of Housing. The grant accommodated rural people wishing to acquire land for crops and/or livestock as well as for residential purposes (see also *White Paper on South African Land Policy* below).²¹ [21 Department of Land Affairs, *Rural Development Framework*, May 1997 *Development Framework*, May 1997]

The Department of Housing reported in its 1996 annual report that to improve access of rural households to housing subsidies, it had been agreed in principle that a 'validated and undisputed right' to occupation would be an acceptable form of tenure to access housing subsidies in communal rural areas. (Current policy in respect of housing subsidies requires applicants to have title deeds to the land. This has been a major impediment for the vast majority of people living in African rural areas because they were previously prohibited from having title to their land. In order to redress the situation, the departments of housing, and agriculture and land affairs agreed that rural people with 'functional' security of tenure would be eligible for housing subsidies.)²² [22 Ibid]

Legislation

Housing Act of 1997

The president, Mr Nelson Mandela, assented to the Housing Act in December 1997. The act laid down general principles applicable to housing development in all spheres of government. In terms of the act national, provincial and local spheres of government must give priority to the needs of the poor in respect of housing development; and ensure that such development provides as wide a choice of housing and tenure options as is reasonably possible.

The act also provided for the establishment and maintenance of a housing data bank and a national housing information system. It further made provision for the transfer of funds from the national department to the provinces. In terms of the act the National Housing Board would be replaced by an advisory body, the South African Housing Development Board. The act provided for the devolution of the powers, duties, rights, assets and liabilities of the National Housing Board to the provincial housing development boards. The act also provided for the cancelling of local government housing debt to the former board. The debt amounted to R9.7bn. This was expected to promote the viability of municipalities.²³ [23 Housing Act, No 107 of 1997, *Government Gazette*, 19 December 1997]

Proposed Legislation

National Home Builders Registration Council Bill

In June 1997 the Ministry of Housing published a draft bill giving statutory recognition to the National Home Builders Registration Council. The draft National Home Builders Registration Council Bill sought to protect homeowners by making it compulsory for builders to register with the council.²⁴ [²⁴ *Business Day* 19 September 1997] A quality workmanship manual would be produced and inspectors would ensure builders complied with its provisions. The council could discipline builders by either deregistering or suspending them. All builders were required to register with the council if they wished to access bank mortgages.²⁵ [²⁵ *Ibid* 22 April 1998] There were fears among builders that the bill would prescribe restrictive and expensive building standards.²⁶ [²⁶ *Fast Facts* No 2 1998] (The council was established in 1995 by the Association of Mortgage Lenders to prevent consumers from being defrauded by some 'fly-by-night' builders and construction companies, and to ensure the quality of buildings (see 1995/96 Survey, p343).) The bill was expected to be tabled in June 1998.

Housing Finance Bill

In April 1998 the minister of housing, Ms Sankie Mthembi-Mahanyele, said that the Minmec, a policy forum of the minister and the nine provincial MECs, had approved the Housing Finance Bill. The proposed legislation aimed to encourage housing finance for the poor and set out to monitor banks' lending patterns. The bill also allowed consumers to monitor which banks were lending to communities and helping development.²⁷ [²⁷ *Business Day* 21 April 1998]

Implementation

Finance

The projected housing allocation in 1998/99 was R3.63bn. This was 24% lower than the adjusted appropriation of R4.77bn in 1997/98, but only 10% lower than the original 1997/98 budget. According to the 1998 *Budget Review*, the decrease was due mainly to the shifting of bulk and connector infrastructure grants funds to the Department of Constitutional Development. In terms of the medium-term expenditure framework the housing budget would increase by 3% to R3.74bn in 1999/2000, and drop by 3% to R3.65bn in 2000/01.²⁸ [²⁸ Department of Finance, *Budget Review*, March 1998, p6.30]

In February 1998 the minister of housing, Ms Sankie Mthembi-Mahanyele, said that the government's target of 1m new houses by 1999 would not be reached because of a lack of financial resources.²⁹ [²⁹ *Business Day* 10 February 1998] The president, Mr Nelson Mandela, said that the plan to deliver houses to the low-income sector had not received widespread support from banks.³⁰ [³⁰ *The Star* 12 February 1998] Ms Mthembi-Mahanyele said that to reach the target, R2.9bn per year should have been allocated to the Department of Housing.³¹ [³¹ Parliamentary briefing by the minister of housing, Ms Sankie Mthembi-Mahanyele, 9 February 1998] She said she believed that the government would 'come very close' to reaching its 1m

housing target in 1999, and that it would 'definitely' be reached by March 2000.³² [³² *The Citizen* 10 February 1998]

Delivery by the State

The provincial allocations for subsidies per province for 1997/98 were as follows:³³ [³³ Fax from the Department of Housing, 10 September 1997]

Amounts allocated for housing subsidies by province: 1997/98

Province

AllProportion of total

Eastern Cape

473.5

11.2%

Free State

291.7

6.9%

Gauteng

1 331.7

31.5%

KwaZulu-Natal

494.6

11.7%

Mpumalanga

363.6

8.6%

North West

405.9

9.6%

Northern Cape

135.3

3.2%

Northern Province

257.9

6.1%

Western Cape

473.5

11.2%

Total

4 227.7

100.0%

The table below shows the number of state-subsidised houses built and/or under construction from March 1994 to December 1997:³⁴ [34 Fax from the Department of Housing, 11 February 1998]

Housing delivery: March 1994–December 1997

Province

Proportion of 1m housing target to be met

Actual number of houses to be built

Total number of subsidies approved^a

Houses built

Proportion of provincial target built

Houses under construction

Eastern Cape

15.2%

152 000

74 424

17 793

11.7%

24 241

Free State

6.9%

69 000

33 891

20 313

29.4%

15 190

Gauteng

24.3%

243 000

134 829

55 210

22.7%

85 182

KwaZulu-Natal

19.5%

195 000

128 649

42 907

22.0%

45 639

Mpumalanga

5.3%

53 000

61 031

18 426

34.8%

8 306

North West

7.0%

70 000

72 791

22 107

31.6%

14 623

Northern Cape

1.8%

18 000

17 994

7 082

39.3%

7 168

Northern Province

8.6%

86 000

61 450

12 966

15.1%

8 217

Western Cape

11.4%

114 000

88 129

38 905

34.1%

25 169

Total

100.0%

1 000 000

673 188

235 709

25.4%

233 735

^a The total number of subsidies approved from March 1994 to September 1997.

The graph below shows the number of state-subsidised

Record of Understanding

In terms of the *Record of Understanding*, concluded in October 1994 between the Department of Housing and the Association of Mortgage Lenders (AML) (see 1994/95 Survey, p517), township residents would abandon bond boycotts, and mortgage lenders would return to the low-income market

and provide 50 000 mortgages between June 1995 and June 1996 (also see *Servcon Housing Solutions* below).³⁵ [³⁵ Centre for Policy Studies (CPS), *Mortgage bondage*, September 1997] However, the target was not met as banks provided only 70% of the mortgages envisaged up to May 1996. Financial institutions made a further 50 000 loans available for the period 1st June 1996 to 31st May 1997.³⁶ [³⁶ Ibid] However, they failed again to meet their goal, achieving only 72% of their target of 50 000 loans. The Council of South African Banks (Cosab), now the Banking Council of South Africa, said in September 1997 that in the period June 1996 to May 1997 banks provided 144 724 low-income housing loans totalling R3.1bn. Cosab said that the target was not met because there were not enough loan applications a year in the low-cost market. It attributed this to a shortage of houses being built for the market, a lack of people qualifying for the loans, and the pressure on banks to cut credit.³⁷ [³⁷ *Business Day* 26 September 1997; fax from the Department of Housing 30 April 1998] At the time of writing the *Record of Understanding* was being revised and a new one would come into effect retroactively from 1st April 1998.³⁸ [³⁸ Telephone discussion with Mr Malcolm Booysen, Department of Housing, 19 May 1998]

Risk-Targeted Initiatives

The Department of Housing implemented a number of risk-targeted initiatives between 1994 and 1996. These initiatives were to remedy high levels of risk in areas where there were payment boycotts, land invasions, high levels of building material losses and time delays. Initiatives such as the Mortgage Indemnity Fund (MIF) and the National Urban Reconstruction and Housing Agency were established to provide guarantees for housing investment (see 1996/97 Survey, p753). Servcon Housing Solutions was established to deal with properties in possession, while the National Home Builders Registration Council was set up to provide building warranties and ensure sound building practices.³⁹ [³⁹ Fax from the Department of Housing, 10 September 1997]

Mortgage Indemnity Fund

The MIF was established in June 1995 as a wholly government-owned company. Its purpose was to cover accredited lenders if they were unable to repossess properties through the normal legal channels once default had occurred. Seen as an 'interim' measure until 'normality' was re-established, it was expected to unlock significant mortgage lending for the low-income market. (The MIF assesses townships on criteria such as the state of the local authority, the level of civil stability, and various housing performance indicators to determine whether an area is safe for lending or not.)⁴⁰ [⁴⁰ CPS, *Mortgage bondage*, September 1997] The Department of Housing allocated R105m to the MIF in the 1996/97 financial year. A total of R15m was allocated in 1997/98, a drop of 86% compared to the previous financial year.⁴¹ [⁴¹ Republic of South Africa, *Estimate of Expenditure to be defrayed from the National Revenue Account during the Financial Year ending 31 March 1998*, p17-4] The MIF would fall away after 1998/99, as its activities would wind down in June 1998.⁴² [⁴² Department of Finance, *Budget Review*, March 1998, p6.31]

According to the MIF, financial institutions provided some 35 000 loans valued at R2bn between June

1996 and May 1997 in areas covered by the MIF. In its first year of operation (June 1995 to May 1996) 21 000 loans worth R853m were provided in the government-subsidised market. According to the MIF, the total number of areas covered from 1st June 1995 to 31st May 1997 was 498. No claims had been made on the fund from banks in the period June 1996–May 1997.⁴³ [⁴³ Mortgage Indemnity Fund, 1997 annual report]

Servcon Housing Solutions

Servcon Housing Solutions, a joint venture between banks and the government set up to deal with repossessed properties and bond defaulters, had reached repayment agreements with 10 000 of the 22 500 clients on the commercial banks' books from July 1995 to November 1997. The managing director of Servcon, Mr Denis Creighton, said the biggest cause of default was the loss of jobs which meant people could not afford bond repayments. He said the people who had not taken advantage of Servcon's payment normalisation programme faced normal legal action, including eviction.⁴⁴ [⁴⁴ *Business Day* 24 November 1997]

Servcon offered defaulters a number of options. They could buy their property back in a subsidised instalment programme if they could afford it, or they could reschedule their debt if the property had not been repossessed. The third option was a rightsizing programme for those who could not afford the property they were occupying. The rightsizing programme enabled the occupants to continue living on the property paying rent they could afford while Servcon helped them to find other accommodation. The government would pay for relocation assistance (see also *Subsidies* above).⁴⁵ [⁴⁵ Fax from the Department of Housing, 10 September 1997]

From June 1995 to February 1998, Servcon had negotiated the rescheduling of 600 loans and the rightsizing of 5 400 leases. However, 2 000 clients had subsequently defaulted in the rightsizing option.⁴⁶ [⁴⁶ Fax from Servcon Housing Solutions, 9 February 1998] In November 1997 Ms Mthembi-Mahanyeke said the rightsizing option had not yet been fully implemented because of the lack of available, affordable accommodation. In a bid to overcome the problem, the banks and the government had agreed to form a sister company to Servcon called Thubelisha Homes, which would procure alternative rightsizing stock from developers and builders. Ms Mthembi-Mahanyeke said that to assist the process, the government had allocated a R50m grant to Thubelisha Homes.⁴⁷ [⁴⁷ Fax from the Department of Housing, 10 September 1997; *Business Day* 24 November 1997]

Problems with Loan Repayments

In March 1997 the Mortgage Indemnity Fund (MIF) said that about 49 000 households countrywide were not paying their home loans despite calls from civic organisations to end bond boycotts. The managing director of the MIF, Mr Nkululeko Sowazi, said that the boycott had a negative impact on financial institutions and was making it difficult for banks to re-enter the low-income housing sector. Some residents were not paying their bonds because they had acquired houses with defects. Mr Sowazi added that some of the 49 000 defaulters were still occupying repossessed houses. The boycott had

mainly affected institutions such as Khayaletu Home Loans, a lending wing of the South African Housing Trust.⁴⁸ [⁴⁸ *The Star* 19 March 1997] The main focus of Khayaletu Home Loans was the funding of homes for the lower-income group.⁴⁹ [⁴⁹ *Housing in Southern Africa*, November/ December 1997] The managing director of Khayaletu Home Loans, Mr Siza Khampepe, said the company had lost more than R250m on unpaid loans over five years. In 1996 the trust had entered an agreement with the South African National Civic Organisation (Sanco) that its 14 000 defaulters would start paying. However, since the agreement, the repayment rate had been about 36%—far below the 75% expected.⁵⁰ [⁵⁰ *The Star* 19 March 1997]

In May 1997 Ms Mthembi-Mahanyele said that Servcon (see also *Servcon Housing Solutions* above) managed some 14 000 repossessed properties on behalf of mortgage lenders. Almost 4 000 Servcon clients had signed agreements of rightsizing to allow them to relocate to more affordable properties. Ms Mthembi-Mahanyele said that 3 000 properties were still considered ‘inaccessible’ because of community action such as bond boycotts and group action at the street and neighbourhood level. About 10 500 non-performing loans had been taken over from the banks in 1997 and absorbed into the Servcon programme.⁵¹ [⁵¹ Fax from the Department of Housing, 6 May 1997]

The National Housing Finance Corporation (NHFC) said in November 1997 that the ‘culture’ of non-payment in the low-cost housing market ‘generally’ did not exist despite default rates of 10% to 15% on the 300 000 loans extended in the early 1990s. The chief executive officer of the NHFC, Mr Johan de Ridder, said that the culture of non-payment was being confused with poor lending practices and inadequate risk management approaches. He said several banks were still struggling with large-scale defaults in the low-cost housing market as a result of loans made between 1988 and 1993. Mr de Ridder said that the corporation’s non-bank lender clients, with a client base of more than 150 000 borrowers, had a weighted annualised bad debt of about 3% at the end of June 1997. The arrears rates were about 1.2%. The experience suggested that the so-called culture of non-payment did not generally apply in the lower-income market.⁵² [⁵² *Business Day* 12 November 1997] (The corporation was formed by the ministry of housing in May 1996 as a way of supplementing the government housing subsidy scheme by granting loans to institutions prepared to fund low-cost housing.)

The Banking Council of South Africa (formerly known as the Council of South African Banks) reported in its 1997 banking review that by 31st December 1997 non-payment of housing loans led to the repossession of 18200 township houses on which mortgage loans worth R770m were owed. However, banks were unable to evict the occupants because of ‘the breakdown in the rule of law in many areas’, according to the council. The banking council said that a further 16000 township loans valued at R800m were three months or more in arrears. According to the council, ‘little’ legal action was taken against the defaulters because of the problem of evicting them and gaining possession of their houses.⁵³ [⁵³ The Banking Council of South Africa, *The South African Banking Review*, 31 December 1997]

Shortages and Demand

The Department of Housing said in its 1996 annual report that the urban housing shortage was officially estimated at 1.9m units. The report said that based on the trend in population growth, the housing need was expected to increase at an estimated rate of 204 000 units a year (annual delivery excluded).⁵⁴ [⁵⁴ Department of Housing, 1996 annual report] The number of houses to be built by 1999 under the government's subsidy programme once completed would account for only 52% of the urban housing shortage. (The urban housing shortage figure was derived, and based on projections from, the 1991 census.) In September 1997 Ms Mthembi-Mahanyele reported, however, that the government had underestimated the number of homeless people. She said that the census carried out in October 1996 had found that 3m people were homeless (see also chapter on *Population*). She said that the housing shortage was likely to swell with the influx of people from neighbouring states.⁵⁵ [⁵⁵ *Business Day* 11 September 1997] In April 1998 Ms Mthembi-Mahanyele said that the housing backlog in both urban and rural areas was estimated to comprise as many as 4m units, if informal dwellings were included. She said that since 1994 the government had provided shelter for 3.3m people through its housing subsidies.⁵⁶ [⁵⁶ *The Star Business Report* 21 April 1998; telephonic discussion with the public relations officer of the Ministry of Housing, Ms Gege Kekana, 19 May 1998]

Budget and Expenditure

In September 1997 the Department of Housing instructed all provinces to freeze expenditure on new housing projects. The acting director general of housing, Mr Naville Karsens, said the freeze was a bid to improve management of overspending by some provinces.⁵⁷ [⁵⁷ *Business Day* 11 September 1997] In the 1996/97 financial year most provinces had been allowed to overspend after consultation with the national housing department so as to speed up housing delivery.⁵⁸ [⁵⁸ *Ibid* 11 December 1997] According to the 1998 *Budget Review*, provinces were contractually committed to an amount of R5.8bn in subsidies to housing projects to be completed over the following three years.⁵⁹ [⁵⁹ Department of Finance, *Budget Review*, March 1998, p6.31]

Municipal Services

Refuse Disposal

The table below provides a breakdown by race of the methods of refuse disposal in 1995 in urban and non-urban areas, according to the Central Statistical Service (CSS) (these were the latest figures available):⁶⁰ [⁶⁰ 1996/97 Survey, p763]

Refuse disposal by race — urban and non-urban: October 1995^a

African

Coloured

Indian

White

Total

Removed by local authority

Urban

85.0%

97.2%

96.7%

97.6%

90.9%

Non-urban

6.1%

14.9%

19.4%

31.3%

7.7%

Communal refuse dump

Urban

2.1%

1.0%

0.6%

0.4%

1.4%

Non-urban

6.0%

27.4%

5.4%

7.6%

7.0%

Own refuse dump

Urban

9.7%

1.3%

2.7%

1.8%

5.9%

Non-urban

55.9%

52.4%

73.5%

55.9%

55.8%

None

Urban

3.3%

0.5%

–

0.1%

1.8%

Non-urban

32.0%

5.3%

1.7%

5.3%

29.4%

^a Figures should add up vertically but may not owing to rounding.

The table below shows the frequency of waste removal by local authorities in 1995 in areas which had a refuse removal service, by race, according

Regularity of local authorities' refuse removal: October 1995^a

African

Coloured

Indian

White

Total

Once a week

Urban

91.4%

96.3%

99.1%

98.9%

94.9%

Non-urban

87.5%

84.7%

97.2%

82.5%

86.3%

Once a fortnight

Urban

2.0%

1.9%

0.6%

0.9%

1.5%

Non-urban

5.3%

13.8%

2.8%

15.8%

8.1%

Once a month

Urban

0.6%

0.1%

0.2%

0.0%

0.3%

Non-urban

1.7%

1.4%

—

1.5%

1.7%

Irregularly

Urban

6.0%

1.7%

0.1%

0.3%

3.3%

Non-urban

5.4%

—

—

0.1%

3.9%

^a Figures should add up vertically but may not owing t

Land

Policy

In February 1998 the minister for agriculture and land affairs, Mr Derek Hanekom, warned that the government could begin expropriating land as some landowners were resisting reaching an agreement with the government to redistribute land more equitably. He said that some farmers were ‘holding out’ for higher-than-market prices for their properties. According to the minister, where no alternative land was available and negotiations reached a deadlock, the government would have no option but to begin

expropriation procedures. Land expropriated would, nonetheless, be paid for at market prices.⁶² [⁶² *The Sunday Independent* 15 February 1998]

Mr Hanekom also announced that legislation to resolve the issue of the administration of land in tribal areas held by traditional leaders was being prepared and would be brought before Parliament in 1998.⁶³ [⁶³ *Business Day* 16 February 1998] Mr Hanekom said that 13% of South Africa's land fell into the category of tribal land that was administered and distributed by traditional authorities. He said that the government had felt that the time had arrived to grant land ownership rights to the millions of mainly poor people in the affected areas. The government would not award title deeds as it would take years to finalise. Instead, the proposed law would make use of 'innovative alternatives'. According to the minister, the law would also permit residents to choose which body they wanted to administer the land.⁶⁴ [⁶⁴ *The Sunday Independent* 15 February 1998] Mr Hanekom said that the land tenure situation in tribal areas was an 'explosive issue' and had to be handled sensitively.⁶⁵ [⁶⁵ *Business Day* 16 February 1998]

White Paper on South African Land Policy

The government's land reform programme was set out in a white paper on land policy tabled in Parliament in June 1997.⁶⁶ [⁶⁶ *The Citizen* 18 June 1997] It was preceded by a *Green Paper on South African Land Policy*, published in February 1996 (see 1996/97 Survey, p764). The government's land reform would consist of the following, according to the white paper:⁶⁷ [⁶⁷ Department of Land Affairs, *White Paper on South African Land Policy*, April 1997]

- land restitution;
- land redistribution; and
- land tenure reform.

The white paper made provision for a number of financial grants to facilitate the land reform programme:⁶⁸ [⁶⁸ *Ibid*]

- the settlement/land acquisition grant, set at a maximum of R15 000 per beneficiary household, could be used for land acquisition, enhancement of tenure rights, investments in internal infrastructure, and home improvements;
- the grant for the acquisition of land for municipal commonage would enable primary municipalities to acquire land to extend or create a commonage for the use of qualifying persons;

- the settlement planning grant would be used to enlist the services of planners and other professionals to help the beneficiaries in preparing project proposals and settlement plans; and
- the grant for determining land development objectives would provide for under-resourced, poor or rural local authorities to undertake a strategic planning process to set land development objectives.

Legislation

Extension of Security of Tenure Act of 1997

The Extension of Security of Tenure Act was assented to by the president on 19th November 1997. It made provision for measures to facilitate long-term security of land tenure with state assistance. The act also provided for regulating the conditions and circumstances under which the right of persons to reside on land may be terminated; and the conditions and circumstances under which persons whose right of residence had been terminated, may be evicted from land. An occupier's right of residence could be terminated on any lawful ground, provided that such termination was just, equitable and took into account all relevant factors. These included, inter alia:

- the conduct of the parties giving rise to the termination;
- the fairness of the procedure followed by the owner or person in charge, including whether or not the occupier had or should have been granted an effective opportunity to make representations before the decision was made to terminate the right of residence; and
- the interests of the parties, including the comparative hardships of the owner or the person in charge, the occupier concerned, and any other occupier, if the right of residence was or was not terminated.

The right of residence of an occupier who was an employee, and whose right of residence arose solely from an employment agreement, could be terminated if the occupier resigned from employment or was dismissed in accordance with the provisions of the Labour Relations Act of 1995. Should a landowner evict an occupier without a court order, he could be jailed for up to two years or fined, or both.⁶⁹ [⁶⁹

Extension of Security of Tenure Act, no 62 of 1997, *Government Gazette* no 18 467]

Land Restitution and Reform Laws Amendment Act of 1997

The Land Restitution and Reform Laws Amendment Act of 1997 amended the Restitution of Land Rights Act of 1994 so as to bring its provisions into line with the constitution. According to the amendment act, a person would be entitled to claim restitution of a right in land if he was a person or community dispossessed of a right in land after 19th June 1913 as a result of racially discriminatory laws or practices. The claim had to be lodged not later than 31st December 1998. The act made provision for

a regional land claims commissioner or an interested party under certain circumstances to apply for an interdict prohibiting the development of land if the commissioner believed it would defeat the achievement of the objects of the act.⁷⁰ [⁷⁰ Land Restitution and Reform Laws Amendment Act, no 63 of 1997, *Government Gazette* no 18 449]

Prevention of Illegal Evictions from and Unlawful Occupation of Land Bill

In March 1998 the National Assembly approved legislation to repeal the Prevention of Illegal Squatting Act of 1951 and make it a criminal offence to evict unlawful occupants of land without a court order.⁷¹ [⁷¹ *The Citizen* 10 March 1998] The objective of the Prevention of Illegal Evictions from and Unlawful Occupation of Land Bill was to provide for fair procedures for the eviction of people who occupied any land without the permission of the owner or the person in charge of such land.⁷² [⁷² Prevention of Illegal Evictions from and Unlawful Occupation of Land Bill 1997, B89B-97]

The Freedom Front said the bill was a 'draconian piece of legislation' that made inroads on the right to property. The party said that the bill would impact negatively on property prices and discourage local and foreign investment. The National Party said it would support the legislation even though the bill could encourage illegal occupation of land.⁷³ [⁷³ *The Citizen* 10 March 1998]

Implementation

Statistics

Land Restitution

The Restitution of Land Rights Act of 1994 provided for priority treatment for people who lost their land after 1913 as a result of racially discriminatory legislation (ie after the Native Land Act of 1913 and the Native Trust and Land Act of 1936), and who had not been fairly compensated. Where feasible, the state would restore the original inhabitants to their land; where this was not feasible, the state would provide 'just and equitable compensation'. Applicants for restitution would enjoy priority treatment, as would their submissions to the Land Claims Court, which had been created to adjudicate on land disputes.⁷⁴ [⁷⁴ Development Bank of Southern Africa, *Development Southern Africa*, volume 14 no 3, October 1997]

The table and graph below show the number of land restitution claims by province received by the Commission on Restitution of Land Rights from May 1995 to January 1998 (the number of claims lodged in respect of land restitution is defined by the separate pieces of land being claimed and not the number of families involved in those claims):⁷⁵ [⁷⁵ Fax from the Commission on Restitution of Land Rights, 6 March 1998]

Land restitution claims: May 1995–January 1998

Province

Urban claims

Rural claims

Total claims lodged

Eastern Cape

1 229

544

1 773

Free State

1 133

74

1 207

Gauteng

4 152

607

4 759

KwaZulu-Natal

5 535

1 024

6 559

Mpumalanga

14

350

364

North West

663

371

1 034

Northern Cape

243

102

345

Northern Province

147

371

518

Western Cape

6 795

60

6 855

Total

19 911

3 50

According to the 1998 *Budget Review*, 18 restitution cases had been resolved by the end of 1997. Some 27 000 people had recovered about 150 000 hectares of land.⁷⁶ [⁷⁶ Department of Finance, *Budget Review*, March 1998, p6.36]

Land Redistribution

The purpose of the land redistribution programme was to provide the poor with access to land for residential and productive purposes in order to improve their livelihoods. The land redistribution programme was intended for people who did not qualify for restitution. Redistribution was to assist the poor, labour tenants, farmworkers, and women, as well as emergent farmers.⁷⁷ [⁷⁷ Development Bank of Southern Africa, *Development Southern Africa*, volume 14 no 3, October 1997]

The table below shows the number of redistribution projects which had been completed from April 1994 to March 1998:⁷⁸ [⁷⁸ Information supplied by the Department of Land Affairs, 25 March 1998]

Redistribution projects completed: April 1994–March 1998

Province

Hectares

Number of projects

Number of beneficiary households

Eastern Cape

1 209 645

11

3 768

Free State

1 374 144

21

1 220

Gauteng

8 354

1

75

KwaZulu-Natal

5 818 511

33

6 237

Mpumalanga

1 778 215

14

3 978

North West

455 211

6

1 750

Northern Cape

7 294 311

8

1 683

Northern Province

391 309

4

784

Western Cape

65 985

3

356

Total

18 395 685

101

19 851

A total of R184m was allocated for the development of land redistribution projects during 1998/99, according to the 1998 *Budget*

Land Reform Pilot Programme

A pilot land reform programme was initiated in 1994 to enable the Department of Land Affairs to test and refine land reform policies and procedures, particularly under the redistribution programme. By April 1997, 372 projects within and outside the pilot districts had been approved by the Department of Land Affairs. The projects involved 136 467 beneficiary households and some 2m hectares of land.⁸⁰ [80 Department of Land Affairs, *White Paper on South African Land Policy*, April 1997]

Finance

The budget of the Department of Land Affairs in 1997/98 amounted to R583m—which represented a decrease of 9.7% over the budget allocation of R645.7m in 1996/97.⁸¹ [⁸¹ Department of Finance, *Budget Review*, March 1997] In 1998/99 some R685m was allocated to the department. In terms of the medium-term expenditure framework, the allocation to the department would increase to R860m in 1999/2000 and R967m in 2000/01.⁸² [⁸² Department of Finance, *Budget Review*, March 1998, p6.36]

Water and Sanitation

The national assessment of water supply and sanitation report, published by the Department of Water Affairs and Forestry in November 1996, indicated that 18m people were without basic water supply and a further 27m had no basic sanitation. Estimates of the capital cost of remedying the deficiencies varied from R4.4bn to R13bn over ten years. The figures excluded the cost of refurbishing much of the infrastructure that had been inadequately maintained.⁸³ [⁸³ *Business Day* 21 January 1997] (See also 1996/97 Survey, p802, p806.)

A report prepared in 1998 for the office of the deputy president and the interministerial committee for poverty and inequality, and entitled *Poverty and Inequality in South Africa*, found that in 1998 some 21% of households in South Africa had piped water, while 28% had sanitation. In rural areas more than 80% of poor households had no access to piped water or sanitation. According to the report, 74% of rural African households needed to fetch water on a daily basis.⁸⁴ [⁸⁴ Report prepared for the office of the deputy president and the interministerial committee for poverty and inequality, *Poverty and Inequality in South Africa*, 13 May 1998, p22]

Policy

Water

In April 1997 the cabinet approved a *White Paper on Water Policy* which proposed that the government take total control of all water resources in South Africa. Some of the key proposals of the white paper were that:⁸⁵ [⁸⁵ Department of Water Affairs and Forestry, *White Paper on Water Policy*, 30 April 1997]

- in shared river basins, the government would be empowered to give priority over other users to ensure that the legitimate requirements of neighbouring countries could be met;
- water use allocations would no longer be permanent, but would be given for a reasonable period, and provision would be made to enable the transfer or trade of these rights between users; and

- the use of rivers and other water resources to dispose of wastes would be made subject to a catchment management charge which would cover costs, and a resource conservation charge where there were competing beneficial uses for such use and/or such use significantly affected other users.

The minister of water affairs and forestry, Professor Kader Asmal, said the policy sought to ensure that all South Africans would have access to water, and that the use of water resources was sustainable.⁸⁶ [⁸⁶ *The Citizen* 16 May 1997] The white paper was incorporated into the Water Services Act of 1997 and the National Water Bill (see *Legislation* below).

Sanitation

There was no new sanitation policy during the period under review.

Legislation

Water Services Act of 1997

President Nelson Mandela assented to the Water Services Act in November 1997. The act made provision for:

- the right of access to basic water supply and the right to basic sanitation. Basic water supply as defined in the white paper on *Water Supply and Sanitation Policy* (see 1994/95 Survey, pp576–578) was 25 litres per person per day within 200m of their home; and
- the monitoring of water services and intervention by the minister of water affairs and forestry or by the relevant province. In terms of the act, no person would be allowed to use water services from a source other than a water services provider nominated by the services authority having jurisdiction in the area in question, without the approval of that water services authority. No person would be allowed to obtain water for industrial use from any source other than the distribution system of a water services provider nominated by the water services authority having jurisdiction in the area in question, without the approval of that water services authority.

The act also gave the minister of water affairs and forestry, with the concurrence of the minister of finance, the power to prescribe norms and standards in respect of tariffs for water services. These norms and standards may differentiate on an equitable basis between:

- different users of water services;

- different types of water services; and
- different geographic areas, taking into account among other factors, the socio-economic and physical attributes of each area.⁸⁷ [⁸⁷ Water Services Act, no 108 of 1997, *Government Gazette* no 18 522, 19 December 1997]

National Water Bill

In January 1998 the cabinet approved a National Water Bill to remove control of water in South Africa from private hands and place it in the hands of state-controlled agencies. In terms of the bill, more than 25 regional water agencies would be introduced and a reserve of water for basic human and environmental needs guaranteed. No part of South Africa's water resources would be regarded as private. The bill, if enacted, would abolish the riparian system—in terms of which ownership of land next to a river bank entitles the owner to water, fishing and irrigation rights—and replace it with a water allocation system based on 'beneficial use in the public interest'. All water usage involving 'substantial' quantities would be licensed and consumers would be issued with such licences on a temporary basis.⁸⁸ [⁸⁸ *Business Day*, *The Citizen* 28 January 1998] The bill was tabled in Parliament in April 1998.

Statistics

In November 1994 the Department of Water Affairs and Forestry had stated in its white paper on water and sanitation that it aimed to provide a minimum of 25 litres of potable water per person per day within 200m of each home before the end of 2001. It also aimed to ensure that every dwelling in South Africa had at least a ventilated improved pit latrine before the end of 2001.⁸⁹ [⁸⁹ 1995/96 Survey, pp407–408]

As at September 1997, 1 020 water supply projects had been identified, were under way or had been completed. These would provide some 8.9m people with access to water supply and 100 000 to adequate sanitation. By the end of October 1997 the water supply programme had provided basic water supply and sanitation to about 1.2m people.⁹⁰ [⁹⁰ Department of Finance, *Budget Review*, March 1998, pp6.56–6.58]

Water

No new figures on access to water by the population were published in 1997. The following tables show the difference in access to water among the four race groups and between urban and non-urban areas in 1995 (the latest year for which figures are available), according to the 1995 *October Household Survey* published by the Central Statistical Service (CSS):⁹¹ [⁹¹ CSS, *October Household Survey* 1995, PO317, 27 November 1997]

Water sources by race — urban and non-urban: 1995^a

African

Coloured

Indian

White

Total

Running water in dwelling

Urban

56.1%

79.7%

97.5%

98.8%

74.1%

Non-urban

12.0%

43.6%

80.6%

77.9%

16.8%

Running tap water on site

Urban

33.9%

16.7%

1.0%

0.2%

19.8%

Non-urban

21.4%

32.4%

5.5%

0.9%

20.9%

Water carrier/tanker

Urban

0.8%

0.3%

—

—

0.5%

Non-urban

2.6%

3.5%

—

—

2.5%

Piped to public tap/kiosk (free)

Urban

7.1%

2.8%

0.1%

—

4.0%

Non-urban

15.4%

1.9%

—

0.2%

14.0%

Borehole with handpump on site

Urban

0.2%

0.1%

1.1%

0.0%^b

0.2%

Non-urban

4.0%

0.8%

0.5%

1.6%

3.8%

Borehole with handpump: communal

Urban

0.3%

0.1%

0.1%

0.0%^b

0.2%

Non-urban

7.7%

1.0%

—

0.6%

7.1%

Borehole with engine on site

Urban

0.1%

0.0%^b

—

0.4%

0.2%

Non-urban

1.2%

1.3%

—

12.5%

1.7%

Borehole with engine: communal

Urban

0.1%

0.0%^b

—

0.1%

0.1%

Non-urban

3.2%

1.0%

–

1.6%

3.0%

Rainwater tank

Urban

0.2%

0.0%^b

0.1%

0.2%

0.2%

Non-urban

4.2%

5.4%

12.4%

1.8%

4.2%

Flowing water/stream

Urban

0.2%

0.2%

—

0.1%

0.2%

Non-urban

16.7%

4.2%

0.9%

1.1%

15.3%

Dam/pool/stagnant water

Urban

0.0%^b

—

—

0.0%^b

0.0%^b

Non-urban

3.5%

2.5%

—

0.5%

3.3%

Well (non-borehole: on site)

Urban

0.0%^b

—

—

—

0.0%^b

Non-urban

0.2%

—

—

0.1%

0.2%

Well (non-borehole: communal)

Urban

0.2%

—

—

—

0.1%

Non-urban

1.1%

0.1%

—

—

1.0%

Protected spring

Urban

0.1%

0.0%^b

—

0.0%^b

0.1%

Non-urban

1.4%

0.7%

—

0.8%

1.4%

Unprotected spring

Urban

0.1%

—

—

—

0.0%^b

Non-urban

4.6%

1.0%

—

0.1%

4.2%

Other

Urban

0.6%

0.1%

–

–

0.3%

Non-urban

0.7%

0.7%

–

0.2%

0.7%

^a Figures should add up vertically but may not owing to rounding.

^b Proportion too small to record.

– Nil or not applicable.

The table below shows the number of households with no running tap water in the dwelling in urban a

Number of households with no running tap water in dwelling —urban and non-urban: 1995

African

Coloured

Indian

White

Total

Proportion of total households

Urban

1 230 517

120 582

5 900

20 244

1 377 621

25.9%

Non-urban

2 771 120

86 856

1 940

37 791

2 897 856

83.2%

Total

4 001 637

207 437

7 840

58 035

4 275 477

48.6

The pie charts below provide a breakdown by race of people with no running tap water in the dwelling in 1995 in urban and non-urban areas:

The proportion of households with no running tap water in their dwellings decreased from 52.4% in 1994 to 48.6% in 1995 (see 1995/96 Survey, p406). The table below shows how far people who had no running tap water in their home had to travel in 1995 to fetch water, according to the CSS (the racial and urban/non-urban spread of those which required improvements in terms of the government’s aim to provide a minimum of 25 litres of potable water per person per day within 200m of each home before the end of 2001 appears below the line):⁹³ [⁹³ Ibid]

Distances travelled to fetch water by households without water indoors — urban and non-urban: 1995

African
Coloured
Indian
White
Total
Less than 100m
Urban
81.3%
89.4%
84.7%
85.9%

82.1%

Non-urban

34.1%

82.3%

76.2%

76.2%

36.1%

100m-less than 200m

Urban

9.7%

7.3%

10.5%

5.6%

9.4%

Non-urban

18.5%

9.8%

8.9%

13.3%

18.1%

200m-less than 500m

Urban

4.5%

1.7%

4.9%

2.1%

4.2%

Non-urban

13.0%

2.6%

14.9%

3.7%

12.6%

500-less than 1km

Urban

2.7%

1.0%

—

3.4%

2.6%

Non-urban

17.7%

2.8%

–

2.5%

17.1%

1km or more

Urban

1.8%

0.5%

–

3.0%

1.7%

Non-urban

16.6%

2.5%

–

4.3%

16.0%

The Department of Water Affairs and Forestry said in October 1997 that the El Niño weather phenomenon would not dry up South Africa's water reserves. (El Niño, which caused warming of the Pacific Ocean, generally had a negative impact on South Africa's summer rainfall area.) During October 1997 the level of South Africa's dams was the highest it had been in 77 years (the storage level was 90%

of capacity). The department said that water delivery was not expected to become a problem for at least two to three years, by which time the phenomenon would have passed.⁹⁴ [⁹⁴ *The Citizen* 14 October 1997] However, the chief engineer at the department, Mr Chris Swiegers, told the portfolio committee on agriculture and water affairs in October 1997 that El Niño could have a ‘devastating impact’ on rural communities which did not have access to stored water and relied on run-off from streams and rivers.⁹⁵ [⁹⁵ *Ibid* 22 October 1997]

In March 1998 the minister of water affairs and forestry, Professor Kader Asmal, said the government had spent R240m on boreholes and other ‘preventive’ measures in rural areas to limit the impact of the expected drought brought on by the El Niño

Sanitation

The table below shows the proportion of households using different types of sanitation facilities in urban and non-urban areas by race in 1995 (the latest year for which figures were available), according to the CSS.⁹⁷ [⁹⁷ CSS, *October Household Survey* 1995, PO317, 27 November 1996]

Sanitation facilities by race — urban and non-urban: 1995

African

Coloured

Indian

White

Total

Flush lavatory in dwelling

Urban

42.1%

70.2%

96.6%

98.5%

65.5%

Non-urban

4.7%

38.2%

72.0%

97.6%

10.9%

Sanitation on site

Flush lavatory

Urban

33.2%

16.6%

1.4%

1.4%

19.8%

Non-urban

4.6%

8.0%

10.4%

0.7%

4.6%

Chemical lavatory

Urban

0.9%

0.1%

—

0.0%b

0.5%

Non-urban

1.4%

2.2%

—

0.1%

1.3%

Ventilated improved pit latrine

Urban

2.6%

0.4%

1.5%

0.0%b

1.5%

Non-urban

16.3%

8.8%

10.7%

—

15.2%

Other pit latrine

Urban

5.8%

0.7%

0.0%^b

—

3.1%

Non-urban

42.2%

18.0%

5.8%

0.6%

39.0%

Bucket lavatory

Urban

9.9%

10.5%

0.0%b

0.0%b

6.4%

Non-urban

1.3%

4.2%

—

0.0%b

1.4%

Other

Urban

0.0%b

—

—

—

0.0%b

Non-urban

0.0%b

—

—

—

0.0%b

Sanitation off site

Flush lavatory

Urban

1.9%

0.3%

0.4%

0.1%

1.1%

Non-urban

0.6%

1.2%

—

—

0.6%

Chemical lavatory

Urban

0.5%

—

—

—

0.3%

Non-urban

0.3%

0.4%

—

—

0.3%

Ventilated improved pit latrine

Urban

0.2%

0.1%

—

—

0.1%

Non-urban

2.3%

2.2%

—

—

2.1%

Other pit latrine

Urban

0.7%

0.2%

—

—

0.4%

Non-urban

5.9%

2.1%

—

0.3%

5.5%

Bucket lavatory

Urban

1.1%

0.6%

—

—

0.7%

Non-urban

0.2%

0.9%

—

—

0.2%

Other

Urban

0.0%b

—

—

—

0.0%b

Non-urban

0.3%

—

1.1%

—

0.3%

No sanitation facility

Urban

1.0%

0.4%

0.0%^b

—

0.6%

Non-urban

19.8%

13.8%

—

0.6%

18.5%

^a Figures should add up vertically but may not owing to rounding.

^b Proportion to

Finance

The budget of the Department of Water Affairs and Forestry in 1997/98 amounted to R2.14bn, which was 8.9% less than the 1996/97 amount of R2.35bn (see 1996/97 Survey, p809). In November 1997, the minister of water affairs and forestry, Professor Kader Asmal, said that his department would have to

reduce its provision for community water schemes unless it could be guaranteed increased allocations in the government's three-year budget plan (see also chapter on *The Economy*). In 1998/99 the department was allocated R2.32bn. The allocation would increase by 6.8% to R2.48bn in 1999/2000, and by 6.5% to R2.64bn in 2000/01.⁹⁸ [98 Department of Finance, *Budget Review*, March 1998, p6.55]

Policy Review

Because financial institutions had been slow in granting housing loans to low-income households, in April 1998 the Department of Housing said that it would table legislation to compel them to disclose their lending patterns for low-cost housing and small business. The *Record of Understanding*, the 1994 agreement between the department and banks which was designed to facilitate bank lending in the lower end of the market, was widely perceived to have failed. According to the Banking Council of South Africa, the failure of the government to end bond boycotts and normalise bond repayments was to blame for the banks' failure to provide sufficient loans to low-income groups. A researcher at the Centre for Policy Studies, Ms Mary Tomlinson, argued that instead of forcing banks to be more involved in low-cost housing, the emphasis should be on alternative loan methods and financing sources such as micro-loans that were repayable within a short period at a fixed interest rate. She said that the *Record of Understanding* shifted the focus away from what homeowners could afford to borrow, up to the amount for which they qualified.⁹⁹ [99 *F & T Weekly* 5 December 1997] At the time of writing the *Record of Understanding* was being revised and a new one would come into effect retroactively from 1st April 1998.

A number of new policies on housing were introduced during the period under review. The government set in motion plans to protect consumers from 'unscrupulous' developers by making compulsory the registration of builders using government subsidies. The National Home Builders Registration Council would set acceptable standards of construction. A bill making the council a statutory body was expected to be published in June 1998 and builders seeking to access credit would have to register with the council.¹⁰⁰ [100 *Business Day* 7 May 1997] The Building Industries Federation of South Africa (Bifsa) voiced objections to the plan, as it was originally intended to protect buyers of low-cost houses of up to R65000 but had subsequently been extended to houses of less than R250000.¹⁰¹ [101 *Ibid* 8 May 1997] The Black Construction Industry, an organisation representing black construction businesses, supported the bill but expressed concern that established and emerging builders would be charged the same levy by the council. It said that this would be unfair as the two did not enjoy the same level of profit.¹⁰² [102 *Ibid* 20 August 1997] Organisations such as the People's Dialogue and the South African Homeless People's Federation opposed the bill. They feared that it created barriers to entry into the building industry as many small builders would not meet the council's standards and credit check requirements.¹⁰³ [103 *Frontiers of Freedom* No 14, Fourth Quarter, 1997]

Social housing was increasingly seen by the government as another way of addressing housing needs beyond 2000. According to the Department of Housing, a second white paper was being drafted to take this into account. Social housing refers to government-subsidised rental accommodation to make

housing accessible to the poor. In May 1998 the minister of housing, Ms Sankie Mthembu-Mahanyele, said that the government would introduce legislation aimed at speeding up housing delivery by making provision for the state to build houses for rental by low-income earners. According to the minister, the Housing Rental Bill, which had not been published yet, also aimed to redress the situation where white people who occupied government flats before 1994 had continued to do so and therefore ‘unfairly’ benefited from the system.¹⁰⁴ [¹⁰⁴ *The Star* 22 May 1998]

The Department of Housing launched the People’s Housing Process (PHP) in April 1998. The aim of the PHP was to support people who preferred to build their own houses and had limited access to subsidies, land tenure, and technical assistance. The executive director of the Building Industries Federation of South Africa (Bifsa), Mr Ian Robinson, said that the policy could improve housing delivery in the long term, but was unlikely to enable the government to meet its target of 1m houses by 1999. The minister of housing, Ms Sankie Mthembu-Mahanyele, said that recent international studies had shown that support for self-builders was an efficient route to mass housing since self-provisioning outperformed delivery by governments.

The National Water Bill proposed that the government remove control of water resources from private hands and place it in the hands of state-controlled agencies. Riparian rights—whereby the right to use water was tied to the ownership of land along rivers—was to be abolished. This meant that water consumers who enjoyed this right before would have to pay in future. The National Party said that the removal of riparian rights was an infringement of the property clause of the constitution. The party said that it would investigate ways of achieving a Constitutional Court review of the legislation. The South African Agricultural Union (SAAU) said the bill sought to give the minister of water affairs total power in decisions regarding the distribution and allocation of water and water rights. In June 1998 the SAAU said that it would take the bill to the Constitutional Court.¹⁰⁵ [¹⁰⁵ *Business Day* 10 June 1998]

Amendments to land reform legislation aimed at speeding up land redistribution and giving the minister of land affairs more powers to expropriate land were proposed in Parliament in May 1998. The amendments were welcomed by most stakeholders but rejected by the National Party and the Freedom Front. The two parties said that the proposed amendments ‘disguised’ intentions by the minister, Mr Derek Hanekom, to expropriate private land. They said that the planned changes would ensure that no ruling of the Land Claims Court ‘would ever be final’. Mr Hanekom dismissed the fears and said that landowners would have more protection than before as the minister was ‘obliged’ to consult with landowners whose land was required for settlement.¹⁰⁶ [¹⁰⁶ *Ibid* 8 May 1998] In February 1998 Mr Hanekom also announced plans to resolve the ‘stranglehold’ traditional leaders had over the administration of land in tribal areas.

Legislation to repeal the Prevention of Illegal Squatting Act of 1951 and make it a criminal offence to evict unlawful occupants of land without a court order was approved by the National Assembly in March 1998. The Prevention of Illegal Evictions from and Unlawful Occupation of Land Bill sought to provide lawful and fair procedures in terms of which people who illegally occupied land could be evicted. The bill met with opposition from the agricultural and banking sectors. The Council of South

African Banks (now the Banking Council of South Africa) said that the banking sector was concerned at the potential threats the bill posed to the stability of the property market and to loan values. Some political parties expressed fears that the bill would encourage illegal occupation of land. The Gauteng Association for Local Authorities said that local government would be affected because it would be unable to deal with unlawful land occupation. The SAAU said the bill did not provide the necessary protection to landowners.¹⁰⁷ [¹⁰⁷ *The Star* 22 October 1997]

ARTS AND CULTURE

Bird's Eye View

During the period under review, several significant pieces of legislation were passed. These were the National Arts Council Act, the Legal Deposit Act, and the National Film and Video Foundation Act. Their broad intention was to provide infrastructural and institutional support for the arts community.

The Department of Arts, Culture, Science and Technology continued to stress the importance of promoting historically 'disadvantaged' forms of art and culture, and the need to make it accessible to as many South Africans as possible. This view was reiterated by other state bodies that deal with cultural issues, such as the Independent Broadcasting Authority and the South African Broadcasting Corporation (SABC). This took the form of reallocating state funding towards community-based arts projects and recording and promoting 'historically neglected' areas in South Africa's cultural heritage. At the same time funding for 'classical' arts forms, such as the performing arts councils and orchestras, was reduced. However, there have been difficulties in effecting this change of emphasis: complaints have been made that minimum local content requirements for the broadcast media may not be practicable, while there has been some hesitation on the part of the government about the approach to be taken in respect of the forthcoming commemoration of the Anglo-Boer War.

In view of financial difficulties experienced by the arts community, the private sector was increasingly seen as a source of funding and managerial expertise by the government, the private sector itself, and arts organisations. In early 1997, Business Arts South Africa (Basa) was launched to develop partnerships between the arts community and the private sector, in terms of which the business community would provide advisory and financial support to the arts. Basa would at the same time work for the establishment of a business environment that would be more congenial to the promotion of the arts, for example by lobbying the receiver of revenue to recognise expenditure on the arts as a legitimate marketing expense.

The private sector was also involved in a number of initiatives. These included the provision of financial support to the National Symphony Orchestra after the SABC ceased funding it, as well as support extended by, among others, First National Bank, Standard Bank and South African Breweries for a variety of concerts, festivals and awards.

The government has also stressed the potential for the arts to produce economic benefits. For this reason a 'cultural industries growth strategy' was initiated by the Department of Arts, Culture, Science and Technology in collaboration with the Department of Trade and Industry.

Key Points

- The budget allocation for the Department of Arts, Culture, Science and Technology for the 1998/99 financial year totalled some R740m, of which arts and culture would receive R274m, the national archives R15m and the national language services R27m. Over the following two financial years, the budget for arts and culture would be reduced to R247m in 1999/2000, but would be increased in 2000/01 to R254m.
- In early 1997 Business Arts South Africa was launched by a number of South African companies. Its aim was to provide the arts community with financial and advisory support from the private sector.
- South Africa's orchestras faced difficulties in the period under review resulting from a reduction of their funding by their traditional public sector funders. Consequently they were forced to seek assistance from the private sector or face closure.
- The 1998 *Programme of Action* of the Department of Arts, Culture, Science and Technology stressed the need to alter the arts and culture environment to make it more accessible to a greater part of South Africa's population, and also to correct 'imbalances' that had been created by past policies. The programme's proposals included reconceptualising museums, devolving archive functions to the provinces, and spreading opportunities for arts training and involvement as widely as possible, in particular through 'strategically' located community arts centres.
- During the period under review three significant pieces of legislation were passed: the National Arts Council Act, The National Film and Video Foundation Act, and the Legal Deposit Act. The first two sought to provide institutional support to various facets of the arts while the third sought to regulate the preservation and recording of published works in a variety of media.
- In September 1997 the president, Mr Nelson Mandela, called for the restructuring of South Africa's museums and monuments to reflect the experiences of all South Africa's people. He added that South Africa's museums often portrayed Africans as 'lesser human beings'.
- According to the Northern Cape MEC for tourism, Mr Goolam Akhwaray, the organisers of the centenary of the Anglo-Boer War would have to revise the history of the war, unless they wished to be accused of racism.
- The Legacy Project, chaired by the director general of arts, culture, science and technology, was viewed as a means by which 'historically neglected' areas of South African heritage could be recorded

and celebrated.

- In February 1997 the minister of arts, culture, science and technology, Mr Lionel Mtshali, announced that a geographical place names commission would be established to advise him on changing existing place names.

Policy

Museums

According to its 1998 *Programme of Action*, the Department of Arts, Culture, Science and Technology would 'reconceptualise and restructure' South Africa's museums to ensure that they were more representative of South African history, especially as it related to black people. Training and employment programmes would be used to correct demographic imbalances in the staffing of museums.¹ [¹ Department of Arts, Culture, Science and Technology, *1998 Programme Selected Activities*, 1998, p12]

National Archives

The programme noted that access to archives would be broadened by devolving responsibilities and resources to provinces, through the use of information technology, and through projects geared towards recording oral histories. A national archives commission would be formed in 1998.² [² Ibid, p13]

Cultural Industries Growth Strategy

A 'cultural industries growth strategy' was designed to provide an 'economic base for culture'. The *Programme of Action* for 1998 noted that a 'cultural industry' required an infrastructure and skilled labour, and had to compete in a global environment. The strategy would be undertaken in collaboration with the Department of Trade and Industry. The programme also noted that research into 'film, craft, music and publishing is currently under way' and that a key element of this strategy would be to form partnerships with the private sector.³ [³ Ibid, p15]

Community Arts Centres

Community arts centres were envisaged as facilities where young people could obtain training and resources to become involved in various types of art, according to the Department of Arts, Culture, Science and Technology. Some 43 projects, located 'strategically', would be implemented, and would be completed by 1999.⁴ [⁴ Ibid, p17]

Local Content Requirements

Following a recommendation in October 1997 by the Independent Broadcasting Authority that all broadcasting stations should be required to air a minimum quota of locally produced material on radio and television stations—including a minimum quota of 20% of local-content music for all radio stations devoting a substantial amount of their airtime to music—concern was expressed that in certain fields there would not be enough locally produced material to make this proposition viable.⁵ [⁵ *Die Burger* 4 November 1997]

The Motion Picture Association (MPA), an advocacy group for the film industry in the United States, expressed concern that these provisions were ‘discriminatory’, especially given the fact that some 10% of programming for a new private television channel—which was expected to be launched in October 1998—would have to be locally produced in its first year of operation. This proportion would be expected to increase to 25% by its third year. The MPA stated that it was ‘particularly concerned that the quota for private broadcasters may become more restrictive’.⁶ [⁶ *The Star* 29 October 1997, *Business Day* 10 December 1997]

The vice president of the Musicians’ Union of South Africa, Mr Howard Belling, stated in October 1997 that although his organisation had requested a minimum local content quota of 50%, it was satisfied ‘with a 20% quota for now, but we are not happy with it as a final quota’.⁷ [⁷ *The Star* 29 October 1997]

Legislation

National Film and Video Foundation Act of 1997

The National Film and Video Foundation Act, which was passed in October 1997, established a foundation which would strive to promote the development of the domestic film industry, especially among ‘disadvantaged’ communities. The National Film and Video Foundation would render support to the South African film industry by, inter alia, providing financial support to film makers, conducting research into the film and video industry, investigating and determining which fields of the industry should receive priority support, and advising the minister on matters concerning the industry.⁸ [⁸ National Film and Video Foundation Act no 73 of 1997, *Government Gazette* no 18 489, 3 December 1997] The foundation would be established in 1998.⁹ [⁹ Department of Arts, Culture, Science and Technology, *1998 Programme Selected Activities*, 1998 p16]

Legal Deposit Act of 1997

The Legal Deposit Act was passed in September 1997.¹⁰ [¹⁰ *The Citizen* 17 September 1997] It required that copies of all published works, in any of a variety of media (‘auditory, graphic, textual or any other medium’), should be sent for purposes of record and preservation to a place of legal deposit within 14 days of publication.

According to the act, the places of legal deposit would be:¹¹ [¹¹ Legal Deposit Act no 54 of 1997, *Government Gazette* no 18 424 14 November 1997]

- the City Library Services, Bloemfontein;
- the Library of Parliament, Cape Town;
- the Natal Society Library, Pietermaritzburg;
- the South African Library, Cape Town;
- the State Library, Pretoria;
- the National Film, Video and Sound Archives, Pretoria, (for certain categories of documents); and
- any other institution prescribed by the minister of arts, culture, science and technology.

National Arts Council Act of 1997

The National Arts Council Act was passed in September 1997.¹² [¹² *The Citizen* 17 September 1997] Mr Lionel Mtshali, the minister of arts, culture, science and technology, said in September 1997 that the bill would provide substantial benefits to artists and to the South African community as a whole, through direct support for individual artists and arts organisations. He affirmed support for the principle of an ‘arm’s length relationship between the arts and government’ in order to secure the independence from state control of the arts in South Africa.¹³ [¹³ *Hansard* (NA) 18 cols 4880-4882, 16 September 1997]

The functions of the council included the following:¹⁴ [¹⁴ National Arts Council Act, No 56 of 1997, *Government Gazette* No 18 426 14 November 1997]

- supporting the arts through advice, information and finance;
- investigating which areas of the arts should be targeted for priority support;
- conducting research into any field of the arts;
- collecting and storing data on and for the use of the arts community;
- making bursaries available for students to study the arts; and

- advising the minister on matters relating to the arts.

National Heritage Bill

The aim of the proposed National Heritage Bill was to establish a structure to ‘co-ordinate the expression of and access to the living heritage of all South Africans’. A national heritage council would seek to ‘promote an integrated approach to all of the national heritage institutions’ including archives, living heritage, monuments, museums, national symbols and place names. It would also develop strategies for maintaining and managing sites of significance to South Africa’s heritage. The bill would facilitate ‘the restructuring of the current National Monuments Council’.¹⁵ [15 Department of Arts Culture Science and Technology, *1998 Programme Selected Activities*, 1998 p11] At the time of writing the bill had not yet been tabled in Parliament.

Funding

State Funding

In February 1997 the minister of arts, culture, science and technology, Mr Lionel Mtshali, said that some R50m would be spent on constructing new arts and culture facilities and refurbishing old ones.¹⁶ [16 *The Star* 11 February 1997] According to the 1998 *Budget Review*, these community arts centres would be funded ‘from a prior allocation of R50m from the reconstruction and development programme fund’.¹⁷ [17 Department of Finance, *Budget Review 1998*, 1998, p6.12]

Writing in the *Sowetan* in April 1998, the director general of arts, culture, science and technology, Mr Roger Jardine, indicated that since 1994 the department had provided funds to 536 arts organisations and projects, and assisted 143 organisations to travel and perform in foreign countries. In 1994 the performing arts councils had accounted for 68% of the arts and culture budget. In the 1998/99 financial year, this had been reduced to 32%. This reduction was ascribed to the government’s view that funds should be made available to develop a wider range of arts and culture in the country. Before 1994, he added, ‘the government’s role was merely a conduit for public money to be passed on to the four performing arts councils’.¹⁸ [18 *Sowetan* 17 April 1998]

Budget Allocations

The budget allocation for arts and culture, the national archives and the national language services was R315m in 1998/99. In terms of the government’s medium-term expenditure framework, expenditure on arts and culture, the national archives and the national language services would drop to R293m in 1999/2000 but would increase to R302m the following year.¹⁹ [19 Department of Finance, *Budget Review 1998*, 1998, 6.11]

Private Sector Funding

In July 1997 Mr Kenneth Marcus, chairman of the Cape Town Philharmonic Orchestra, called for 'strategic collaborations' between the private sector, local communities and the arts community. He argued that there was a need to look for alternative sources of funding as subsidies from government declined, and that the arts would have to find a way of running on business principles without compromising their integrity. ²⁰ [²⁰ *Cape Times* 22, 23 July 1997]

In mid-June 1997 the Grahamstown Foundation—a non-profit organisation which manages a number of projects relating to arts, culture and science, including the Standard Bank National Arts Festival—convened a conference to discuss the economic importance of arts and culture. Mr Chris Mann, director of operations at the Grahamstown Foundation, said in May 1997 that it was impossible to calculate accurately the economic benefits of arts and culture to South Africa's gross domestic product, but it was estimated at some 2%. However, he pointed out that South African art was 'bedevilled' by a number of factors, including 'foolish prejudices', such as a perception that business could not be creative or that artists could not be self-disciplined, problems with the disbursement of grants by people without an understanding of 'cultural economics', and a shortage of basic infrastructure and negotiating skills in the arts community. ²¹ [²¹ *Business Day* 23 May 1997]

Business Arts South Africa

In early 1997 Business Arts South Africa (Basa) was launched, with the deputy president, Mr Thabo Mbeki, as its patron. Its goal was to develop partnerships between the arts community and the private sector. The business community would provide advisory support and sponsorships to the arts. Membership fees of companies would go into the promotion of sponsorship. Basa was modelled on partnerships operating abroad, for instance, in the United Kingdom. According to the deputy minister for arts, culture, science and technology, Ms Brigitte Mabandla, 'the private sector is potentially a major source of funding for the arts'. ²² [²² *Sowetan* 7 February 1997, *Business Day After Hours* 1 May 1998] Companies involved in this initiative included Absa Bank, De Beers Consolidated Mines, First National Bank, South African Breweries, and Transnet. ²³ [²³ *The Mercury Business Report* 30 January 1997]

Later in the year it was announced that Basa would introduce a matching grant scheme. Arts organisations or businesses which had provided sponsorships could apply to Basa for a grant which would equal the original sponsorship. Basa would also lobby the receiver of revenue 'to recognise arts as a legitimate marketing expense'. ²⁴ [²⁴ *Sunday Tribune* 28 September 1997]

President's Arts and Culture Trust

The President's Arts and Culture Trust was launched with initial contributions of R1m from Nedbank and Sun International and R1m over three years from the Department of Arts, Culture, Science and

Technology in October 1994. In March 1998 it was announced that since its inception, the trust had donated money to 94 projects and initiatives. It had also made funds available for 42 bursaries in related fields.²⁵ [²⁵ *Sowetan* 3 March 1998]

In the same month it was announced that the Dutch government would donate R1m to the trust. The trust would give annual awards to people and institutions which had made invaluable contributions in different fields of arts and culture. Eleven categories were to be recognised, including the best arts and culture journalist, print publication, and arts administrator of the year.²⁶ [²⁶ *Ibid*]

Other Initiatives and Proposals

During the period under review, the private sector participated in several projects to assist in the development of arts and culture. These included:

- an eisteddfod held in February 1997 in Johannesburg sponsored by South African Breweries in collaboration with the South African Choral Music Association;²⁷ [²⁷ *New Nation* 28 February 1997] and
- the Soweto Music Project, a competition launched in early 1997, which would seek out aspirant musicians and provide free music tuition to 100 of them for the period of one year. It was sponsored by Volkskas in association with two cultural organisations, the South African Music Education Trust and the African Cultural Organisation of South Africa.²⁸ [²⁸ *Sowetan* 6 February 1997, 25 June 1997]

The Vita Awards sponsored by First National Bank, the Old Mutual National Choir Festival and the Oude Libertas Theatre Festival were other arts and culture initiatives funded by the private sector.²⁹ [²⁹ *Business Day After Hours* 1 May 1998]

In March 1997 Mr André Hamersma, the general manager of public affairs at Standard Bank, called for a ‘more commercially minded approach to fund raising’ in the arts. He cautioned against tax concessions for arts sponsorships since this ‘is a form of government spending’.³⁰ [³⁰ *The Sunday Independent* 9 March 1997]

Orchestras

During the period under review many orchestras faced severe problems owing to cuts in state funding (see also 1996/97 Survey, pp138–139). According to the principal conductor of the Cape Town Philharmonic Orchestra, Mr Bernhard Guellar, these problems were not unique to South Africa, but the limited number of orchestras in the country meant that the closure of one had a proportionally greater impact than it would have in many other countries. He noted, however, that he was impressed by the amount of non-governmental support that South African orchestras received.³¹ [³¹ *Ibid* 15 June 1997]

Developments in specific orchestras are discussed below.

Cape Town Philharmonic Orchestra

On 1st April 1997 a merger took place between the Cape Town Symphony Orchestra and the Cape Philharmonic Orchestra. The new body was named the Cape Town Philharmonic Orchestra. Funding for the orchestra was raised on an 'ongoing basis', largely from the private sector, although some funding had been made available by the provincial government.³² [³² Telephonic interview with Ms Ursula Badminton, Cape Town Philharmonic Orchestra, 20 March 1998]

National Symphony Orchestra

During the period under review the South African Broadcasting Corporation (SABC) announced that its funding of the National Symphony Orchestra (NSO) would be discontinued (see also 1996/97 Survey, p138). The SABC noted that it was 'increasingly difficult' to justify the R15m a year subsidy to the orchestra in view of its other priorities, which included expanding access to the broadcasting media.³³ [³³ *Sunday Times* 12 January 1997]

The NSO began to seek private funding to sustain itself, and in January 1997 it was announced that Dr Anton Rupert had pledged some R2m over a period of ten years.³⁴ [³⁴ *The Star* 10 January 1997]

At the end of November 1997, the formal links between the NSO and the SABC were ended and in January 1998 the NSO converted into a section 21 company.³⁵ [³⁵ Telephonic interview with Ms Debbie Parnall, National Symphony Orchestra, 19 March 1998]

Pietermaritzburg Philharmonic Society

It was announced in January 1997 that the Pietermaritzburg Transitional Local Council had offered the Pietermaritzburg Philharmonic Society some R15 000 per month to run the Winston Churchill Theatre Complex. The director of the society stated that the society would need between R38 000 and R40 000 to run the complex. It was further noted that a failure to collect adequate funding would result in the closure of the society.³⁶ [³⁶ *Natal Witness* 28 January 1997]

During the period under review the Pietermaritzburg Philharmonic Society ceased to exist.

Performing Arts Councils

Cape Performing Arts Board

At the time of writing, the process of converting the Cape Performing Arts Board (Capab) to an independent body continued, and was expected to be finalised by March 1999, in accordance with the *White Paper on Arts and Culture* (see also 1996/97 Survey, pp122, 136). Capab's name was expected to be changed and it would receive support to manage the Nico Malan Theatre, and to provide a core infrastructure. Constituent elements of its performing staff were in the process of setting themselves up as private organisations (see also *Cape Town Philharmonic Orchestra* above).³⁷ [³⁷ Telephonic interview with Mr Alistair Coburn, Cape Performing Arts Board, 23 March 1998]

Kwazulu-Natal Playhouse Company

During the period under review the KwaZulu-Natal Playhouse Company was engaged in a number of educational and development programmes. These included:

- services to 'amateur and community artistes and groups', to assist in the development of artistic skills; and
- the Reachout project, for some 130 students between the ages of 6 and 18, which featured folk dancing to promote cultural diversity and a children's story ballet.³⁸ [³⁸ Letter from Ms Jane Garfield, KwaZulu-Natal Playhouse Company, undated]

According to the company's 1996/97 annual report, the racial breakdown of attendances at performances—both formal and informal (ie where patrons did not have to pay and attendance was measured by a head count)—between 1994 and 1997 showed a small decline in attendance by whites (from 268 618 in 1994 to 247 368 in 1996). Attendance by Africans rose from 76 255 in 1994 to 262 089 in 1996, by Indians from 25 030 to 90 997 in the same period, and by coloured people from 1 296 to 17 412.³⁹ [³⁹ KwaZulu-Natal Playhouse Company, annual report 1996/97, 1997, p26]

Performing Arts Council of the Transvaal

In February 1997 the minister of arts, culture, science and technology, Mr Lionel Mtshali, announced that he intended dissolving the board of the Performing Arts Council of the Transvaal (Pact). This would be the start of a process of establishing performing arts councils in each of the provinces currently under the jurisdiction of Pact.⁴⁰ [⁴⁰ *The Citizen* 11 February 1997]

Performing Arts Council of the Orange Free State

Although the Institute had approached this body for information, nothing had been supplied at the time of writing.

Arts Festivals

Although a number of arts festivals were held during the period under review, the ones discussed below present some key themes and trends that were apparent in this period.

Klein Karoo National Arts Festival

The Klein Karoo National Arts Festival, a festival of mostly Afrikaans-language arts and culture, was first held in 1995. According to Mr Pieter Fourie, director of the festival, although 'no arts festival can be profitable', sponsorships from the private sector had helped to make the festival possible.

Sponsorships for the 1997 festival were estimated to be in the region of R3.4m.⁴¹ [⁴¹ *F & T Weekly* 28 March 1997]

The festival was, however, marred by instances of allegedly racist conduct by some members of the audience: for instance, Ms Mirriam Makeba, a prominent African singer, was pelted with beer cans.⁴² [⁴² *Beeld* 31 March 1997] Out of sympathy for Ms Makeba, the premier of Mpumalanga, Mr Matthews Phosa, subsequently cancelled his scheduled attendance, where he was to deliver a lecture on his own Afrikaans poetry.⁴³ [⁴³ *Ibid* 1 April 1997] Mr Ton Vosloo, the managing director of Nasionale Pers (the main sponsor of the festival), commented that there 'is a wonderful spirit of inclusion for the sake of Afrikaans ... we regret the fact that a minority tried to spoil a beautiful attempt to keep Afrikaans as broad as possible'.⁴⁴ [⁴⁴ *Mail and Guardian* 4 April 1997]

Writing in *Beeld* in April 1998, Professor Hermann Giliomee, an academic at the University of Cape Town and a vice president of the South African Institute of Race Relations, remarked that in 1998 the festival had helped to show that the 'house of Afrikaans cultures has many rooms', thereby making it accessible to many.⁴⁵ [⁴⁵ *Beeld* 13 April 1998]

Johannesburg Biennale

The second Johannesburg Biennale, scheduled to begin in October 1997 and run for three months, had as its theme *Trade Routes: History and Geography*.⁴⁶ [⁴⁶ *Business Day* 10 January 1997] The United States Information Service donated some R317 000 to the event, while other sponsors included the British Council and the French Institute.⁴⁷ [⁴⁷ *Ibid* 7 October 1997; telephonic interview with Mr Victor Modise, executive officer of Metro Sport, Arts and Culture, 2 June 1998] In late November it was announced that the biennale might be cut short owing to the withdrawal of a large amount of funding that had originally been promised by the Greater Johannesburg Transitional Metropolitan Council, the main sponsors of the biennale.⁴⁸ [⁴⁸ *The Sunday Independent* 30 November 1997, *The Star* 5 December 1997]

However, the organisers of the biennale announced in early January 1998 that they had raised some R208 000 from 'local funding agencies' which would enable the biennale to continue for its allotted period.⁴⁹ [⁴⁹ *The Sunday Independent* 11 January 1998, *Sowetan* 15 January 1998]

Standard Bank National Arts Festival

The Standard Bank National Arts Festival in Grahamstown was held in early July 1997. It was estimated that attendance at the festival had declined by some 28% compared to 1996. Commentators ascribed this to the ‘economic situation’ and fears of crime.⁵⁰ [⁵⁰ *The Star* 9 July 1997, *Eastern Province Herald* 15 July 1997] According to research conducted by Professor Geoff Antrobus of Rhodes University, in 1996 some 25 000 visitors had come to Grahamstown for the festival.⁵¹ [⁵¹ *The Sunday Independent* 15 June 1997]

A report in *City Press* voiced disappointment that ‘almost 90% of the productions on offer were lily-white and had little appeal to broader black audiences’.⁵² [⁵² *City Press* 20 July 1997] Organisers of the festival, however, disputed this view and argued that the festival had ‘a really good and balanced programme, which catered for all tastes’.⁵³ [⁵³ *Eastern Province Herald* 15 July 1997; telephonic interview with Ms Lynette Marais, festival director at the Grahamstown Foundation, 20 March 1998]

The Film Industry

During the period under review the Independent Producers’ Organisation, an organisation formed in 1996 to encourage the development of local film, indicated that 1997 had been a good year for the South African film industry, and that foundations had been laid to create a ‘real emergence of film in this country’.⁵⁴ [⁵⁴ *Mail and Guardian* 24 December 1997]

State Funding

In April 1997 it was announced that the film industry would receive R10.5m in government support in 1997/98. This represented an increase of some 200% over the previous allocation.⁵⁵ [⁵⁵ *Beeld* 22 April 1997]

In November 1997 the deputy minister of arts, culture, science and technology, Ms Brigitte Mabandla, said that the government was committed to the creation of a strong domestic film industry. She added that although the government had a great deal of sympathy with film makers, it had to be remembered that there were other competing priorities.⁵⁶ [⁵⁶ *Die Burger* 5 November 1997]

Other Initiatives

Southern African International Film and Television Market

At the Southern African International Film and Television Market, which was held in November 1997 in Cape Town, Mr Haile Gerima, an Ethiopian film-maker, stated that black people were being used as ‘window dressing’ in film production. He said that those films screened at the market which were made

by white South Africans were ‘racist’ and that the organisers had a ‘neo-colonial attitude’. He also criticised the involvement of the British Council, which had held a short training course for aspirant film makers, arguing that it did not understand African cinema.⁵⁷ [⁵⁷ *The Citizen* 7 November 1997]

Also commenting on the market, Mr Pierre Rissient, a selector for the Cannes Film Festival, stated that he had not encountered anything ‘striking’. He added, though, that there was a large amount of potential for South Africa to produce quality films.⁵⁸ [⁵⁸ *The Sunday Independent* 10 November 1997]

New Directions

During the period under review, M-Net, a South African subscription television service, continued to sponsor New Directions, a competition aimed at encouraging young film makers by way of granting financial support and exposure to produce half-hour films which were then screened on M-Net and marketed overseas.⁵⁹ [⁵⁹ *The Citizen* 3 June 1997]

In 1997 some 200 scriptwriters and 100 directors entered the competition, and three films were produced. Grants to the entrants of New Directions, as well as accompanying training and development programmes, cost some R2.2m in 1997.⁶⁰ [⁶⁰ Telephonic interview with Mr Richard Green, executive producer of New Directions, 22 April 1998]

Heritage

The Legacy Project

The Legacy Project was chaired by the director general of arts, culture, science and technology and incorporated representatives from other departments. It sought to promote and record the heritage of ‘historically neglected’ areas of South African heritage.⁶¹ [⁶¹ Department of Arts, Culture, Science and Technology, *1998 Programme Selected Activities*, 1998, p14] At the time of writing, the programmes associated with the Legacy Project were still in the early stages of development. They included the following:⁶² [⁶² Telefax communication from Mr Themba Wakashe, chief director of arts and culture, 9 April 1998]

- Samora Machel Memorial Project;
- Freedom Square Project;
- Constitution Hill Project; and
- Qunu Museum/Nelson Mandela Museum Project.

The Commemoration of the Anglo-Boer War

The centenary of the Anglo-Boer War in 1999 had been identified as a legacy project, although at the time of writing government had not decided on how to approach it.⁶³ [⁶³ Ibid]

Controversies Surrounding the Anglo-Boer War Centenary

Writing in an article in the journal of the Conservative Party, *Patriot*, Professor Hendrik van der Wateren, chairman of the Volkskomitee vir die Herdenking van die Tweede-Vryheidsoorlog (a body established to commemorate the war from a specifically Afrikaner-nationalist perspective), said that nationalist-minded Afrikaners could not participate in the 'official' commemoration, since they wished to celebrate the Afrikaner's desire for freedom, and not 'reconciliation'.⁶⁴ [⁶⁴ *Patriot* 3 October 1997]

At an Anglo-Boer War expo in Kimberley (Northern Cape) in October 1997, the provincial MEC for tourism, Mr Goolam Akhwaray (ANC), stated that the organisers of the centenary events would have to revise the history of the war, unless they wished to be accused of racism. He referred in particular to a more inclusive record of the role of black people in the conflict. However, the organisers of the expo denied that they had omitted this aspect, and remarked that they had been looking at the war as 'a total South African war'.⁶⁵ [⁶⁵ *Sunday Times* 12 October 1997]

Museums and Monuments

In April 1997 the Department of Arts, Culture, Science and Technology announced that the development of the Robben Island Museum would receive a subsidy of some R28.5m for the 1997/98 financial year, while the Voortrekker Museum in Pietermaritzburg would receive R1.7m, and the War Museum in Bloemfontein R1.8m. The Voortrekker Monument in Pretoria would receive a subsidy of R425 000. The department added that an increasing number of black schoolchildren were visiting the Voortrekker Museum.⁶⁶ [⁶⁶ *Beeld* 25 April 1997]

Robben Island Museum

On Heritage Day, 24th September 1997, the president, Mr Nelson Mandela, opened the Robben Island Museum. He stated that South Africa's monuments and museums would have to be restructured to reflect the divergent histories and experiences of all South Africans. Mr Mandela added that 97% of South African museums presented the past in terms of white and colonial history, and often depicted Africans as 'lesser human beings'.⁶⁷ [⁶⁷ *The Star* 25 September 1997]

Place Names

In February 1997 the minister of arts, culture, science and technology, Mr Lionel Mtshali, announced

that a geographical place names commission would be established to advise him on changing existing names. This body would replace the National Place Names Committee. ⁶⁸ [⁶⁸ *The Citizen* 11 February 1997]

During the period under review there was debate about the status of place names which were seen as honouring leaders of the previous era, and were thus thought to be inappropriate today. Debate also centred on renaming places to honour prominent members of the liberation struggle. In September 1997, for example, the African National Congress (ANC) proposed to the street names committee of the Greater Pretoria Metropolitan Council that, among others, Church Square should be renamed Madiba Square, Church Street should become Oliver Tambo Street, DF Malan Drive should become Solomon Mahlangu Drive and John Vorster Drive should become Ruth First Drive. ⁶⁹ [⁶⁹ *The Star* 19 September 1997] Comments in *The Citizen* and *Beeld*, however, questioned the wisdom of changing the names of streets with little sociopolitical relevance, such as Church Street. They suggested that it might be more prudent to honour these people by naming new buildings and streets after them rather than to change the names of established infrastructure. ⁷⁰ [⁷⁰ *Beeld* 20 September 1997, *The Citizen* 26 September 1997] In the same month, John Vorster Square, the police headquarters in Johannesburg, was renamed Johannesburg Central Police Station. ⁷¹ [⁷¹ *The Citizen* 26 September 1997]

Policy Review

The period under review brought to the fore a number of issues that will probably produce considerable debate in future.

It seems apparent that government funds will increasingly be directed towards those sections of the arts which enjoyed least state support in the past, in particular to indigenous or 'Afrocentric' arts and culture. It also seems that state support will increasingly be given to the promotion of heritage which deals with African culture and the sociopolitical experience of black communities in the colonial and apartheid eras. Although this approach is largely designed to redress 'imbalances' in the way arts and culture have been portrayed, and to promote experiences and forms of artistic expression which are seen as being worthy of greater support, it is likely also to generate controversy as history is seen to be 'rewritten'. The controversies surrounding the commemoration of the Anglo-Boer War in 1999, and indeed, the fact that at the time of writing, the government had not yet decided how best to deal with the commemoration, provide some early indications of this.

In the meantime, the art forms which were supported in the past (the 'classical arts') will probably find it increasingly difficult to obtain state funding, at least in the short term. They will consequently have to seek out alternative ways of remaining viable, for example by enlisting the support of the private sector. It would appear that the National Symphony Orchestra has been able to accomplish this fairly successfully.

The National Arts Council, one of whose functions it will be to identify sectors in the arts community that should be given priority support, is designed to operate on the principle of 'arm's length

independence'. Although there has been little opposition to the formation of this body, or indeed to the concept of giving more support to some forms of the arts than to others, concern has been expressed that caution must be exercised to ensure that it does not become an instrument for the promotion of an 'official art'—one of its goals is to 'foster the expression of a national identity and consciousness by means of the arts'. Ms Dene Smuts MP (Democratic Party) voiced concern about this provision; although her party viewed the institution as necessary, it would 'symbolically' oppose the National Arts Council Bill in order to emphasise that 'political correctness must not be built into institutions like this'.⁷² [⁷² *Hansard* (NA) 18 cols 4893–4894, 16 September 1997] Certainly, it is unclear how an 'expression of a national identity and consciousness' will be fostered.

The use of arts and culture as a promotional tool for tourism, and a consequent creator of employment, is a significant issue and one which the government has noted. Initiatives to encourage the involvement of the private sector in the promotion and support of arts and culture in South Africa might help to improve prospects for the development of mature and successful 'cultural industries'.

BUSINESS

Bird's Eye View

During the period under review the government continued with its initiatives to develop the small business sector. Policies intended to increase access to state contracts by small and medium enterprises were introduced at both national and provincial levels. The government also identified this sector as a potential sphere for job creation.

In line with its policies of social upliftment and economic empowerment, the government announced its intention to establish a national empowerment fund to assist with the development of the small, medium, and micro sectors of the economy. The starting capital of the fund would come from a share of the proceeds of both the full and the partial privatisation of state-owned enterprises. The Small Business Development Corporation (SBDC) and Khula Enterprise Finance provided financial assistance to entrepreneurs in the small business sector. The financial assistance provided by the SBDC in the financial year up to March 1997 had led to the creation of some 9 450 jobs. More than a quarter of the loans approved by the SBDC during this period were for black entrepreneurs.

However, despite initiatives by both the government and private sector enterprise to promote the small business sector, concerns were raised by various groups (including business, non-governmental organisations, and political parties) about the impact which other government policies would have on small business—particularly the Basic Conditions of Employment Act of 1997 and the Employment Equity Bill of 1998.

Private sector enterprise in South Africa consists of six categories of enterprise—survivalist and micro enterprise (the informal sector), very small, small, and medium enterprise (the small business sector),

and large enterprises. According to statistics provided by the Ntsika Enterprise Promotion Agency, in 1995 the largest proportion of private enterprises (70%) were found in the informal sector, followed by the small business sector (29%). The remaining 1% were large enterprises. However, while the largest number of enterprises were in the informal sector, this sector provided the smallest proportion of employment (14%). The small business sector provided employment for just under one half of the 6.6m people employed by private enterprise in 1995. The remaining 39% of people in the private sector worked in large enterprises.

In 1997 there was a substantial increase in the number of black-led companies listed on the Johannesburg Stock Exchange as compared with 1994. The market capitalisation of these companies also rose significantly. A review conducted by Ernst & Young, an accounting firm, showed that black empowerment deals had increased from 45 in 1996 to 52 in 1997. The value of these deals also showed a marked increase during the period under review. Transactions involving black business were numerous and occurred across most sectors of industry.

Key Points

- According to the deputy minister of trade and industry, Ms Phumzile Mlambo-Ngcuka, in 1997 approximately 30% of working South Africans were self-employed small entrepreneurs.
- The private enterprise sector can be broken down into six categories—survivalist and micro enterprise (which make up the informal sector), very small, small, and medium enterprise (which make up the small business sector), and large enterprise.
- According to the Ntsika Enterprise Promotion Agency, in 1995 the informal sector contributed 7% to gross domestic product (GDP), accounted for some 70% of the total number of private enterprises, and employed 14% of the 6.6m people working in the private sector.
- The small business sector contributed some 33% to GDP, accounted for some 29% of the total number of private enterprises, and employed 47% of people working in the private sector, Ntsika said.
- Some 86% of survivalist entrepreneurs were black, while 71% of very small sector entrepreneurs were white. This indicated that as the size of the enterprise increased, the incidence of black entrepreneurship dropped.
- A study of unemployment conducted by the South African Institute of Race Relations in 1997 showed that at least 20% of people who said they were unemployed had casual employment in the informal sector. Of the 20%, four out of five had a regular income. A high proportion of the remainder were ‘employed’ in family enterprises.
- In June 1998 the Department of Trade and Industry announced the closure of the National Small

Business Council which was established in 1995. The closure resulted from financial mismanagement, maladministration, and insolvency.

- The Department of Agriculture in the North West province estimated that there were approximately 1.3m small-scale farmers in South Africa and that most of these farmers did not produce enough for subsistence.
- The minister of transport, Mr Mac Maharaj, said in June 1997 that there were 76 323 legal minibus taxis operating in South Africa, excluding the former 'independent' and non-independent homelands.
- By February 1998 there were 53 black-led companies listed on the Johannesburg Stock Exchange. Their market capitalisation totalled R111bn, an increase of 92% over the market capitalisation of R58bn of 33 black-controlled companies at the end of 1996.
- In March 1998 the Banking Council of South Africa announced that during 1997 South African banks had facilitated black empowerment deals to the value of R8.2bn.

Small Business

According to the Ntsika Enterprise Promotion Agency (Ntsika)—a government agency set up in 1995 to promote the development of the small business sector—the small business sector is made up of four categories of enterprise: survivalist, micro, small (including very small), and medium. Survivalist and micro enterprises constitute the informal sector. (See also *Informal sector* below.) The small and medium sector accounted for some 29% of total private enterprise in 1995, Ntsika said.¹ [¹ Ntsika Enterprise Promotion Agency (Ntsika), Department of Trade and Industry, *The State of Small Business in South Africa, Annual Review*, 1997]

Small Formal Business

Statistics

According to the deputy minister of trade and industry, Ms Phumzile Mlambo-Ngcuka, approximately 30% of working South Africans were self-employed small entrepreneurs, compared with countries such as the Philippines, where the equivalent figure was some 70%. The deputy minister said that most self-employed South Africans were in the informal sector.² [² *The Sunday Independent* 9 November 1997]

The table and pie charts below show the estimated sectoral breakdown of small and medium private sector enterprises in the formal sector in 1995 (excluding the electricity, water and gas sector, and state-owned enterprises):³ [³ Ntsika, *The State of Small Business in South Africa, Annual Review*, 1997]

Est

Very small^a

Small^b

Medium^c

Total

Agriculture

21 100

28 300

3 600

53 000

Mining

500

100

100

700

Manufacturing

34 000

5 200

3 850

43 050

Construction

14 000

2 300

930

17 230

Retail traded

36 900

12 500

950

50 350

Wholesale trade

7 100

2 700

750

10 550

Catering and accommodation

3 000

2 700

350

6 050

Transport

5 800

1 700

280

7 780

Finance and business services

17 600

4 600

350

22 550

Community, social, and personal services

24 600

3 500

400

28 500

Total

164 600

63 600

11 560

239 760

a

Employ fewer than ten paid employees, operate on the formal market, and have access to modern technology.
Include self-employed with no employees, such as professionals and artisans.

b

Upper limit employment of 50 employees (excluding the mining, electricity, manufacturing, and construction sectors, where this limit is 20 employees), with more complex business practices. Enterprises have developed a secondary co-ordinating mechanism with direct supervision no longer entirely in the hands of the entrepreneur.

c

Maximum employment limit of 100 paid employees (excluding the mining, electricity, manufacturing, and construction sectors, where the upper employment limit is 200 employees) with more complex management structures while still being owner/manager controlled.

d

Including the motor retail trade.

Ntsika estimated that small enterprises contributed 21% to gross domestic product during 1995, while the contribution by medium enterprises was 12% (both excluding the informal sector).⁴ [⁴ Ibid] The agency said that some 3.1m people were employed in the small and medium sectors in 1995, representing 47% of the total working population of 6.6m people in that year. Of those, 2.2m (or 33% of the total working population) were in the small business sector (see also chapter on *Employment*).⁵ [⁵ Ibid]

The average number of people employed by very small businesses in 1995 was five. Small businesses employed an average of 21 people, and medium enterprises 79.

Policy

Central Government

In November 1997 the deputy minister of trade and industry, Ms Phumzile Mlambo-Ngcuka, announced that a national empowerment fund was to be established by the government to help small, medium, and micro enterprises (SMMEs). It would be phased in from early 1998 and would have a starting capital of some R1.8bn from the proceeds of the partial privatisation of Telkom and other state enterprises. ⁶ [⁶ *The Sunday Independent* 9 November 1997]

Green Paper on Public Sector Procurement Reform in South Africa

In April 1997 the departments of finance and public works published a *Green Paper on Public Sector Procurement Reform in South Africa*. It proposed extensive reforms which would favour SMMEs and make the tendering process more accessible. According to the minister of public works, Mr Jeff Radebe,

the new policy would favour 'affirmative procurement'.⁷ [⁷ *Business Day* 11 April 1997, *The Citizen* 11 April 1997; Ministry of Finance, Ministry of Public Works *Green Paper on Public Sector Procurement Reform in South Africa*, April 1997]

Green Paper on Creating an Enabling Environment for Recon-Struction, Growth and Development in the Construction Industry

In November 1997 Mr Radebe introduced a *Green Paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry* to promote competitiveness and increase access for emerging contractors. Small and medium contractors usually faced obstacles in gaining entry into the industry, as the bulk of work was allocated to a small number of large construction firms. The paper identified the need for an emerging contractor development programme to help new small and medium contractors in the industry. Earlier, Mr Radebe said that between September 1996 and April 1997 the Department of Public Works had awarded some 360 contracts worth R182m to 'affirmative business enterprise' construction firms. This represented about 48% of all contracts his department awarded during this period.⁸ [⁸ The Department of Public Works, *Green Paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry*, November 1997; *The Citizen* 23 April 1997, *The Star* 4 December 1997]

Provincial Government

The provincial tender board of the Western Cape announced that a system to give small businesses greater access to government contracts had been implemented in September 1997. The system was implemented on a trial basis until March 1998, after which it was extended for another six months.⁹ [⁹ *Cape Argus* 21 October 1997; information provided by the Tender Board of the Western Cape, 23 March 1998]

Legislation

While no acts pertaining specifically to small business were passed during the period under review, this section details legislation likely to have an impact on small business.

Basic Conditions of Employment Act of 1997

The Basic Conditions of Employment Act of 1997, which received the president's assent in December 1997, was expected by some commentators to increase the labour costs of small business enterprises. At the time of writing the act had not yet come into effect as the Department of Labour had commissioned a study examining its possible harmful effects on small business. However, in March 1998, certain provisions of the act not affecting small business (such as the prohibition of employment of children under the age of 15) came into effect (see also chapter on *Employment*).¹⁰ [¹⁰ *The Star* 23 January 1998]

Employment Equity Bill

The Department of Labour introduced the Employment Equity Bill in November 1997. The South African Chamber of Business expressed concern about the ability of small business to comply with its provisions (see also chapter on *Employment*).¹¹ [¹¹ The Department of Labour, *Employment Equity* Bill, 26 November 1997; The *Star* 28 November 1997]

Finance

The Small Business Development Corporation (SBDC) announced in August 1997 that in the financial year to March 1997 it helped more than 1 000 businesses, leading to the creation of some 9 450 jobs. The corporation had made available some R243m in investment capital and planned to increase such approvals to R770m a year within five years. Loan approvals to black entrepreneurs would be increased from 27% (of the total number of loans) a year in 1997 to 50% a year by 2002.¹² [¹² *Business Day* 21 August 1997]

In 1997 Khula Enterprise Finance—which was established in 1995 to provide financing to small, medium, and micro enterprises (SMMEs) (see also 1996/97 Survey, p255)—provided some R80m to financial intermediaries lending to entrepreneurs who were starting small businesses.¹³ [¹³ *F & T Weekly* 9 January 1998]

Regulation of Finance

In April 1997 the Association of Microlenders, whose members grant loans of up to R6000 to people who do not qualify for commercial bank loans, called for the regulation of the loan industry to protect borrowers from exploitation by lenders. The association estimated that there were some 40 000 microlenders operating without any form of regulation. The Department of Trade and Industry said that it had held meetings with the association at which the issue of regulation had been discussed, and that a steering committee had been established to investigate ways of accommodating microlenders in the Usury Act of 1968.¹⁴ [¹⁴ *The Star* 10 April 1997] At the time of writing, legislation had not been introduced to address this issue.

Informal Sector

Statistics

According to a report entitled *The State of Small Business in South Africa* and published in 1997 by the Ntsika Enterprise Promotion Agency (Ntsika), the informal sector comprised survivalist and micro enterprises, as identified in the National Small Business Act of 1996. However, the distinction drawn between formal registered enterprises and informal unregistered enterprises was not desirable as this tended to marginalise the latter, Ntsika said. Moreover, from a policy perspective it was preferable to afford a degree of fluidity to the boundaries between formal and informal enterprises.

A survivalist enterprise had minimal asset value, generated monthly income below the poverty line (which, according to the Department of Welfare, was R301 a month), and had no paid employees. These enterprises included hawkers, vendors, and subsistence farmers. Micro enterprises generated turnover of less than R150 000 a year and lacked formality in terms of registration for taxation purposes, labour legislation, business premises, and accounting procedures. These enterprises included spaza shops, taxis, and household industries. They had five or fewer employees.¹⁵ [¹⁵ Ntsika, *The State of Small Business in South Africa*, 1997; *The Citizen* 25 February 1998]

Ntsika estimated that there were some 900 000 people working in the informal sector (excluding the 700 000 domestic workers whom the Central Statistical Service estimated were employed in the survivalist sector in 1995). Taking into account domestic workers there were some 1.6m people employed in the informal sector (see also chapter on *Employment*). The informal sector was estimated to have contributed some 7% to gross domestic product in 1995 (domestic workers' contributions were included). Of the 900000, some 700000 were employed in the micro enterprise sector and the remaining 200000 were in survivalist enterprises. These 900 000 people worked in a total of 591 400 enterprises.¹⁶ [¹⁶ Ntsika, *The State of Small Business in South Africa*, 1997]

The table and pie chart below show the estimated sectoral breakdown of private sector enterprises in the informal sector in 1995:¹⁷ [¹⁷ Ibid]

Estimated sectoral breakdown of private sector^a enterprises in the informal sector: 1995

Survivalist ^b	
Micro ^c	
Total	
No employees	
1–4 employees	
Number	
Proportion of total	
Number	
Proportion of total	

Number

Proportion of total

Agriculture

16 000

8.2%

9 500

3.7%

12 400

9.0%

37 900

Mining

650

0.3%

250

0.1%

2 000

1.5%

2 900

Manufacturing

28 000

14.4%

24 300

9.4%

16 600

12.1%

68 900

Construction

20 000

10.3%

26 500

10.2%

16 000

11.7%

62 500

Retail traded

102 000

52.3%

115 000

44.4%

50 800

37.0%

267 800

Wholesale trade

800

0.4%

2 700

1.0%

1 200

0.9%

4 700

Catering and accommodation

2 000

1.0%

4 800

1.9%

3 500

2.6%

10 300

Transport

4 000

2.1%

26 000

10.0%

12 000

8.7%

42 000

Finance and business services

3 400

1.7%

27 000

10.4%

12 400

9.0%

42 800

Community, social and personal services

18 100

9.3%

23 200

8.9%

10 300

7.5%

51 600

Total
 194 950
 100.0%
 259 250
 100.0%
 137 200
 100.0%
 591 400

^a Excludes electricity, water, and gas sector.

^b ^G ^c ^T ^d Including the motor retail trade.

Most survivalist enterprises were active in informal settlements (57%). The single highest proportion of micro enterprises with no employees was in metropolitan areas (40%). Micro enterprises with between one and four employees occurred most frequently in small towns (23%) while the fewest number were active in informal settlements (8%).¹⁸ [¹⁸ Ibid]

Some 86% of survivalist entrepreneurs were black, while 71% of very small entrepreneurs were white. This indicated that as the size of the enterprise increased, the incidence of black entrepreneurship dropped. (While very small enterprises do not form part of the informal sector, they have been included here for the purposes of comparison.)

The table below shows the sectoral distribution of informal sector entrepreneurship by race in 1995 (very small enterprises do not form part of the informal sector but have been included for purposes of comparison):¹⁹ [¹⁹ Ibid]

Informal sector entrepreneurship by race: 1995

—————*Informal sector*—————

Survivalist enterprise^a

Micro enterprise (no employees)^b

Micro enterprise (1–4 employees)^b

Very small enterprise^c

Black^d

White

Black^d

White

Black^d

White

Black^d

White

Agriculture

69%

31%

46%

54%

13%

87%

3%

97%

Manufacturing

85%

15%

49%

51%

56%

44%

18%

82%

Construction

91%

9%

51%

49%

49%

51%

19%

81%

Trade

92%

8%

76%

24%

43%

57%

40%

60%

Catering

83%

17%

56%

44%

32%

68%

15%

85%

Transport

90%

10%

88%

12%

78%

22%

61%

39%

Finance

47%

53%

16%

84%

15%

85%

7%

93%

Community services

78%

22%

53%

47%

42%

58%
 24%
 76%
 Total
 86%
 14%
 64%
 36%
 40%
 60%
 29%
 71%

^a In ^b Tur ^c The ^d Includes Africans, Asians, and coloured people.

The bar charts below show entrepreneurship by race in survivalist and very small enterprises in 1995:

According to Ntsika, of those entrepreneurs in the survivalist sector in 1995 some 77% were women. In micro enterprises with no paid employees the proportion of women dropped to just under 40%. It decreased further in micro enterprises with between one and four paid employees, where the proportion was under 20%. Some 50% of enterprises run by women were in the trade sector (ie spaza shops and shebeens), followed by clothing manufacture (14%), and community, social, and personal services (13%).

The table below shows the distribution of women entrepreneurs according to sector in 1995:²⁰ [Ibid]

Self-employed women by sector: 1995^a

Sector

Number of self-employed women

Proportion of total number of self- employed women

Trade and allied services

111 000

49.7%

Textile, clothing, and leather manufacturing

31 000

13.9%

Social and related community services

28 000

12.5%

Real estate and business services

12 000

5.4%

Agriculture

10 500

4.7%

Catering and accommodation services

6 500

2.9%

Building and construction

4 500

2.0%

Food and beverages manufacturing

4 500

2.0%

Recreational and cultural services

3 500

1.6%

Wood, paper, and furniture manufacturing

3 400

1.5%

Transport and storage

1 800

0.8%

Non-metallic mineral products manufacturing

1 400

0.6%

Insurance

1 100

0.5%

Financial intermediation

1 000

0.5%

Other manufacturing

900

0.4%

Basic metal industries and machinery

600

0.3%

Chemicals and plastic products manufacturing

600

0.3%

Communication

300

0.1%

Other mining and quarrying

250

0.1%

Forestry

250

0.1%
 Fishing
 100
 0.4%
 Total
 223 200
 100.0%^b

^a In ^b Figures may not add up owing to rounding.

According to a study of unemployment in South Africa conducted by the South African Institute of Race Relations in 1997, the official statistics were too high. One reason for the overestimation was that at least 20% of people who said they were unemployed had casual employment in the informal sector. Of the 20%, four out of five had a regular income and a high proportion of the remainder were 'employed' in family enterprises. Moreover, the mean monthly average income of 'unemployed' earners was R309. (See also chapter on *Employment*.) The study reported that major handicaps facing the informal sector were lack of skills and the wide range of cheap mass-produced goods on formal sector markets, against which informal sector products could not compete.²¹ [²¹ Schlemmer L and Levitz C, *Unemployment in South Africa: The Facts, the Prospects, and an Exploration of Solutions, Spotlight 1/98*, January 1998]

Hawkers

There were no statistics available at the time of writing.

Shebeens and Taverns

An Eskom Omni Panel survey commissioned by Eskom in 1995 estimated that some 16% of the 718 000 home businesses identified in 1995 were liquor shops. According to the survey, there were 109 600 shebeens and 8 600 brewers. However, a study conducted on behalf of South African Breweries estimated that in 1995 there were 35 889 shebeens (excluding spaza shops).²² [²² Information provided by the Department of Trade and Industry, 6 February 1998]

According to a *Liquor Policy Paper* published by the Department of Trade and Industry in July 1997, shebeens occurred more frequently in traditionally black residential areas, but their numbers continued

to increase, in particular in informal settlement areas and inner cities. The document noted the difficulty in obtaining accurate statistics regarding the number of shebeens, which had traditionally operated as illegal enterprises.²³ [²³ Ibid]

The document also proposed new legislation to require taverners and shebeen owners in the townships to secure consent from two thirds of residents living within a 500 metre radius of their premises. The premises would have to be re-zoned from 'dwelling' to 'business' before owners could apply for a licence to begin trading. The chairman of the Western Cape Liquor Traders' Association, Mr Norman Mathe, expressed concern at the provisions of the proposed legislation, especially in that taverners and shebeen owners who were already licensed would not be affected by the new regulations.²⁴ [²⁴ *Cape Times* 4 August 1997]

Spaza Shopowners

There were no statistics available at the time of writing.

Stokvels

There were no statistics available at the time of writing.

Small Farmers

In an article entitled 'Economics of Traditional Agriculture' published in the *Agricultural News*, a scientist at the Department of Agriculture in the North West province, Mr Aart-Jan Vershoor, said there were an estimated 1.27m small-scale farmers in South Africa in 1997. Some 30% did not own land or enjoy access to resources, arable land, or large stock. About 56% did not produce enough for subsistence. Landholders who generally did not produce enough food for their families, but in some instances did sell some of the produce cultivated, comprised some 13%. Only 0.2% were small-scale farmers able to make a living from farming and who were market-orientated.²⁵ [²⁵ *Agricultural News* no 16, 11 August 1997]

Taxis

The minister of transport, Mr Mac Maharaj, said in June 1997 that there were 76323 legal minibus taxis operating in South Africa, excluding legal minibus taxis in the former 'independent' and non-independent homelands. There were approximately 70 000 illegal vehicles operating in South Africa and in the former 'independent' and non-independent homelands, Mr Maharaj said.²⁶ [²⁶ *Hansard* (NCOP:Q) 2 cols 287-288, 17 June 1997]

Criminal Business

In a *Report on the Incidence of Serious Crime*, published in June 1997, the South African Police Service said that there were 192 organised crime syndicates operating in South Africa with a combined 1903 primary suspects. Of these syndicates, most specialised in drug trafficking (96), vehicle-related crimes (83), commercial crime (60), or a combination of these. The report also noted that at least 32 operated internationally, while the criminal activities of 150 were restricted to countries in sub-Saharan Africa (see also chapter on *Security*).²⁷ [²⁷ South African Police Service, Report on the Incidence of Serious Crime, 13 June 1997]

Black Business

Statistics

According to McGregor Information Services, by February 1998 there were 53 black-led companies listed on the Johannesburg Stock Exchange (JSE). The market capitalisation of these enterprises totalled R111bn, an increase of 92% over the market capitalisation of R58bn by 33 black-controlled companies at the end of 1996.²⁸ [²⁸ *F & T Weekly* 25 July 1997, *Business Day* 10 February 1998] Both the number of black-led companies listed on the JSE and the market capitalisation had increased substantially from the eight companies with a market capitalisation of R3.5bn in November 1994.²⁹ [²⁹ 1996/97 Survey, p282]

According to a review conducted by Ernst & Young on merger and acquisition activity on the JSE, black empowerment deals increased from 45 valued at R7bn in 1996 to 52 valued at R8.3bn in 1997. Ernst & Young added that 'black chip' companies were reckoned to control some 10% of the market capitalisation of the JSE, although their beneficial ownership was probably about 4%.³⁰ [³⁰ *The Citizen* 7 April 1998]

These figures refer only to listed companies. The small business sector (see *Small business* above) also includes a great many businesses run and/or owned by blacks.

Policy

In April 1997 the departments of finance and public works published a *Green Paper on Public Sector Procurement Reform in South Africa*, which favoured 'affirmative procurement' and aimed at empowering members of previously disadvantaged communities (see *Small business* above).³¹ [³¹ *Ibid* 11 April 1997]

In March 1998 the minister of public works, Mr Jeff Radebe, announced that some 90% of all public works contracts (at both national and provincial level) would be awarded in line with the policy of 'affirmative procurement' and would favour black entrepreneurs. Moreover, the policy of 'affirmative procurement' could be extended to include some 50% of government contracts outside of the Department of Public Works, he said.³² [³² *Business Day* 19, 20 March 1998]

Business Organisations

In February 1997 the president, Mr Nelson Mandela, rejected a request from the National African Federated Chamber of Commerce and Industry (Nafcoc) that the government write off all tax, penalties, and interest on unpaid tax (amounting to some R7.5bn) owed by Nafcoc members from before the general elections in 1994. Nafcoc (which claims to represent about 1m small and medium enterprises) said that the primary reason for the request was that its members should not be compelled to pay moneys owed to a government which was neither representative of the population nor legitimate in terms of its accession to power (ie the National Party government).³³ [³³ Ibid 18 February 1997]

In response to Mr Mandela's decision, Nafcoc announced that it would embark on mass action.³⁴ [³⁴ *The Citizen* 24 February 1997, 26 February 1997] Despite the threat of mass action, the office of the president confirmed that the decision remained unchanged and Nafcoc agreed to suspend protest action pending the outcome of further talks with the government. In March 1997 Nafcoc announced that agreement had been reached to pay the tax arrears.³⁵ [³⁵ *The Citizen* 26 February 1997, 28 February 1997, *Business Day* 6 March 1997]

The Black Business Council (BBC) was launched in June 1997. Its objectives included the promotion of black economic empowerment and participation in economic and political restructuring. The BBC would represent national, regional, professional, and corporate organisations including the Black Management Forum, the Foundation for African Business and Consumer Services, and Nafcoc.³⁶ [³⁶ *Sowetan* 2 February 1997]

Finance

In March 1998 the Banking Council of South Africa announced that during 1997 South African banks had facilitated black empowerment transactions to the value of R8.2bn. However, the council commented that its continued drive to facilitate black empowerment had been hindered by a lack of adequate information on the informal sector, which, in many cases, was the primary sector of the economy in which black entrepreneurs operated. (See *Constraints on black business* below.)³⁷ [³⁷ *The Citizen* 26 March 1998]

Constraints on Black Business

Despite some successes enjoyed by large black-led enterprises, informal and small businesses continued to face constraints. The informal sector in particular lacked access to finance through South African banks. According to the Banking Council of South Africa, informal sector enterprises were not bankable as they lacked both permanent addresses and minimum capital bases.³⁸ [³⁸ Ibid] Other problems facing black entrepreneurs in these sectors included a lack of adequate services in the provision of information, training, and skills development. However, while various programmes have been initiated, these have not been operating for a long enough period for their impact to be adequately assessed. (See also *Small*

business and Informal sector above.)

A further obstacle to black economic empowerment, according to a study conducted by the Breakwater Monitor in 1997, was that white corporations hired 'ghost' black directors and managers in order to win empowerment state contracts, or used black front companies. According to Mr Lot Ndlovu, the president of the Black Management Forum, the government's failure to pass the Employment Equity Bill would ensure that the private sector would continue to delay the implementation of affirmative action. Moreover, the lack of real affirmative action would see the continuation of the use of freelance black directors and black front companies to gain access to empowerment projects, said Ms Phinda Madi, who contributed to the study. These practices were found in enterprises in various sectors including banking, construction, media, retail, and transport.³⁹ [³⁹ *Sowetan* 10 November 1997, *The Star* 7 November 1997]

Policy Review

During the period under review the government introduced a number of policies relating to small business. However, many of these policies were introduced as extensions to, or in line with, existing national policy.

Two pieces of legislation introduced in Parliament or passed during the period under review, could have detrimental consequences for small business. These were the Basic Conditions of Employment Act of 1997 and the Employment Equity Bill of 1998. The former was expected to increase the labour costs of small business. It was for this reason that the Department of Labour announced that the act would not come into effect until a study had been completed assessing its possible harmful effects on small business. The Employment Equity Bill would compel the private sector to adopt employment policies which would address discrimination in the workforce. According to business organisations, the provisions of the bill could negatively impact on small business particularly in respect of prescribed workforce representivity.

Other policies which affected small business, and in particular black-owned small businesses, aimed at giving greater opportunities to entrepreneurs from previously disadvantaged communities. These included a *Green Paper on Public Sector Procurement Reform in South Africa*, the *Liquor Policy Paper*, and a *Green Paper on Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry*. The aim of these papers was to give small business and small black business increasing access to state contracts, and to develop the presence of such small businesses in key industries (specifically in the construction and liquor industries). The common theme of the policies was the need for an 'affirmative action element' favouring the economic empowerment of the previously disadvantaged.

A three-tier licensing system proposed in a draft liquor bill, which at the time of writing had not been formally introduced in Parliament, met with strong opposition from organised business. This system would require large companies (such as South African Breweries) to restrict both their distribution and retail activities so as to allow for the participation of empowerment groups and foreign players. The

three-tier system would prohibit producers, wholesalers, and retailers from activities outside of their subsector. However, at the time of writing, the minister of trade and industry, Mr Alec Erwin, had not given a clear indication as to whether or not the system would allow for some cross sector activity.

The *Liquor Policy Paper* which preceded the proposed liquor bill outlined the government's policy on restructuring of the liquor industry to promote economic empowerment, sustainable job creation, and small business development. The paper proposed a simplified procedure for entry by new participants. It also promoted the 'decriminalisation' of shebeens many of which had traditionally been run as illegal operations.

While no national policy regarding the regulation of the microlending industry had been announced at the time of writing, concern was raised by the Association of Microlenders that the industry could become over-regulated. While some regulation of the industry was important to protect clients from the high interest rates charged by microlenders a lifting of the current exemption of microlenders from the provisions of the Usury Act of 1968 would result in informal sector borrowers no longer having access to finance, the association said.

COMMUNICATIONS

Bird's Eye View

During 1997/98 Telkom installed more than 380 000 telephone lines, while a quarter of a million had been installed the year before. However, a study commissioned by the South African Telecommunications Regulatory Authority in 1998 found that more than two thirds of households in South Africa still did not have telephones. The government was also considering initiatives to increase rural access to telephones.

The post office installed some three quarters of a million post boxes in 1996/97 and 1997/98. A *White Paper on Postal Policy* was published in May 1998. The chairman of the of the post office, Mr Max Maisela, said that the post office should be weaned from its government subsidy within three years.

A 1998 report on poverty found that more than half of South Africa's road network had exceeded its 20-year design life span. According to research by the Transportek Division of the Council for Scientific and Industrial Research, bad roads contributed to 20% of all collisions in South Africa.

A *White Paper on the Road Accident Fund* proposed the removal of the common law right of victims to sue the wrongdoer for losses not covered by the fund. The Law Society of South Africa, the General Council of the Bar of South Africa, and various disabled people's organisations criticised the changes proposed in the white paper. They said that the removal of such a common-law right would be unconstitutional.

Rail transport received the greatest proportion of government transport subsidies, according to a 1998 report on poverty prepared for the deputy president, Mr Thabo Mbeki. This was despite the fact that taxi services, which were not subsidised, were the most accessible mode of transport for the majority of the poor. The report found that poorer groups were required to use more than one mode of transport to reach their destination each day.

During the period under review violence continued to plague the taxi industry. This was despite the fact that some 1 255 taxi associations responded favourably to the government's efforts to get them regulated and legalised. Taxi route markers were used for the first time during the period under review to regulate operations on all metropolitan routes.

The restructuring of some parastatals got off the ground when the government signed an agreement in March 1997 to sell 30% of Telkom to Telekom Malaysia and an American company, SBC International. The government was also considering plans to grant about 10% of Metrorail's rail network to the private sector for 'expansion and development', but postponed these for five years after an agreement in March 1998 between organised labour and the government. In December 1997 the government said that it did not intend to embark on a large-scale privatisation of the postal service.

Key Points

- In 1997 the South African Post Office delivered mail to 6.7m addresses, of which 3.3m were post boxes. Some 573 550 new post boxes were installed in 1996/97. This figure dropped by 72% in 1997/98, when only 158000 were installed.
- According to the South African Post Office, by March 1998 there were 1338 full-time post offices, 82 part-time offices, 12 mobile post offices, 118 post points, and 919 postal agencies.
- In the period January to June 1997 total reported losses because of mail irregularities in the post office amounted to R2.6m.
- According to the South African Telecommunications Regulatory Authority (Satra), of the 8.7m households in South Africa in 1998, 2.8m (32%) had telephones while 5.9m (68 %) did not.
- In 1998 more than 85% of white households had telephone lines, while only 2% of rural and 29% of urban African households had telephones, according to Satra.
- Some 256 459 new telephone lines, including 24 783 new pay telephones, were installed during 1996/97, according to Telkom.
- In 1996/97 Telkom connected approximately 95 rural communities that previously had no telephone services at all.

- According to Telkom, a total of 4 299 incidents of cable theft were reported from April 1996 to March 1997. The total cost was estimated to be at least R230m.
- Surveys of worldwide Internet growth found that in the period April to September 1997 the South African domain of the Internet had grown by 18%, compared to worldwide Internet growth of 21%.
- Motorists paid R422m on toll roads in South Africa in 1997. This was an increase of 23.7% compared to 1996, when R322m was paid.
- According to the Central Statistical Service, some 9 848 people died in traffic collisions in 1996, of whom 38% were pedestrians, 34% passengers, and 29% drivers.
- Damage to national roads caused by excessive and illegal overloading of heavy-duty vehicles by trucking operators was costing the country R550m each year, according to the minister of transport, Mr Mac Maharaj.
- The Department of Transport said that R1.38bn was spent on subsidising approximately 458m passenger journeys by rail during 1996/97, while a further R967m was used to subsidise some 20m bus passenger trips. The taxi industry, the most used mode of transport by the majority of the poor, was not subsidised.

Postal Services

Policy

The minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, said in December 1997 that the government did not intend to embark on large-scale privatisation of the postal service. He contended that there was little international experience of privatisation in postal services. The government's priority was to provide a reliable and efficient service. However, Mr Naidoo pointed out that some services of the post office, such as the Post-Bank, could be privatised.¹ [¹ *Sowetan* 9 December 1997]

White Paper on Postal Policy

The Department of Communications published a *White Paper on Postal Policy* in May 1998. According to the white paper, public revenue to subsidise large and increasing operating losses in the postal service was diminishing, as were postal volumes and, consequently, postal revenue.² [² Department of Communications, *An overview of 1997*] A number of objectives were formulated in terms of the white paper. These included :³ [³ Department of Communications, *White Paper on Postal Policy*, May 1998]

- providing an ‘acceptable’ level of effective and regular postal services to all areas, including rural areas, communities, and small towns where post offices were not sustainable;
- developing greater equity in the distribution of services, particularly within the former African townships, rural areas, and former independent homelands; and
- reducing and eliminating operating and cost inefficiencies.

The white paper proposed to close a loophole in the Post Office Act of 1958 which gave the state a monopoly on letter delivery, but made it hard to prosecute private sector competitors since it failed to define what a letter was. The white paper also proposed amending the legislation governing banks and financial institutions to enable the Post Office’s Post-Bank business to compete more aggressively for rural banking business.⁴ [⁴*Finance Week* 31 July 1997]

Legislation

Post Office Amendment Act of 1997

The act amended the Post Office Act of 1958 to bring its provisions in line with the Telecommunications Act of 1996. The act also made new provision for the subsidisation of the post office. In terms of the act, during the first five years after the commencement of the act, the minister for posts, telecommunications, and broadcasting may, in consultation with the minister of finance, grant an annual subsidy to the post office in respect of normal expenditure.⁵ [⁵ Post Office Amendment Act, no 11 of 1997, *Government Gazette*, 25 April 1997]

Statistics

Targets

The post office aimed to provide 500 000 postal addresses each year in order to meet its target of providing 5m new address post boxes by 2000 (see 1996/97 Survey, p 775).

Implementation

By March 1998 there were 2 469 postal service points in South Africa—1 338 full-time post offices, 82 part-time post offices, 12 mobile post offices, 118 post points and 919 postal agencies. There were 24 fewer part-time post offices in 1998 than in 1996. The total number of post points increased by 111% in 1998 compared to 1996, when there were only 56 post points. Postal agencies increased by 17.4% in 1998 when compared to 1996 (see 1996/97 Survey, p775). The post office delivered mail to 6.7m

addresses in 1997, of which 3.3m were post boxes. According to the South African Post Office, the parastatal handled 8m items a day during 1997 and also rendered postal, savings, and money transfer services to the public and the business sector.⁶ [⁶ Telefax communication from the South African Post Office, 23 March 1998]

Some 573 550 new post boxes were installed in the 1996/97 financial year, according to the South African Post Office. In 1997/98, 158 000 new post boxes were installed, a drop of 72% compared to the previous year.⁷ [⁷ Telephonic discussion with Mr Ralph Boy, address provision manager, South African Post Office, 22 June 1998]

Finance

In February 1998 the chairman of the South African Post Office, Mr Max Maisela, said that the post office would break even in the 1998/99 financial year and should be weaned from the government's subsidy within three years (the amount allocated by the government to the post office in 1997/98 was R507m). Mr Maisela said that plans were being put in place for the post office to recapture lost markets, as well as to expand into new markets such as the savings and pensions sectors.⁸ [⁸ *Business Day* 2 February 1998] In 1997/98 an additional amount of R106m had to be voted in the adjustment estimate for the post office.⁹ [⁹ Department of Finance, *Budget Review*, 1998, pA.7]

According to the 1998 *Budget Review*, the government planned to reduce the post office subsidy by 10% in 1998/99, by 3% in 1999/2000 and by a further 16% in 2000/01 (see also *Post Office Amendment Act of 1997* above).¹⁰ [¹⁰ Ibid]

Irregularities at the Post Office

The minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, told Parliament in October 1997 that there was a crime syndicate operating inside the South African Post Office. From January to June 1997 total reported losses because of mail irregularities in the post office amounted to R2.6m.¹¹ [¹¹ Sacob, *This Week in Parliament*, issue no 18/97, 14 October 1997]

A security and investigation unit was set up in January 1997 to co-ordinate all security matters. During 1997 the post office launched a number of security measures, including:¹² [¹² Segal J, 'Signed, Sealed and Delivering', *Leadership*, vol 16 no 4 1997, pp 90–98]

- a business unit, Securemail, to deliver credit cards, share certificates, cheque books, and other security-sensitive mail items;
- surveillance cameras in mail-sorting centres and the application of 'accepted techniques' of crime prevention; and

- a toll-free 24-hour ‘crime buster’ hotline to enable staff and customers to report any acts of mail theft and fraud.

The managing director of the post office, Mr Frank Touwens, said in February 1998 that 276 employees had been dismissed since April 1997 for criminal activities, while 22 members of the public had been arrested in connection with postal crime.¹³ [¹³ *The Citizen* 3 February 1998]

Telecommunications

Policy

Privatisation and Competition

In March 1997 the government signed an agreement to sell 30% of Telkom for R5.58bn to Telekom Malaysia and SBC International, an American company. In terms of the agreement, Telkom would install 2.8m new telephone lines and 120000 pay telephones, as well as replace all 1.25m analogue lines with digital lines by 2001/02 (see 1996/97 Survey, p777). The minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, said priority areas would be under-serviced provinces. KwaZulu-Natal and the Eastern Cape would receive more than half the new lines in the first year.¹⁴ [¹⁴ *Business Day* 27 March 1997] In February 1998 Mr Naidoo said that the government would finalise the sale of a further 10% stake in Telkom in 1998.¹⁵ [¹⁵ *The Citizen* 17 February 1998]

In August 1997 the South African Telecommunications Regulatory Authority (Satra) outlawed call-back operators. (Call-back operations involved the use of cheaper foreign telephone services by callers in South Africa.) The chairman of Satra, Mr Nape Maepa, said that the ruling was in terms of section 32(1) of the Telecommunications Act of 1996, which stated that services could be provided only by ‘duly licensed’ persons. Mr Maepa said that Telkom was licensed to provide, among other services, international telecommunications services on an exclusive basis for a five-year period. Telkom was reportedly losing about R30m a year to call-back operations.¹⁶ [¹⁶ *Business Day* 13 August 1997]

In October 1997 Satra turned down Telkom’s bid to become the sole provider of Internet services. The parastatal had claimed the right in terms of its interpretation of the Telecommunications Act, which it said granted it a monopoly over the provision of basic telecommunication services. Satra’s decision meant that private Internet service providers would continue to buy bandwidth from Telkom and resell it to end users. However, the ruling came with certain conditions. Service providers had to pledge to provide universal service across the country. Satra also called for the creation of a neutral Internet ‘exchange’ through which all local Internet traffic would be routed.¹⁷ [¹⁷ *Ibid* 15 October 1997] In November 1997 Telkom made an urgent high court application to have Satra’s ruling declared null and void.¹⁸ [¹⁸

The Star 12 November 1997] At the time of writing both Satra and Telkom had to make oral submissions to the high court.

Legislation

No legislation had been tabled at the time of writing.

Statistics

State of Play

The table below provides a breakdown by race of the extent of access to a telephone in urban and non-urban areas, according to the 1995 *October Household Survey* of the Central Statistical Service (CSS) (1995 was the latest year for which figures were available):¹⁹ [¹⁹ 1996/97 Survey, p778]

Access to telephone by race – urban and non-urban: 1995^a

African
Coloured
Indian
White
Total
<i>Cellular phone only</i>
Urban
0.3%
0.3%
0.4%
1.4%
0.6%

Non-urban

0.1%

—

—

0.5%

0.1%

Cellular phone and telephone in dwelling

Urban

0.3%

0.5%

3.5%

7.1%

2.6%

Non-urban

0.0%

0.3%

0.7%

6.0%

0.3%

Telephone in dwelling only

Urban

24.8%

43.7%

70.8%

76.1%

45.2%

Non-urban

2.8%

8.6%

62.0%

80.9%

7.1%

Access to telephone at neighbour

Urban

7.3%

15.1%

9.1%

2.6%

6.8%

Non-urban

8.8%

25.9%

11.9%

2.4%

9.2%

Communal telephone

Urban

29.4%

12.7%

3.3%

2.4%

17.8%

Non-urban

14.8%

17.3%

5.8%

2.3%

14.2%

Access to telephone at shop

Urban

13.1%

3.3%

2.0%

1.6%

7.9%

Non-urban

18.8%

7.9%

7.0%

1.6%

17.5%

None

Urban

24.9%

24.4%

10.8%

8.8%

19.1%

Non-urban

54.6%

40.0%

12.5%

6.3%

51.5%

^a Figures should add up vertically but may not owing to rounding.

According to the chairman of the South African Telecommunications Regulatory Authority (Satra), Mr Nape Maepa, there was a big disparity in access to telephones in 1998 between whites and Africans. Mr Maepa said that more than 85% of white households had telephone lines compared with 2% of rural and 29% of urban African households. He said that should Telkom meet its target of providing 2.8m telephone lines by 2001/02 (see *Targets* below), about 3.3m households would still be without telephones.²⁰ [²⁰ *Business Day* 31 March 1998]

A study conducted by a consultant for Satra between October 1997 and February 1998 found that of the 8.7m households in South Africa, only 2.8m (32%) had telephones. Of the 5.9m households without telephones, 2.1m (36%) could not access a telephone within 5km of their homes.²¹ [²¹ South African Telecommunications Regulatory Authority (Satra), *The economic feasibility of the provision of more than two mobile cellular telecommunications services*, discussion document 30 March 1998]

The following table shows how far people who had no telephone at home had to travel to the nearest telephone in 1995, a

Distances between phoneless homes and the nearest telephone: 1995^a

African

Coloured

Indian

White

Total

Less than 100m

Urban

33.4%

53.7%

54.5%

41.8%

37.1%

Non-urban

9.9%

38.8%

14.1%

31.5%

11.4%

100m to less than 200m

Urban

22.6%

19.4%

15.9%

20.9%

21.9%

Non-urban

11.9%

24.1%

28.8%

21.4%

12.5%

200m to less than 1km

Urban

22.1%

16.7%

15.4%

19.9%

21.1%

Non-urban

15.4%

19.6%

42.0%

24.0%

15.7%

1km to less than 5km

Urban

15.6%

8.4%

11.2%

14.2%

14.5%

Non-urban

18.2%

9.8%

10.5%

12.2%

17.8%

5km to less than 10km

Urban

3.5%

0.7%

1.3%

1.2%

2.9%

Non-urban

17.5%

4.0%

4.6%

4.7%

16.8%

10km or more

Urban

2.8%

1.0%

1.7%

2.0%

2.5%

Non-urban

27.0%

3.8%

—

6.1%

25.8%

^a Figures should add up vertically but may not o

Targets

Telkom was granted a five-year period of exclusivity to operate public switched telecommunications services (PSTS), with the prospect of a sixth year if it exceeded the line roll-out and service quality targets in its PSTS licence. These targets included the installation of 2.8m new telephone lines, including 120 000 pay telephones, and the replacement of 1.25m analogue lines, by 2001/02. If Telkom failed to meet the targets, it faced the prospect of heavy financial penalties from Satra.²³ [²³ Telkom, annual report 1996/97, p6; Telefax communication from Ms Ronell Myburg, media liaison consultant, Telkom, 6 May 1998] The managing executive of technology and network services at Telkom, Mr Wilbur Crossley, said in November 1997

that in the 1997/98 financial year, the company had set itself a target of 421000 new lines. ²⁴ [²⁴ *Business Day Survey* 24 November 1997]

Implementation

In the 1997/98 financial year some 386 426 new telephone lines were installed, including 32 335 pay telephones. Some 275 218 telephone lines were added in ‘underserviced’ areas. The table below shows the number of new lines installed by Telkom per year from 1992/93 to 1997/98:²⁵ [²⁵ Telkom annual report 1996/97, p15; annual report 1997/98, p12]

Telkom’s new telephone lines: 1992/93–1997/98

Year

Number of new lines

Increase/(decrease)

1992/93

142 000

N/A

1993/94

135 725

(4.4%)

1994/95

181 504

33.7%

1995/96

150 345

(17.2%)

1996/97

256 459

70.6%

1997/98

386 426

50.7%

N/A — Not available.

The line graph below shows the trends in Telkom's new telephone line insta

According to Telkom, together with the 76 480 working telephones taken over from the former 'independent' homelands, the number of main telephone services in operation increased from 3.9m in March 1996 to 4.3m in March 1997—an increase of 10.3%.²⁶ [²⁶ Telkom annual report 1996/97]

In 1997/98 Telkom replaced 228 353 analogue lines with digital ones. Telkom said that it intended to replace all analogue lines by December 1999 (see also *Targets* above).²⁷ [²⁷ Telkom annual report 1997/98, p12–18]

The table and graph below shows the number of fixed telephone lines that were installed in urban and non-urban areas in the six Telkom regions in the 1996/97 financial year:²⁸ [²⁸ *Hansard* (NA:Q) 7 cols 1663-1664, 18 June 1997]

Number of fixed telephone lines installed in urban and non-urban areas: 1996/97

Region

Urban

Non-urban

Total

North Eastern (former Transvaal)^a

31 139

28 184

59 323

Gauteng Central (former Witwatersrand)

62 954

0

62 954

Eastern (KwaZulu-Natal)

30 500

13 518

44 018

Western (Western Cape)

29 186

10 491

39 677

Southern (Eastern Cape)

15 576

13 468

29 044

Central (Free State and Northern Cape)

6 767

14 676

21 443

Total

176 122

80 337

256 459

^a Excluding the Witwater

Rural Access

The minister for posts, telecommunications, and broadcasting, Mr Jay Naidoo, said in April 1997 that Satra would consider the feasibility of a third cellular network operator, probably aimed at rural and disadvantaged communities.²⁹ [²⁹ *Sunday Times Business Times* 13 April 1997] According to the 1998 *Budget Review*, the Department of Communications would launch a telecommunications programme aimed at providing small rural public exchanges.³⁰ [³⁰ Department of Finance, *Budget Review*, 1998, p6.15]

In 1996/97 Telkom connected approximately 95 communities that previously had no telephone services at all. In KwaZulu-Natal, Telkom provided services to 43 informal settlements, villages, and tribal authorities, with a total population of about 1m people. A further 11 villages and informal settlements were serviced in Mpumalanga, Northern Province, and the North West. Another 28 villages in the Free State and Northern Cape were provided with lines. In the Eastern Cape, five communities in the former Transkei received services for the first time. In the Western Cape, Telkom's focus was mainly on redressing 'past imbalances' in coverage and ensuring greater convenience of access. According to Telkom, all communities in the Western Cape had basic telephone access.³¹ [³¹ Telkom annual report 1996/97, p17]

Cellular Telephones

The corporate relations executive of MTN, Mr Jacques Sellschop, estimated in November 1997 that the cellular telephone industry had over 1.2m active cellular telephone subscribers.³² [³² *Business Day Survey* 24

November 1997] In March 1998 Mr Naidoo said that a third cellular network operator licence would be granted before the end of 1998. Satra was reviewing the viability of a third and fourth cellular licence.³³ [33 *The Star Business Report* 29 April 1998]

New Affordable Telephone Service

In 1996 Telkom introduced a virtual telephone system—Voicelink—for people who could not afford their own telephones. Voicelink was a centralised message system which enabled customers to send or retrieve messages at public pay telephones, cellular, and private telephones. The system was priced for low-income users.³⁴ [34 Telkom, annual report 1996/97] By May 1998 there were some 50 000 subscribers to Voicelink, according to Telkom.³⁵ [35 Telefax communication from Ms Ronell Myburg, media liaison consultant, Telkom, 11 May 1998]

Use of the Internet

A survey conducted by the South African Internet Services Industry in 1997 divided the Internet market into three categories, namely, dial-up users accessing the Internet via modems, academic users gaining access at tertiary institutions, and corporate users gaining access through company networks. The total number of people with access through dial-up modems was 154 000. The research and academic network, Uninet, provided access to the Internet to most research and tertiary institutions in southern Africa as well as to more than 200 schools. According to the survey, Uninet served well over 500 000 students in 1997. The number of people with access to the Internet through corporate networks suggested that on average, each digital leased line provided access to a hundred users, giving a conservative total of 200 000 corporate users.³⁶ [36 E-mail communication from Internet specialist, Mr Arthur Goldstuck, 15 April 1998]

According to Network Wizards, which conducted surveys of worldwide Internet growth, in the period April to September 1997, the South African domain of the Internet (.za) had grown by only 18%, compared with worldwide Internet growth of 21%. According to the survey, from July 1996 to October 1997 the Internet had grown worldwide by 52% while in South Africa it had grown by 41%.³⁷ [37 *The Star Computing* 21 October 1997] The strategic director of a media specialist organisation, Electronic Ocean, Mr Stephen Garrat, said the South African Internet showed strong growth only during the six-month period between January and July 1996, when it grew by 72%. Mr Garrat said that that was the period during which most companies went on line. In every other six-month period, the South African Internet had grown by less than 20%.³⁸ [38 *Business Day* 28 October 1997]

Finance

An amount of R113m was budgeted for telecommunications in the 1998/99 national budget. This represented an increase of 34.5% on the budgeted amount in 1997/98, but an increase of only 2.6% after the adjusted appropriation. The allocation to telecommunications in the national budget was expected to

increase by 10% in 1999/2000 and by 11% in 2001/01, according to the government's medium-term expenditure framework.³⁹ [³⁹ Department of Finance, *Budget Review*, 1998, pA7]

In 1996/97 Telkom's revenue grew by 22% from R13.3bn in 1995/96 to R16.3bn. Net profit was R1.8bn in 1997 compared with R1.2bn in 1996.

According to Telkom, a total of 4 299 incidents of cable theft were reported from April 1996 to March 1997, with the total cost estimated to be at least R230m.⁴⁰ [⁴⁰ Telkom, annual report 1996/97, p36] Between April 1997 and February 1998, 3 311 incidents of cable theft were reported.⁴¹ [⁴¹ *Financial Mail* 8 May 1998]

Roads and Transport

Policy

According to the 1998 *Budget Review*, the key element of transport policy was the need for the government's role to change from being actively involved in operations to focusing on policy, planning, and the minimum practical regulation required to provide an efficient transport system.⁴² [⁴² Department of Finance, *Budget Review*, March 1998, p6.53]

Legislation

National Road Traffic Act of 1996

The president, Mr Nelson Mandela, assented to the National Road Traffic Act in November 1996. Among other things, the act laid down rules for the registration and licensing of motor vehicles, manufacturers, builders, and importers. The act cut the maximum allowable concentration of alcohol in a driver's bloodstream from 0.8g per 100ml to 0.5g.⁴³ [⁴³ National Road Traffic Act no 93 of 1996]

Proposed Legislation

In June 1997 the cabinet approved the South African National Roads Agency Bill, which would create a national roads agency with a dedicated fund. The minister of transport, Mr Mac Maharaj, said that the bill would create an independent agency for the management, construction, and maintenance of South Africa's primary road network. Other forms of financing, such as share capital, toll fees and loan accounts, would also be used. Mr Maharaj said that the South African National Roads Agency would plan, construct and manage national roads.⁴⁴ [⁴⁴ *Business Day* 19 June 1997]

Statistics

According to a 1998 report entitled *Poverty and Inequality in South Africa*, more than 60% of the ‘ultra poor’ walk to work. Accessibility of transport services for the poor is limited in the extent and location of services provided, and poorer people are often required to use more than one mode of transport to reach their destination.⁴⁵ [45 Report prepared for the office of the deputy president and the interministerial committee for poverty and inequality, *Poverty and Inequality in South Africa*, 13 May 1998, p25]

During the period under review no new transport statistics were published by the Department of Transport. The Department of Transport’s *Transport Statistics 1995* recorded the mode of transport used by workers to travel to work, as well as the length of time taken to travel to work, by province, in 1994. The following table provides a breakdown of workers’ modes of transport in urban and non-urban areas in each province:⁴⁶ [46 1996/97 Survey, pp786–787]

Mode of travel to work by province — urban and non-urban: 1994^a

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

RSA

Bus

Urban

11%

11%

9%

17%

19%

11%

9%

10%

7%

11%

Non-urban

10%

14%

4%

16%

23%

20%

3%

18%

1%

15%

Total^b

10%

12%

9%

16%

21%

16%

7%

16%

6%

12%

Taxi

Urban

33%

26%

26%

24%

24%

24%

15%

24%

19%

24%

Non-urban

22%

14%

9%

23%

15%

20%

3%

17%

3%

18%

Total^b

28%

21%

25%

24%

19%

21%

11%

18%

16%

22%

Train

Urban

2%

0%^c

7%

2%

0%^c

0%^c

0%^c

1%

16%

6%

Non-urban

2%

0%^c

0%^c

4%

1%

1%

0%^c

1%

1%

2%

Total^b

2%

0%^c

7%

3%

0%^c

0%^c

0%^c

1%

13%

5%

Bicycle

Urban

0%

1%

1%

1%

1%

3%

5%

1%

2%

1%

Non-urban

1%

0%^c

2%

0%^c

1%

1%

1%

1%

1%

1%

Total^b

1%

1%

1%

0%^c

1%

2%

4%

1%

2%

1%

Car, motorcycle

Urban

36%

35%

41%

37%

42%

38%

39%

48%

39%

49%

Non-urban

13%

11%

26%

11%

18%

9%

20%

15%

20%

14%

Total^b

26%

25%

40%

25%

28%

22%

32%

21%

36%

30%

Walking

Urban

14%

24%

13%

16%

12%

21%

29%

12%

16%

15%

Non-urban

49%

60%

57%

42%

39%

47%

69%

42%

68%

48%

Total^b

29%

39%

15%

28%

28%

36%

44%

36%

24%

26%

Other

Urban

4%

4%

3%

4%

3%

3%

2%

5%

3%

3%

Non-urban

4%

2%

2%

4%

4%

2%

3%

7%

7%

4%

Total^b

4%

3%

3%

4%

3%

3%

3%

7%

3%

4%

a

Figures add up vertically for each category: urban, non-urban and total.

b

Total represents the proportion of people in each province who made use of a particular mode of transport.

c

Pro

The chart below provides a breakdown of workers' different modes of transport in 1994:

The chart below shows the length of time taken by urban and non-urban workers to travel to work in 1994.

The following table provides a provincial breakdown of the length of time taken by urban and non-urban workers to travel to work in 1994.⁴⁷ [⁴⁷ Ibid, p787]

Length of time taken to travel to work by province – urban and non-urban: 1994^a

Time

EC

FS

Gau

KN

Mpu

NW

NC

NP

WC

RSA

0–1 hours

Urban

93%

91%

83%

86%

89%

91%

96%

93%

81%

86%

Non-urban

80%

92%

94%

81%

79%

83%

94%

87%

98%

85%

Total

88%

92%

84%

83%

83%

87%

95%

88%

84%

85%

1-2 hours

Urban

6%

8%

16%

13%

8%

8%

4%

6%

16%

13%

Non-urban

16%

7%

6%

17%

12%

13%

4%

11%

2%

12%

Total

11%

8%

15%

15%

10%

11%

4%

10%

13%

13%

2-3 hours

Urban

1%

0%^b

1%

1%

2%

1%

0%

1%

3%

1%

Non-urban

3%

0%^b

0%^b

2%

6%

3%

1%

2%

0%^b

2%

Total

2%

0%^b

1%

1%

4%

2%

1%

2%

2%

2%

3–4 hours

Urban

0%^b

0%^b

0% b

0% b

0% b

0% b

0% b

0% b

0% b

0% b

Non-urban

1%

0% b

0% b

1%

2%

0% b

1%

0% b

0% b

1%

Total

0% b

0% b

0% b

0% b

1%

0% b

0% b

0% b

0% b

0% b

4 + hours

Urban

0% b

0% b

0% b

0% b

0% b

0% b

0%

0%

0%

0% b

Non-urban

0% b

0%

0%

0%

2%

0% b

0%

0% b

0% b

0% b

Total

0% b

0% b

0% b

0% b

1%

0% b

0% b

0% b

0% b

0% b

a

Figures should add up vertically for each category (urban, non-urban, total) but may not, owing to rounding.

b

Proportion

Implementation

In October 1997 the minister of transport, Mr Mac Maharaj, launched an R18m project called Moving South Africa (MSA) which would identify the key transport requirements for the next 20 years and look towards increasing people's mobility and access to work, services, and recreational facilities.⁴⁸ [⁴⁸ *The Star* 22 October 1997; Department of Finance, *Budget Review*, March 1998, p6.53] MSA was developed to reduce road fatalities, encourage investment in maintaining the road system, increase rail and bus ridership, and address the problem of large numbers of people having to commute long distances and spend a high proportion of their income on transport.⁴⁹ [⁴⁹ Department of Transport, 1996/97 annual report]

In April 1998 the Department of Transport restructured itself into three independent, commercial agencies. The three agencies were the South African Maritime Safety Authority, the South African National Roads Agency and the Cross-Border Road Transport Agency. A fourth agency, the Civil Aviation Authority, was expected to be launched in October 1998. Mr Maharaj said that the restructuring was aimed at cutting the department's staff and saving the government more than R200m annually. He added that the roads agency would handle assets worth more than R35bn and save the country more than R21m a year, while the cross-border agency would save R14m. The maritime and aviation agencies were expected to save the government a total of more than R76m annually. The roads agency was expected to run the national road network and to generate its income from levies on petrol, toll charges, and traffic fines.⁵⁰ [⁵⁰ *The Star Business Report* 1 April 1998]

Finance

An amount of R3.25bn was budgeted in the 1998/99 transport vote of the national budget. In terms of the government's medium-term expenditure framework, this would increase by 14.8% in 1999/2000 and

by 7.8% in 2000/01, according to the 1998 *Budget Review*.⁵¹ [⁵¹ Department of Finance, *Budget Review*, 1998, p6.53]

Motorists paid a total of R422.3m on toll roads in South Africa in 1997. This represented an increase of 31% compared to 1996, when R322.6m was paid.⁵² [⁵² *The Citizen* 9 May 1998]

Roads

Construction and Maintenance

In April 1997 the government estimated that it needed R15.2bn a year for ten years to overcome the rural roads backlog, prevent the deterioration of South Africa's rural and urban road network and meet new demand.⁵³ [⁵³ *Business Day* 11 April 1997; telephonic discussion with Mr Adrian Crewe, manager of communications and ministerial services, Department of Transport, 6 August 1998] According to the Ministry of Transport, R2.4bn was needed each year to address the backlog in primary roads in rural areas, and a further R5.5bn for secondary roads. Some R4.1bn was needed annually to prevent the deterioration of rural and urban roads, and R3.2bn for new road construction. The chairman of the South African Bitumen and Tar Association (Sabita), Mr Dave Orton, said in April 1997 that the government's low allocations to road maintenance meant the backlog in road maintenance was reaching 'hazardous levels'.⁵⁴ [⁵⁴ *Business Day* 11 April 1997]

According to a 1998 report entitled *Poverty and Inequality in South Africa*, the replacement cost of the rural road network was estimated at R130bn. The report found that more than half of South Africa's road network had exceeded its 20-year design lifespan.⁵⁵ [⁵⁵ *Poverty and Inequality in South Africa*, 13 May 1998, p25]

The minister of transport, Mr Mac Maharaj, said it was costing the state about R2.2bn annually to maintain 500000km of national roads. He said that these roads had been deteriorating rapidly since 1985, when at least 35% of the national roads were found to be in 'good' condition. In 1995 only 9% of roads were in an 'excellent' state. Excessive and illegal overloading of heavy-duty vehicles by trucking operators was costing the country R550m a year in damage to national roads, Mr Maharaj said.⁵⁶ [⁵⁶ *The Star* 29 May 1997]

Policy

White Paper on the Road Accident Fund

The Department of Transport published a *White Paper on the Road Accident Fund* in February 1998 aimed at stabilising the Road Accident Fund (RAF) and making it solvent within the next ten years. The white paper proposed the establishment of a road accident fund commission to reconsider the system of

benefits or compensation for victims of road accidents.⁵⁷ [⁵⁷ Department of Transport, *White Paper on the Road Accident Fund*, January 1998] The proposals in the white paper included the removal of the common-law right of the victim to sue the wrongdoer for losses not covered by the fund. Claims under R5 000 would not be considered by the fund in future.⁵⁸ [⁵⁸ *Business Day* 3 February 1998]

The Law Society of South Africa, the General Council of the Bar of South Africa, and various disabled people's organisations criticised the changes and said that the removal of such common-law rights was unconstitutional.⁵⁹ [⁵⁹ *The Star* 2 February 1998] Mr Maharaj said that the government was satisfied that the white paper contained 'a sustainable set of benefits' which would stabilise the fund while a commission looked at the long-term future and function of compensation for victims. (By February 1998, the RAF had a deficit of R8bn which was growing by R160m a month.)⁶⁰ [⁶⁰ *Ibid*; *Business Day* 3 February 1998]

Safety

In January 1997 the Department of Transport announced measures to reduce deaths resulting from motor vehicle accidents by 10% by 2000. The measures included the introduction of regular road blocks, on-the-road traffic courts, and new breathalyser technology which would be admissible as evidence in court.⁶¹ [⁶¹ *The Citizen* 8 January 1997] According to the Central Statistical Service (CSS), 9 848 people died in traffic collisions in 1996 (the latest year for which figures were available), of whom 38% were pedestrians, 34% passengers, and 29% drivers.⁶² [⁶² Telefax communication from the CSS, 25 February 1998] In 1995, 10 256 people were killed in traffic collisions.⁶³ [⁶³ CSS, *Bulletin of Statistics*, vol 31, no 2, June 1997, p13.9] According to research by the Transportek Division of the Council for Scientific and Industrial Research, bad roads contributed to 20% of all collisions in South Africa.⁶⁴ [⁶⁴ *The Star* 4 May 1998]

The table below indicates the number of vehicles involved in collisions in 1994 and 1995.⁶⁵ [⁶⁵ CSS, *Bulletin of Statistics*, vol 31 no.2, June 1997, p13.7]

Number of vehicles involved in collisions: 1994–95

1994

1995

Increase

Motor car and minibus

581 717

619 411

6%

Light delivery van

117 132

129 422

10%

Passenger bus

9 475

10 429

10%

Heavy commercial vehicle

40 419

44 021

9%

Articulated vehicle unit

2 088

2 341

12%

Other^a

34 628

37 563

8%

Total

785 459

843 187

7%

a

‘Other’ includes motor cycle, pedal cycle, vehicles drawn by animals, and tra

Bus Transport

Policy

No new policy was announced during the year under review.

Subsidies

In 1996/97 bus subsidies by the government and local authorities amounted to R967m. Some 20m passenger trips were subsidised. About 90% of this amount came from the Department of Transport’s budget. Services were provided by 35 bus operators with approximately 8 000 buses. During 1996/97 metropolitan councils, regional councils, and district councils continued to contribute towards the subsidisation of bus commuter transport. However, the Department of Transport said that ‘a number of problems’ were experienced in obtaining all the funds from these councils.⁶⁶ [⁶⁶ Department of Transport, annual report 1996/97]

During March 1997 interim contracts were concluded with all the currently subsidised bus operators as proposed in the *White Paper on National Transport* (see 1996/97 Survey, pp782–784). According to the Department of Transport, the conclusion of the contracts was the first step towards implementing the policy of replacing the current commuter subsidy system. The new subsidy system would introduce a degree of competition for transport subsidies, involving tendering for specified routes.⁶⁷ [⁶⁷ Ibid]

A 1998 report entitled *Poverty and Inequality in South Africa* said that the structure of the transport subsidy system tended to benefit certain operators even when there was evidence that they did not carry the majority of the poor. According to the report, beneficiaries of bus subsidies were not the ‘ultra-poor’,

but middle-income earners. The report said that since the taxi service was the most accessible mode of transport for the majority of the poor, and the government did not provide it with subsidies, it was nearly impossible for existing transport subsidies to benefit the 'poorest of the poor'. The report further said that train services were surprisingly 'unavailable' to the majority of commuters; since rail transport was the highest subsidised transport mode (see *Rail transport* below), this was a misallocation of the government's resources.⁶⁸ [68 *Poverty and Inequality in South Africa*, 13 May 1998, p25]

Taxi Industry

Policy

The minister of transport, Mr Mac Maharaj, told Parliament in August 1997 that 1 255 taxi associations had registered with the department. The Department of Transport had undertaken to encourage taxi operators to register with taxi associations and owners to obtain permits. Mr Maharaj said that the number represented close to 100% of existing taxi associations. He said that some of the recommendations made by the National Taxi Task Team had been implemented (see 1996/97 Survey, pp792–793). These included the appointment by provinces of registrars and the establishment of taxi offices where provinces accepted applications for registration and legalisation. According to the minister, taxi route markers (which are authorised identification stickers allowing taxis to operate in specified areas), were being used for the first time to regulate operations on all metropolitan routes. Mr Maharaj said that the measure had a 'dramatic' effect in eliminating the violence that arose from unregulated competition on 'over-traded routes'.⁶⁹ [69 *Sowetan* 26 August 1997]

The deputy director general of labour, Mr Les Kettleidas, said that the taxi industry was characterised by the absence of adequate regulation of working conditions, long working hours, and persistent social, health, and safety problems. He said the department was setting basic standards and minimum wages for the industry to prevent 'extremes of exploitation', encourage productivity and stability, and ensure equity between workers. A ministerial task team had been charged with overseeing the process over a ten to twelve-month period. The task team would report to the minister of labour on its findings. It would advise and recommend to the minister ways of improving labour relations.⁷⁰ [70 *The Star Business Report* 28 March 1998]

Statistics

No new statistics on taxis were available at the time of writing.

Finance

According to the Department of Transport, in the 1996/97 and 1997/98 financial years the cabinet approved R39.6m for each year for the implementation of the National Taxi Task Team's 1995 recommendations (see 1997/98 Survey, pp792–793). The grant was allocated for regulation and control

of the industry, formalisation and training, and economic assistance.⁷¹ [⁷¹ Telefax communication from the Department of Transport, 23 March 1998]

Violence

See chapter on *Security*.

Rail Transport

Policy

The South African Rail Commuter Corporation (SARCC) said in its 1997 annual report that the restructuring of commuter rail into a more focused, cost-effective service provider was under way. In April 1997 Metrorail became an independent division of Transnet after seven years as an entity within Spoornet.⁷² [⁷² South African Rail Commuter Corporation (SARCC), annual report 1997, p12]

The minister of transport, Mr Mac Maharaj, said in February 1998 that the government was considering plans to grant about 10% of the Metrorail network to the private sector for expansion and development. Mr Maharaj said the contract with Metrorail had been renegotiated into a concession.⁷³ [⁷³ *The Star Business Report* 13 February 1998]

However, in March 1998 the government announced that private sector participation in managing South Africa's metro rail network would be postponed for at least five years. The postponement was in terms of an agreement between organised labour and government. Metrorail was expected to sign a contract with the government in July 1998 securing its status as sole concessionaire for five years.⁷⁴ [⁷⁴ *Business Day* 26 March 1998]

Statistics

The table below provides a regional breakdown of commuter passenger journeys from 1994/95 to 1996/97 (the latest year for which figures are available):⁷⁵ [⁷⁵ SARCC, annual report 1997, p22]

Regional breakdown of commuter passenger journeys by rail: 1994/95 – 1996/97

Region

1994/95

1995/96

Increase/ (decrease)

1996/97

Increase/ (decrease)

Cape Town

127 095 000

126 877 000

0.2%

139 086 000

9.6%

Durban

73 191 000

77 680 000

6.1%

76 370 000

(1.7%)

East London

4 103 000

4 063 000

(1.0%)

4 311 000

6.1%

Pretoria

72 598 000

74 560 000

2.7%

75 838 000

1.7%

Port Elizabeth

2 630 000

2 791 000

6.1%

3 019 000

8.2%

Witwatersrand

133 897 000

156 768 000

17.1%

159 412 000

1.7%

Total

413 514 000

442 739 000

7.1%

458 036 000

Finance

An amount of R1.38bn was spent on subsidising approximately 458m passenger journeys by rail during 1996/97 in the six major metropolitan areas. Passenger journeys increased by 3.5% during 1996/97. According to the Department of Transport, the main issues relating to rail commuter transport remained the low-cost recovery rate, fare increases, fare evasion, violence on trains, and various criminal activity.⁷⁶ [76 Department of Transport, 1996/97 annual report]

Policy Review

One of the objectives set by the Department of Transport during the period under review was to reduce road fatalities. A *White Paper on the Road Accident Fund*, published in February 1998, proposed the establishment of a road accident fund commission to reconsider the system of benefits/or compensation for victims of road accidents. The proposals in the white paper included the removal of the common-law right of the victim to sue the wrongdoer for losses not covered by the fund. The Law Society of South Africa, the General Council of the Bar of South Africa, and various disabled people's organisations criticised the changes and said that the removal of such common-law rights would be unconstitutional. The chairman of the standing committee of the Law Society of South Africa, Mr Ronald Bobroff, said that the proposed legislation would severely diminish people's rights. He said that if the proposed legislation was passed, each citizen would be at risk when using the roads. According to Mr Bobroff, the legislation would create 'a new under-class' of destitute road accident victims.

The Department of Transport set up the Moving South Africa (MSA) project in October 1996 to ensure that South Africa's transportation system meets the needs of the country in the 21st century. One of MSA's objectives is to improve problems such as the large numbers of people having to commute long distances and spend a high proportion of their income on transport.

Although the Department of Transport implemented plans to counter taxi violence (such as taxi route markers and the registration of taxi operators with taxi associations), rival taxi associations continued to engage in battles over routes. Certain organisations felt that there was insufficient government involvement in the industry. In May 1998 the Amalgamated National Commuters Organisation presented a document, *Taxi Violence National Plan and Strategies*, to the National Taxi Task Team. The document outlined various methods to curb violence in the taxi industry. The organisation said that the industry was the most convenient means of transportation for the poor and that for that reason the government should play a proactive role to ensure the security of commuters.

A 1998 report on poverty found that the government's transport subsidies were misallocated because taxi services, the most accessible mode of transport for the majority of the poor, were not provided with subsidies. According to the report, beneficiaries of bus subsidies were not the 'ultra-poor', but middle-income earners. Train services, the highest subsidised transport mode, were also 'unavailable' to the majority of commuters. The report said that the structure of the subsidy benefited certain operators even when there was evidence that they did not carry the majority of the poor. Until taxi services received government subsidies, existing transport subsidies would continue not to benefit the 'poorest of the poor', according to the report.

In September 1997 an organisation for the disabled, Disabled People South Africa, expressed concern about the lack of legal recourse in the justice system for taxi passengers injured in taxi violence. The organisation's parliamentary policy co-ordinator, Ms Shelley Barry, called for legal channels to be opened for taxi violence victims to seek compensation. She said that victims of taxi violence should be able to sue taxi associations involved in the conflict.

A *White Paper on Postal Policy*, which was published in May 1998, favoured the retention of sole ownership of the postal service by the government. The white paper proposed amending the Post Office Act of 1958. The act gives the state a monopoly on letter delivery, but makes it hard to prosecute private sector competitors because of the lack of an adequate legal definition for a letter. According to the white paper, postal monopoly is now deemed to include all letter mail, that is, postcards, printed paper, and small packets up to 2kg.

In 1998 the South African Post Office committed itself to operating without subsidies within three to five years. However, the post office had incurred a R572m loss in 1997 instead of the expected R10m profit.⁷⁷ [⁷⁷ *Business Day* 19 February 1997]

Key Projections

- Some 2.8m new telephone lines and 120 000 pay telephones were expected to be installed by 2001/02 by Telkom in terms of the government's agreement to sell 30% of the company to Telekom Malaysia and SBC International. All 1.25m analogue lines would be replaced with digital lines in that period.
- About 3.3m households would still be without telephones even if Telkom's target of providing 2.8m telephones by 2001/02 was met, according to the South African Telecommunications Regulatory Authority.

THE ECONOMY

Bird's Eye View

The financial turmoil in the east Asian markets since October 1997 has hurt the South African economy. While the economy continued to grow in 1997, the fifth consecutive year of real growth, it slowed down considerably to 1.7%, compared with 3.1% in 1996. This fell short of the government's economic growth target of 2.9% set out in the *Growth, Employment and Redistribution* strategy (*Gear*). In 1997 real personal disposable income per head dropped for the first time since 1994. A report on poverty published in May 1998 found that just under half of the population lived below the poverty line, a large proportion being in rural areas.

In 1997 the economy shed some 130 000 jobs. The 1997 *Gear* target was the creation of some 252 000. Between 1989 and 1996 there was a cumulative net loss of 390 000 formal sector jobs. The decline in jobs has been concentrated in manufacturing, construction, and mining. Improvements in productivity were again achieved at the expense of jobs, as nominal remuneration per worker continued to exceed growth in output prices.

In December 1997 the government published a medium-term expenditure framework, which outlined three-year spending plans for the national and provincial governments until the year 2000/01.

Gross domestic saving as a proportion of gross domestic product dropped for the first time since 1995 to about 15% in 1997. This was coupled with declines in personal saving as a proportion of personal disposable income to less than 1%. However, net capital inflows were substantially better in 1997 (R20.2bn) than in 1996 (R2.7bn). Household debt continued to rise, reaching nearly 68% in 1997, from a low of 47% in 1982.

Towards the end of 1997 the gold price began to drop, falling to below \$300 in November 1997—the first time in more than 12 years. The value of the rand was steadier in 1997 than in 1996, dropping less than half a percent against a basket of currencies. However, the rand declined rapidly during the second quarter of 1998.

In March 1998 the reserve bank introduced a new system for providing cash reserves to banks. The repurchase rate (repo rate) would be the discount at which the reserve bank was willing to accept repurchase agreements with banks. The repo rate would fluctuate reflecting market conditions. Following the decline of the rand in the second quarter of 1998, the repo rate increased.

In the 1997/98 financial year the government came close to meeting its budget deficit target set out in *Gear*. The budget deficit was 4.4% as compared with *Gear*'s target of 4%. However, the national government's fiscal restraint was not reflected in some of the provinces, especially the Eastern Cape and KwaZulu-Natal, where the national government had to provide an additional R1.5bn to meet budgetary shortfalls.

Key Points

- In 1997 real gross domestic product (GDP) grew by 1.7% (the fifth consecutive year of real economic growth), compared with 3.2% in 1996 and 3.4% in 1995.
- The ratio of gross domestic saving to GDP declined from 16.9% in 1996 to 15.2% in 1997.
- Private household indebtedness rose to 68% of disposable income in 1997, compared with 66% in 1996.
- Real personal disposable income per head dropped by 1.3% between 1996 and 1997. According to the South African Reserve Bank, real personal disposable income had dropped from R4637 in 1984 to R4208 in 1997 (by 9%).
- The reserve bank said that despite the falling levels of employment in the formal non-agricultural sectors of the economy, nominal remuneration per worker increased at a rate of 10% in 1996 and at year-on-year rates in the first three quarters of 1997 varying between 9.3% and 10.9%.
- A report on poverty, prepared for the deputy president in 1998, said that some 61% of all Africans and 38% of coloured people were poor, compared with 5% of Indians and 1% of whites.
- According to the Chamber of Mines of South Africa, the level of gold production dropped to 493 tonnes in 1997, the lowest since 1955, when it was 454 tonnes.
- According to the reserve bank, between June 1997 and May 1998 the rand depreciated by 13.2% against the US dollar and by 12.9% against the British pound.
- Average consumer price inflation for 1997 was 8.6%, slightly higher than the rate of 7.4% in 1996. The producer price index was also slightly higher than in 1996: it rose from 6.9% in 1996 to 7.1% in 1997.
- Average real bank rate in 1997 was 8.3%, substantially higher than the *Gear* assumption of 5%, according to the 1998 *Budget Review*.
- Year-on-year growth in real gross domestic fixed investment declined from 8% in 1996 to 3.5% in 1997.
- In 1997 exports amounted to some R143bn, up 13.7% compared with 1996. The value of imports rose by 12.3% to R130bn. The trade surplus was R13.2bn and total trade amounted to 46% of GDP.
- In 1998 South Africa was ranked 42nd out of 53 countries on the annual scale of international competitiveness, up from 44th in 1997.

- In 1998/99 social services accounted for 49.8% of the consolidated national and provincial budget, up from 46.6% in 1997/98 and 20.7% in 1970/71.

Macro-Economic Picture

1997 at a Glance

The table below provides key economic indicators for 1997.¹ [¹ Central Statistical Service (CSS), *National Accounts: GDP at constant and at current prices*, statistical release PO441, 25 May 1998; CSS, *Consumer Price Index December 1997*, statistical release PO141.1, 28 January 1998; CSS *Production Price Index December 1997*, statistical release PO142.1, 3 February 1998; South African Reserve Bank (SARB), *Quarterly Bulletin*, March 1998]

1997 at a glance

GDP at factor incomes (real)

R268 142m

up 1.7% on 1996

(current prices)

R529 557m

up 9.4% on 1996

GDP growth by sector at factor incomes (constant seasonally adjusted prices)

Primary sector

0.3%

1996: 8.9%

Secondary sector

3.2%

1.2%

Tertiary sector

1.1%

2.8%

Non-farm GDP growth

1.9%

1.9%

GDP per head (real)

R6 988

down 0.4% on 1996

Gross domestic saving as proportion of GDP

15.2%

1996: 16.9%

Gross domestic fixed investment (constant)

R61 792m

up 3.5% on 1996

(current)

R103 343m

up 10.4% on 1996

Net capital inflow not related to reserves

R20.25bn

1996: R2.67bn

Current account deficit

R8.81bn

up Current account deficit as proportion of GDP

1.5%

1996: 1.3%

Inflation rate

8.6%

1996: 7.4%

Producer price rise

7.1%

1996: 6.9%

Average exchange rate (R/\$)

R1 = 21.7 US cents

1996: R1 = 23.3 US cents

Value of gold exports

R25.82bn

down 1.8% on 1996

Value of merchandise exports

R114.14bn

up 12.5% on 1996

Growth Rate

Economic growth rate 1997: 1.7%

Gear target 1997: 2.9%

Forecast growth range 1998: 0.5% (Edward Osborn) to 1.2% (Standard Bank)

Gear target 1998: 3.8%

The South African economy continued to grow in 1997 and was in its fifth successive year of economic expansion. Real growth in gross domestic product (GDP) at market prices in 1997 was 1.7%, compared with 3.2% in 1996 and 3.4% in 1995. ² [2 Department of Finance, *Budget Review 1998*, 1998, pp2.2-2.3]

According to the 1998 *Budget Review*, manufacturing was the major growth stimulus in 1997, real factory output increasing by well over 3%. The manufacturing sector's contribution to GDP increased from 24% in 1993 to 24.9% in 1997. ³ [3 Ibid] The contribution of agriculture, forestry, and fishing increased slightly from 5% in 1993 to 5.6% in 1997. Mining's contribution dropped from 10% in 1993 to 8.6% in 1997. ⁴ [4 CSS, *National accounts: Gross domestic product at constant 1990 prices and at current prices*, statistical release PO441, fourth quarter 1997, 24 February 1998]

At the time of the budget in March 1998 the Department of Finance expected the South African economy to grow by 3% in the 1998/99 financial year, rising to 4% in 1999/2000 and 5% in 2000/01. ⁵ [5 Department of Finance, *Budget Review 1998*, 1998, p2.1] The International Monetary Fund expected the South African economy to grow by 2.2%, while economic growth in Africa would average 4.6% in 1998. World economic growth would be 3.1% in 1998. Developing nations would grow at 4% in 1998, rising to 5.3% in 1999. ⁶ [6 *Business Day* 14 April 1998]

According to Absa Bank, various recent studies and medium-term projections of the South African economy had concluded that the *Growth, Employment and Redistribution (Gear)* target of 6% growth by 2000 was not attainable. Although these projections did not necessarily invalidate the policy direction of *Gear*, Absa said, they emphasised that it would take longer to realise the economic growth potential. ⁷ [7 Absa Bank, *Economic Spotlight: A Long-term Assessment of the 1998 Budget*, no 23, April 1998, p29]

According to the South African Chamber of Business (Sacob), lower commodity prices, high imports and insufficient direct foreign investment were preventing the economy from growing beyond 3%. ⁸ [8 *The Star Business Report* 7 May 1998] Sacob economists pointed out that 3% growth was not enough to attract sufficient direct investment, create jobs and eliminate the inequalities of the past. Sacob said that faster growth could be stimulated by the impact of demutualisation of Sanlam and Old Mutual. The

government could also make a contribution by tackling the restructuring of state assets with greater ‘alacrity and enthusiasm’.⁹ [⁹ *F & T Weekly* 17 April 1998]

An economist at Deutsche Morgan Grenfell, Mr Gordon Smith, estimated that demutualisation would boost consumption in 1999 and 2000 by R15bn—R4.5bn in 1999 and R10.5bn in 2000. This would boost GDP by 0.8 percentage points in 1999 and 1.5 percentage points in 2000.¹⁰ [¹⁰ *Business Day* 30 March 1998]

The following graph shows real GDP from 1960 to 1997:

The graph below plots average annual economic growth from 1961 to 1997.

The table below shows total GDP at factor incomes, GDP per head, and personal disposable income per head in the period 1960 to 1997 in real terms, as well as the annual change.¹¹ [¹¹ SARB, *South Africa’s National Accounts 1946–1993*, June 1994; SARB, *Quarterly Bulletin*, March 1998, pS138]

Real growth and income: 1960–97^a

Year

TotIncrease (decrease)

Real GDP per head^b

R

Increase (decrease)

Real personal disposable income per head^c R

Increase (decrease)

1960

86.03

–

5 717

—

3 108

—

1961

89.34

3.9%

5 780

1.1%

3 287

5.8%

1962

94.77

6.1%

5 974

3.4%

3 373

2.6%

1963

101.55

7.1%

6 245

4.5%

3 394

0.6%

1964

109.39

7.7%

6 559

5.0%

3 419

0.7%

1965

116.15

6.2%

6 770

3.2%

3 443

0.7%

1966

121.37

4.5%

6 876

1.6%

3 588

4.2%

1967

128.98

6.3%

7 171

4.3%

3 650

1.7%

1968

135.66

5.2%

7 270

1.4%

3 867

6.0%

1969

143.73

5.9%

7 408

1.9%

3 870

0.1%

1970

151.61

5.5%

7 587

2.4%

3 966

2.5%

1971

158.89

4.8%

7 704

1.5%

4 240

6.9%

1972

162.71

2.4%

7 625

(1.0%)

4 353

2.7%

1973

169.95

4.5%

7 765

1.8%

4 332

(0.5%)

1974

179.81

5.8%

8 033

3.5%

4 455

2.8%

1975

184.67

2.7%

7 969

(0.8%)

4 596

3.2%

1976

189.55

2.6%

7 946

(0.3%)

4 346

(5.4%)

1977

188.47

(0.6%)

7 733

(2.7%)

4 474

3.0%

1978

193.85

2.9%

7 755

0.3%

4 251

(5.0%)

1979

201.28

3.8%

7 848

1.2%

4 424

4.1%

1980

214.73

6.7%

8 163

4.0%

4 686

5.9%

1981

226.20

5.3%

8 380

2.7%

4 447

(5.1%)

1982

224.74

(0.6%)

8 138

(2.9%)

4 413

(0.8%)

1983

220.40

(1.9%)

7 790

(4.3%)

4 434

0.5%

1984

232.07

5.3%

7 987

2.5%

4 637

4.6%

1985

229.94

(0.9%)

7 700

(3.6%)

4 472

(3.6%)

1986

229.79

(0.1%)

7 517

(2.4%)

4 228

(5.5%)

1987

234.00

1.8%

7 495

(0.3%)

4 354

3.0%

1988

243.23

3.9%

7 631

1.8%

4 443

2.0%

1989

249.19

2.5%

7 633

0.0%^d

4 435

(0.2%)

1990

247.32

(0.8%)

7 434

(2.6%)

4 353

(1.9%)

1991

244.55

(1.1%)

7 192

(3.3%)

4 273

(1.8%)

1992

238.71

(2.4%)

6 879

(4.4%)

4 219

(1.3%)

1993

242.49

1.6%

6 816

(0.9%)

4 191

(0.7%)

1994

248.58

2.8%

6 854

0.6%

4 169

(0.5%)

1995

255.77

2.9%

6 938

1.2%

4 180

0.3%

1996

263.69

3.1%

7 016

1.1%

4 264

2.0%

1997

268.14

1.7%

6 988

(0.4%)

4 208

(1.3%)

^a At constant 1990 prices.

^b GDP per head is total GDP divided by the total population.

^c Personal disposable income per head is total personal income minus direct taxes.

^d Increase too small to record.

The graph below compares GDP per head and personal disposab

Personal disposable income in 1997 dropped for the first time since 1994. In 1997 it was slightly less than it had been in 1992.

The graph below shows the proportional contribution of economic sectors to GDP in various years from 1947 to 1997.

The table below shows the proportional contribution of economic sectors to GDP from 1946 to 1997.¹²
[¹² SARB, *South Africa's National Accounts 1946–93*, June 1994; SARB, *Quarterly Bulletin*, March 1998, pS101]

Proportional contribution of economic sectors to GDP: 1946–97^a

Primary sector

Secondary sector

Tertiary sector

1946

28.6%

17.8%

53.6%

1947

28.6%

19.7%

51.8%

1948

28.2%

20.9%

50.9%

1949

27.3%

21.7%

51.0%

1950

27.8%

22.2%

50.0%

1951

27.7%

22.9%

49.4%

1952

27.4%

23.8%

48.8%

1953

27.2%

23.8%

49.0%

1954

27.7%

24.6%

48.3%

1955

28.1%

24.2%

47.7%

1956

29.0%

23.9%

47.0%

1957

28.6%

24.2%

47.1%

1958

28.2%

24.4%

47.4%

1959

29.6%

24.0%

46.4%

1960

29.7%

24.3%

46.0%

1961

30.0%

24.2%

45.8%

1962

30.4%

24.3%

45.4%

1963

29.6%

25.6%

44.7%

1964

28.3%

27.7%

44.0%

1965

27.4%

28.6%

44.0%

1966

27.4%

29.0%

43.7%

1967

26.8%

29.4%

43.8%

1968

25.5%

29.6%

44.9%

1969

24.6%

30.8%

44.6%

1970

23.6%

31.5%

44.9%

1971

22.7%

32.3%

44.9%

1972

21.3%

33.2%

45.5%

1973

19.7%

34.2%

46.1%

1974

18.7%

34.7%

46.6%

1975

17.1%

35.0%

47.9%

1976

17.4%

34.7%

47.9%

1977

18.3%

33.9%

47.8%

1978

18.1%

34.5%

47.4%

1979

17.7%

35.6%

46.7%

1980

16.8%

36.5%

46.7%

1981

16.1%

37.1%

46.8%

1982

15.8%

36.5%

47.7%

1983

15.1%

35.0%

49.9%

1984

15.1%

34.6%

50.3%

1985

16.1%

33.4%

50.5%

1986

16.0%

33.2%

50.7%

1987

15.4%

33.1%

51.5%

1988

15.1%

33.7%

51.2%

1989

15.4%

33.7%

50.9%

1990

15.0%

33.3%

51.7%

1991

15.2%

32.5%

52.3%

1992

14.2%

32.2%

53.6%

1993

15.2%

31.8%

53.1%

1994

15.1%

31.8%

53.1%

1995

13.6%

32.9%

53.5%

1996

14.4%

32.2%

53.4%

1997

14.2%

32.7%

53.1%

^a Figures should

Saving and Investment

Private sector net saving rate as a proportion of GDP 1997: 5.5%

Gross private saving as a proportion of GDP 1997: 18.9%

Gear target 1997: 21%

Gear target 1998: 21.2%

Net government dissaving (% of GDP) 1997: 3.5%

Gear target 1997: 2.3%

Gear target 1998: 1.7%

The ratio of gross domestic saving to GDP declined from 16.9% in 1996 to 15.2% in 1997. The reason for this was the weakening of the saving ratio in the private sector, which was not entirely offset by a reduction in government dissaving. Net dissaving by the government was 3.5% of GDP, the same as in 1996. The fiscal targets set in *Gear* aimed to eliminate government dissaving by the turn of the century.¹³ [¹³ Department of Finance, *Budget Review 1998*, 1998, p2.7]

The private sector net saving rate was 5.5% of GDP in 1997 compared with 7% in 1996. Private household indebtedness rose to 68% of disposable income in 1997, from 66% in 1996. The ratio of household saving to personal disposable income declined from 2% in 1996 to 1% in 1997. The household saving rate and the national saving rate declined to a level which was inadequate to finance fixed investment 'at a pace compatible with rapid job creation', the South African Reserve Bank said in March 1998.¹⁴ [¹⁴ SARB, *Quarterly Bulletin*, March 1998, pp1, 9] The Bureau for Economic Research at the University of Stellenbosch said that demutualisation in 1999 and 2000 could have an adverse effect on domestic saving.¹⁵ [¹⁵ Bureau for Economic Research (BER), *Economic Prospects*, vol 13, no 1, May 1998]

The table below shows gross domestic saving as a proportion of GDP, personal saving as a proportion of personal disposable income and household debt as a proportion of personal disposable income from 1981 to 1997:¹⁶ [¹⁶ SARB, *Quarterly Bulletin*, March 1998, pS-139]

Gross domestic saving, personal saving and household debt: 1981-97

Gross domestic saving to GDP

Personal saving to personal disposable income

Household debt to personal disposable income

1981

27.2%

2.1%

—

1982

20.8%

1.7%

46.9%

1983

25.3%

1.7%

49.6%

1984

22.5%

4.3%

52.1%

1985

24.5%

6.3%

53.0%

1986

23.5%

3.2%

50.0%

1987

22.5%

4.6%

46.6%

1988

22.7%

3.9%

49.4%

1989

22.6%

3.4%

52.5%

1990

19.5%

1.1%

55.6%

1991

18.9%

1.9%

56.6%

1992

17.0%

4.3%

54.3%

1993

17.2%

5.3%

55.0%

1994

17.1%

4.1%

57.8%

1995

16.9%

1.9%

62.5%

1996

16.9%

2.1%

66.0%

1997

15.2%

0.9%

67.8%

The declining trend in gross domestic saving as a proportion of GDP is illustrated

Provincial Growth

According to the Central Statistical Service, the contributions of each province to gross geographic product in the period 1991 to 1994 (the latest year for which figures were available) had not changed significantly. Some 38% of the country's GDP in 1994 was generated in Gauteng. KwaZulu-Natal contributed 15% and the Western Cape 14%.¹⁷ [¹⁷ 1996/97 Survey, p660] (See 1996/97 Survey, p660.)

Income Per Head

Real income per head dropped by 1.3% in 1997, after growth of 0.3% and 2% in 1995 and 1996 respectively (see *Growth* above). Forecasts by Standard Bank indicated that real personal disposable income per head would drop from R4 208 in 1997 to R4 150 in 1998 (by 1.4%) before increasing to R4 210 in 1999.¹⁸ [¹⁸ Information provided by Standard Bank, June 1998]

Unemployment

Jobs lost non-agricultural formal sector (CSS): 142603 (4Q1997 vs 4Q 1996)

Job creation—Gear target 1997: 252 000

Employment growth in non-agricultural formal employment, Gear target 1997: 3%

According to the Central Statistical Service (CSS), between the fourth quarter of 1996 and the fourth quarter of 1997, jobs in the formal non-agricultural sectors of the economy declined by some 2.7% (142603 jobs).¹⁹ [¹⁹ Fast Facts No 6 1998] The decline in employment in the non-agricultural formal sector in

1997 reflected the restructuring and rationalisation of work practices by producers facing domestic cost pressures, aggressive foreign competition and weak international commodity prices, the reserve bank said in March 1998. Furthermore, the elimination of export subsidies forced domestic exporters to adjust and reduce the size of their workforces.²⁰ [²⁰ SARB, *Quarterly Bulletin*, March 1998, pS-10]

The level of non-agricultural formal employment declined by an average annual rate of 1% from 1989 to 1996, indicating a cumulative net loss of about 390 000 formal sector jobs, according to the 1998 *Budget Review*.²¹ [²¹ Department of Finance, *Budget Review 1998*, 1998, p2.18] Since 1994 the decline has been concentrated in three sectors, namely manufacturing, construction, and mining. In manufacturing, although firms have steadily increased the level of output since 1994, employment has declined. The decline in measured employment in the construction industry was in part the result of the growing use of contract labour and subcontractors within the sector. Although a decline in the level of formal employment in the construction sector was recorded, there was not an actual drop in the number of people working. The decline of the gold price during the last quarter of 1997 was a major contributing factor to the overall decline in employment in the mining sector.²² [²² *Ibid*, pp2.19-2.20]

During 1998 the government criticised unemployment statistics provided by the CSS, as did the International Labour Organisation, which in 1996 had claimed that the poor quality of statistics and a range of methodological problems had exaggerated the unemployment problem. A study commissioned by the government in the light of this criticism found that the CSS series on employment had undercounted employment in agriculture and failed to capture new forms: the expansion in trade, catering and hotels, as well as a range of informal tourism-related activities. The survey had undercounted employment in mining.²³ [²³ *Sunday Times Business Times* 10 May 1998]

The minister of finance, Mr Trevor Manuel, said in February 1998 that the number of new entrants into the labour market would increase from about 450000 in 1998 to more than 600000 early in the next century.²⁴ [²⁴ Mr Trevor Manuel, minister of finance, debate at the Centre for Development and Enterprise, 26 February 1998] This compared with some 350000 entering the labour market in the mid-1980s.²⁵ [²⁵ Department of Finance, *Budget Review 1998*, 1998, p2.17]

According to a study on unemployment by the South African Institute of Race Relations, at current growth (1996) unemployment could deepen by up to two percentage points a year. The study estimated that in 1996 the unemployment rate stood at 24% of the economically active population.²⁶ [²⁶ Schlemmer L, Levitz C, *Unemployment in South Africa. The Facts, the Prospects and an Exploration of Solutions*, South African Institute of Race Relations, January 1998]

Skills Shortage

According to the 1998 *Budget Review*, whereas skilled labour shortages were a growing concern during 1996 in that they were constraining economic growth, the slowdown in 1997 should moderate excess demand. The review added, however, that the long-term trend in net emigration continued to act as a

drain on the supply of skilled labour.²⁷ [27 Department of Finance, *Budget Review 1998*, 1998, pp2.20–2.21] (See also chapters on *Employment* and *Population*.)

In February 1998 manufacturing capacity was underutilised by 19.5%. The shortage of skilled labour accounted for 1.5% of underutilisation, compared with an average of 2.7% in 1997. A shortage of semiand unskilled labour accounted for 0.5% in February 1998, unchanged from 1997. Some 73% of companies surveyed blamed insufficient demand as the main reason for the underutilisation of manufacturing capacity.²⁸ [28 Fast Facts No 6 1998]

Productivity Constraints

According to the reserve bank, rationalisation of work practices, which led to declines in employment, and a reduction of 64% in the number of mandays lost owing to strikes or work stoppages in 1997, helped boost productivity (output per worker in the non-agricultural sectors of the economy) by 3% in 1996 and by an average rate of 3.6% in the first three quarters of 1997 compared with the corresponding period in 1996. Because productivity increases did not keep pace with rises in the average remuneration per worker, nominal unit labour costs kept growing, thereby putting upward pressure on the output prices of domestically produced goods and services. The reserve bank added however, that these pressures were somewhat moderated during 1997: the increase over one year in nominal unit labour costs dropped from 6.8% in 1996 to 6.1% in the first three quarters of 1997.

According to the reserve bank, the major part of the cost absorption process over the past number of years was the paring of the workforce in order to achieve higher productivity levels. As a result unemployment increased as employment fell and the population of working age continued to grow.²⁹ [29 SARB, *Quarterly Bulletin*, March 1998, p11] (See also chapter on *Employment*.)

Poverty

A report entitled *Poverty and Inequality in South Africa* and prepared for the office of the deputy president in May 1998 said that about 19m people or just under 50% of the population could be regarded as poor. These people lived below the poverty line—R353 per adult per month. The report added that about 72% of those poor lived in rural areas. The poverty gap (the annual amount needed to uplift the poor to the poverty line by means of ‘perfectly targeted transfer of money’) was about R28bn in 1995. About 76% of this would have to reach rural areas.

According to the report, poverty was not confined to any one race group, but was concentrated among Africans in particular: 61% of Africans and 38% of coloured people were poor, compared with 5% of Indians and 1% of whites. Three children in five lived in poor households.³⁰ [30 Report prepared for the office of the deputy president and the Interministerial Committee for Poverty and Inequality, *Poverty and Inequality in South Africa*, 13 May 1998, p5]

Balance of Payments

Current account deficit 1997: R8.8bn

Current account deficit (as proportion of GDP) 1997: 1.5%

Gear target 1997: 2%

Forecast range 1998:R4.3bn (Bureau for Economic Research) to R13bn (Nedcor)

Gear projection (as proportion of GDP) 1998: 2.2%

In 1997 the current account deficit was R8.8bn, compared with R7.3bn in 1996. As a proportion of gross domestic product (GDP) it rose from 1.3% in 1996 to 1.5% in 1997.³¹ [³¹ SARB, *Quarterly Bulletin*, March 1998, p15] According to the 1998 *Budget Review*, the current account was expected to deteriorate during 1998 because of a revival in domestic demand and a depressed gold price. However, continued growth in non-gold exports should confine the deficit to between 1.5% and 2% of GDP. Prospects for capital inflow during 1998 were ‘promising’.³² [³² Department of Finance, *Budget Review 1998*, 1998, p2.24]

Net capital inflow in 1997 was R20.2bn, substantially higher than the net inflow of R2.7bn in 1996.³³ [³³ SARB, *Quarterly Bulletin*, March 1998, pS78] This was the fourth successive year of net capital inflows after deficits every year from 1985 to 1993.

Long-term capital inflows in 1997 were dominated by portfolio investment flows, which are generally less stable than foreign direct investment. In the event of abrupt flow reversals they could have a destabilising effect on general macro-economic equilibrium, the reserve bank said.³⁴ [³⁴ Ibid, p16]

South Africa’s net foreign reserves rose by R11.4bn in 1997, compared with a decline of R4.6bn in 1996. Measured in US dollars, total gross foreign reserves increased from \$3.6bn at the end of 1996 to \$7.5bn at the end of 1997. At the end of 1997 gross reserves stood at R28.5bn and were equivalent to about ten weeks’ worth of imports of goods and services—two weeks short of what is widely regarded as a ‘prudent level’ of foreign reserves.³⁵ [³⁵ Ibid]

Total foreign debt as at the end of 1996 was US\$32.9bn, compared with \$33bn in 1995.³⁶ [³⁶ Ibid]

The Gold Price

Average gold price 1997: US\$331.11

R1523.48

Year-to-date average gold price (2/1/98–31/7/98): US\$294.90

The average London gold price in 1997 was US\$331.11, compared with \$387.71 in 1996—a drop of 14.6%. In nominal South African rands the gold price declined by 8%. According to the reserve bank, despite the physical quantity of gold produced having declined from 497 tonnes in 1996 to an estimated 495 in 1997, the volume of net gold exports increased by about 5.5% in 1997 on account of sales from inventories which had been stockpiled earlier.³⁷ [³⁷ Ibid]

In November 1997 the gold price dropped to below \$300 per fine ounce for the first time in more than 12 years. The gold price declined by some \$90 during 1997.³⁸ [³⁸ *Business Day*, *The Star Business Report* 27 November 1997, *The Citizen* 10 December 1998] (In January 1997 the gold price was R1648. By December 1997 it had dropped by 14.6% to R1408.)³ [³⁹ SARB, *Quarterly Bulletin*, March 1998, pS99]

The table below shows the average London gold price from 1946 to 1997:⁴⁰ [⁴⁰ Fax communication from the SARB, 18 June 1998; Chamber of Mines of South Africa, *Statistical Tables 1996*, 1996; telephonic communication, Chamber of Mines, 12 June 1998]

Average London gold price and volume of gold production: 1946–97

Price in American dollars

Nominal price in South African rands

Increase (decrease)^a

Volume of gold production (kg)

Increase (decrease)

1946

34.71

17.23

N/A

370 976

N/A

1947

34.71

17.23

0.0%

348 368

(6.1%)

1948

34.71

17.23

0.0%

360 329

3.4%

1949

31.70

17.51

1.6%

364 068

(0.6%)

1950

34.72

24.80

41.6%

361 849

(0.6%)

1951

34.72

24.80

0.0%

358 202

1.0%

1952

34.60

24.71

0.4%

367 602

2.6%

1953

34.84

24.89

0.7%

371 395

1.0%

1954

35.04

25.03

0.6%

411 720

10.9%

1955

35.03

25.02

(0.0%)b

454 154

10.3%

1956

34.99

24.99

(0.1%)

494 442

8.9%

1957

34.95

24.96

(0.1%)

529 715

7.1%

1958

35.10

25.07

0.4%

549 177

3.7%

1959

35.09

25.06

(0.0%)b

624 107

13.6%

1960

35.17

25.12

0.2%

665 086

6.6%

1961

35.14

25.10

(0.1%)

713 562

7.3%

1962

35.20

25.14

0.2%

792 890

11.1%

1963

35.08

25.06

(0.3%)

853 229

7.6%

1964

35.08

25.06

0.0%

905 470

6.1%

1965

35.13

25.09

0.1%

950 332

5.0%

1966

35.17

25.12

0.1%

960 466

1.1%

1967

35.19

25.13

0.0%b

949 679

(0.1%)

1968

38.40

27.64

10.0%

967 146

1.8%

1969

41.10

29.36

6.2%

972 956

0.6%

1970

35.94

25.67

(12.6%)

1 000 417

2.8%

1971

40.79

29.27

14.0%

976 297

(6.8%)

1972

58.14

45.07

54.0%

909 631

(6.8%)

1973

97.24

67.04

48.7%

855 179

(6.0%)

1974

159.19

108.31

61.6%

758 559

(11.3%)

1975

161.06

118.06

(9.0%)

713 447

(5.9%)

1976

124.83

108.55

(8.1%)

713 390

(0.0%)b

1977

147.71

128.44

18.3%

699 887

(1.9%)

1978

193.26

168.05

30.8%

704 449

0.7%

1979

306.99

257.71

53.4%

703 473

(0.1%)

1980

613.07

476.80

85.1%

672 875

(4.3%)

1981

459.68

400.24

(16.1%)

655 755

(2.5%)

1982

375.79

408.91

2.2%

662 626

1.0%

1983

424.31

471.66

15.3%

677 862

2.3%

1984

360.45

526.76

11.7%

679 944

0.3%

1985

317.29

710.63

34.9%

670 755

(1.4%)

1986

367.59

840.38

18.3%

638 047

(4.9%)

1987

446.60

908.81

8.1%

602 172

(5.6%)

1988

437.09

991.58

9.1%

617 718

2.6%

1989

381.54

998.89

0.7%

605 554

(2.0%)

1990

383.58

991.88

0.8%

602 999

(0.4%)

1991

362.19

999.53

0.8%

599 195

(0.6%)

1992

343.72

979.98

(2.0%)

611 149

2.0%

1993

359.70

1 176.73

20.1%

617 505

1.0%

1994

384.05

1 363.43

15.9%

583 893

(5.4%)

1995

384.17

1 393.48

2.2%

522 377

(10.5%)

1996

387.71

1 664.02

19.4%

494 618

(5.3%)

1997

331.11

1 523.48

(8.4%)

492 534

(0.4%)

^a Change in the rand price.

^b Increase/decrease too small to record.

N/A — Not available.

The graph below shows the av

The following graph shows the volume of gold production in tonnes from 1946 to 1997:

The Exchange Rate

Real effective exchange rate (change) 1997: up 0.7%

Gear target 1997: (0.3%)

Gear target 1998: 0.0%

Average rand/dollar value 1997: 21.7 US cents

Forecast range 1998: 18.18 cents (Absa Bank) to 17.98 cents (Nedcor)

Despite the turbulence experienced on stock exchanges and currency markets following the depreciation of some of the Asian emerging market currencies in the second half of 1997, the rand remained relatively stable, according to the 1998 *Budget Review*.⁴¹ [⁴¹ Department of Finance, *Budget Review 1998, 1998, p2.25 1998*, 1998, p2.25]

The rand, which had lost 21.9% of its value against a basket of currencies in 1996, was steadier in 1997, when it depreciated by only 0.3%. (The basket of currencies includes the US dollar, the British pound, the German mark, and the Japanese yen.)⁴² [⁴² SARB, *Quarterly Bulletin*, March 1998, p19]

The rand moved from 21.4 American cents at the end of 1996 to 20.5 cents at the end of 1997, a depreciation of 4.2%. The rand appreciated by 10.6% against the German mark, 10.7% against the Italian lira, and 11.1% against the Dutch guilder over the same period, according to the reserve bank.

The rand also appreciated against the Japanese yen—by 7.7%. Against the British pound the rand declined by 1.6%.⁴³ [⁴³ Ibid]

Between June 1997 and May 1998 the rand depreciated against the dollar by 13.2%, and by 12.9% against the British pound,⁴⁴ [⁴⁴ Telephonic communication with SARB, 5 June 1998] mainly as a result of the economic crisis in south east Asia and the resulting loss of confidence in emerging markets (of which South Africa is one). In June 1998 the rand dropped quite dramatically against the dollar and the British pound. Between 31st December 1997 and 5th August 1998 the rand depreciated against the dollar by 21.2%, and by 20.3% against the British pound. Overall, up to 5th August 1998 the rand depreciated by some 20.6% against a basket of currencies.⁴⁵ [⁴⁵ *Business Report, The Citizen* 12 June 1998; information provided by the SARB, 7 August 1998] According to Dr Jos Gerson, economist at Merrill Lynch Smith Borkum, at the rand's weakest point, after the announcement of the appointment of Mr Tito Mboweni as governor-designate of the reserve bank, the currency was 53% undervalued in terms of purchasing power parity. This had been exceeded only once, in August 1985 after Mr P W Botha's 'Rubicon speech' when the rand's month-end value fell to 59% below purchasing power parity.⁴⁶ [⁴⁶ *Financial Mail* 24 July 1998]

The following table shows the value of the rand in American cents from 1970 to 1997, as calculated by the Bureau for Economic Research (BER) at the University of Stellenbosch and thereafter the real average effective exchange rate as calculated by the reserve bank:⁴⁷ [⁴⁷ Bureau for Economic Research (BER), *Trends*, vol 11 no 4, University of Stellenbosch, December 1988; BER, *Trends*, vol 19 no 4, December 1996; BER, *Trends*, vol 21, no1, April 1998; fax communication from the SARB, 18 June 1998]

Exchange rates: 1970–97

Value of commercial rand in US dollars

Increase (decrease)

Index of real effective exchange rate^a (*average*)

Increase (decrease)

1970

1.40

—

93.57

—

1971

1.40

0.0%

94.91

1.4%

1972

1.29

(7.9%)

89.11

(6.1%)

1973

1.44

11.6%

98.56

10.6%

1974

1.47

2.1%

99.46

0.9%

1975

1.35

(8.2%)

101.14

1.7%

1976

1.15

(14.8%)

99.57

(1.6%)

1977

1.15

0.0%

104.23

(4.7%)

1978

1.15

0.0%

101.78

(2.4%)

1979

1.19

3.5%

107.27

5.4%

1980

1.28

7.6%

118.75

10.7%

1981

1.14

(10.9%)

120.27

1.3%

1982

0.92

(19.3%)

112.83

(6.2%)

1983

0.90

(2.2%)

124.32

10.2%

1984

0.68

(24.4%)

105.93

(14.8%)

1985

0.45

(33.8%)

82.02

(22.6%)

1986

0.44

(2.2%)

85.58

4.3%

1987

0.49

11.4%

99.84

16.7%

1988

0.44

(10.2%)

95.78

(4.1%)

1989

0.38

(13.6%)

95.39

(0.4%)

1990

0.39

2.6%

100.00

4.8%

1991

0.36

7.7%

102.99

3.0%

1992

0.35

(2.8%)

104.83

1.8%

1993

0.31

(11.4%)

100.19

(0.0%)^b

1994

0.28

(9.7%)

97.15

3.0%

1995

0.28

0.0%

97.39

0.2%

1996^a

0.23

(17.9%)

89.34

8.3%

1997

0.22

(4.3%)

90.00

0.7%

^a 1990 = 100.

^b Decrease too small to record.

According to the BER, the rand was expected to trade in a R5.70 to R6.50 range over a 1 to 18-month period (ie up to the end of 1999). The rand's year-end value in 1998 was expected to be R6.00 to the dollar. The BER said that this should provide a major boost to the gold mining industry and the m

Exchange Controls

In March 1998 the minister of finance, Mr Trevor Manuel, announced additional measures easing exchange control regulations. In his budget speech Mr Manuel said that the government would seek to

ensure that the lifting of the remaining exchange controls occurred without placing undue pressure on the balance of payments.⁴⁹ [49 Mr Trevor Manuel, minister of finance, budget speech, 11 March 1998]

The key objectives of the changes were to strengthen South Africa's commitment to the Southern African Development Community (SADC) through measures designed to facilitate regional capital market integration; and to raise the limits on the activities of individuals, corporations and financial institutions.

Some of the changes in exchange control regulations included the following:⁵⁰ [50 Ibid]

- the limit on new investments by South African corporations in SADC countries was increased from R50m to R250m;
- the limit on offshore investment was increased from R30m to R50m; and
- the limit on offshore investments by private individuals was increased from R200 000 to R400 000. However, a clearance certificate would have to be obtained from the South African Revenue Service prior to the approval of any foreign investment.

Inflation

Average inflation rate 1997: 8.6%

Gear target 1997: 9.7%

Forecast range 1998: 5.8% (Absa Bank) to 6.6% (Bureau for Economic Research)

Gear target 1998: 8.1%

Average consumer price inflation in 1997 was 8.6%, slightly higher than the rate of 7.4% in 1996. The inflation rate did, however, start dropping towards the end of 1997, reaching 6.1% in December 1997.⁵¹ [51 Fast Facts No 3 1998] According to the reserve bank, the firm downward trend in consumer price inflation was assisted by a much slower increase in food prices and a reduction in mortgage rates and instalments following the lowering of bank rate in October 1997 (see *Interest rates* below).⁵² [52 SARB, *Quarterly Bulletin*, March 1998, p11] According to the 1998 *Budget Review*, the inflation rate in 1997 was below the *Gear* forecast of 9.7%, in part because of the strength of the rand and high real interest rates.⁵³ [53 Department of Finance, *Budget Review 1998*, 1998, p2.11–1.12] The *Budget Review* said that inflation was expected to fall in excess of two percentage points in 1998. Inflation in the US was expected to be 2.2% in 1998. Japan's inflation rate was expected to be 1.1% in 1998, Germany's 2.2%, and the UK's 3.5%.⁵⁴ [54 Absa

Bank, *Quarterly South African Economic Monitor*, second quarter, 1998]

In February 1997 the Central Statistical Service (CSS) published a core inflation index for the first time. Its aim was to ‘capture the underlying inflationary pressures in the economy, ie the trend in the general price level which reflects the balance between aggregate demand and supply in the economy over the medium term’. Core inflation was derived by excluding certain items from the consumer price index basket on the basis that changes in their prices were highly volatile, subjected to temporary influences or affected by government intervention and policy (see also 1996/97 Survey, p675). The average core inflation in 1997 was 8.8%.⁵⁵ [⁵⁵ Telephonic communication, Ilse van Reenen, Users’ Service, CSS, 12 June 1998]

Food price inflation was 9.4% in 1997, compared with 6.1% in 1996.⁵⁶ [⁵⁶ Ibid]

There was a downward trend in the producer price index in 1997. Although it was slightly higher than in 1996—it rose from 6.9% to 7.1% in 1997—it was still much lower than in 1995 (9.6%). Measured year-on-year the producer price increase in December 1997 was 4%, the lowest rate since September 1971.⁵⁷ [⁵⁷ SARB, *Quarterly Bulletin*, March 1998, pp11–12]

According to the 1998 *Budget Review*, the Department of Finance and the reserve bank would continue to investigate the feasibility of establishing defined inflation targets as the focus of monetary policy.⁵⁸ [⁵⁸ Department of Finance, *Budget Review 1998*, 1998, p2.15] The governor of the reserve bank, Dr Chris Stals, said he supported the idea of inflation targets set by the government but he did not believe they could be introduced in the next two years. The director general of finance, Ms Maria Ramos, said that government’s setting of inflation targets would not interfere with the independence of the reserve bank as the bank would continue independently to control the instruments required to achieve the monetary policy goals.⁵⁹ [⁵⁹ *Business Day* 16 March 1998] A parliamentary task team headed by Professor Ben Turok MP (ANC), said in May 1998 that the credibility of the reserve bank’s autonomy required that there should be ‘no actual or perceived interference in carrying out its mandate’.⁶⁰ [⁶⁰ *The Star Business Report* 29 May 1998]

In July 1998 the deputy president, Mr Thabo Mbeki, announced that the minister of labour, Mr Tito Mboweni, would take over as governor of the reserve bank in August 1999, after the expiry of Dr Stals’s term. The appointment received a ‘cautious welcome’ from the business sector in general. The National Party (NP) opposed the appointment and asked the public protector to investigate whether the appointment ‘was in conflict with the clauses in the constitution which guaranteed the central bank’s independence’. However, Mr Mboweni said that the reserve bank’s independence ‘would not be threatened under his leadership’.⁶¹ [⁶¹ *The Sunday Times* 5 July 1998; *Saturday Star* 9 July 1998; *Business Day* 10 July 1998; *The Citizen* 9 July 1998]

The following table shows the changes in the consumer price index (CPI), the producer price index (PPI), core inflation and average food price inflation from 1972 to 1997.⁶² [⁶² Fax communication, Ilse van

Reenen, Users' Service, CSS, 12 June 1998]

Inflation: 1972–97

Change in consumer price index

Change in producer price index

Coreinflation^a

Average food price inflation

1972

7.0%

7.1%

N/A

4.9%

1973

9.8%

15.0%

N/A

16.3%

1974

11.9%

17.4%

N/A

16.0%

1975

13.3%

16.0%

N/A

13.8%

1976

10.6%

16.0%

N/A

7.6%

1977

11.7%

12.8%

N/A

9.9%

1978

10.5%

9.8%

N/A

12.8%

1979

12.9%

15.6%

N/A

17.0%

1980

13.7%

16.0%

N/A

18.4%

1981

15.4%

13.8%

N/A

22.1%

1982

14.5%

14.1%

N/A

10.7%

1983

12.7%

10.6%

N/A

12.1%

1984

11.3%

8.1%

N/A

10.8%

1985

16.6%

17.1%

N/A

12.2%

1986

18.4%

19.5%

N/A

20.0%

1987

16.1%

14.0%

N/A

22.8%

1988

12.9%

13.2%

N/A

15.6%

1989

14.8%

15.2%

N/A

11.0%

1990

14.2%

12.0%

N/A

16.1%

1991

15.4%

11.5%

N/A

19.8%

1992

13.9%

8.2%

N/A

25.1%

1993

9.7%

6.6%

N/A

6.9%

1994

8.9%

8.2%

N/A

13.7%

1995

8.7%

9.6%

N/A

8.7%

1996

7.4%

6.9%

N/A

6.1%

1997

8.6%

7.1%

8.8%

9.4%

^a CoN/A – Not available.

The graph below shows the rate of increase or decrease in the CPI and the PPI from 1972 to 1997:

Interest Rates

Real bank rate 1997: 8.3%

Gear target 1997: 5%

Gear target 1998: 4%

Prime overdraft rate forecast range 1998 (end of period): 21.25% (Absa Bank) to 23.0% (Nedcor)

Throughout 1997 monetary policy remained counterinflationary, according to the 1998 *Budget Review*. Although year-on-year inflation started coming down in August and there were substantial capital inflows, bank rate was reduced only in October.⁶³ [63 Department of Finance, *Budget Review 1998*, 1998, p2.17] On 20th October 1997 the reserve bank lowered bank rate by one percentage point from 17% to 16%. In response to this reduction the banks lowered their prime overdraft rate, which had been unchanged at 20.25% since 21st November 1996, by one percentage point to 19.25%. The predominant rate on mortgage loans was reduced to 19%.⁶⁴ [64 SARB, *Quarterly Bulletin*, March 1998, p25]

Average annual real bank rate in 1997 was about 8.3%, substantially higher than the *Gear* assumption of 5%.⁶⁵ [65 Department of Finance, *Budget Review 1998*, 1998, p2.17]

On 9th March 1998 the reserve bank changed the procedures for providing cash reserves to banks from a system of overnight loans against specified collateral to one of active liquidity management through regular repurchase transactions between the reserve bank and the banks. Under the new system the reserve bank would dictate the amount of liquidity it was willing to supply and let the market settle around the respective interest rate. Repurchase transactions would now be the main instrument to regulate liquidity. According to the *Budget Review*, the new system would allow interest rates to reflect market conditions, as banks had to compete for a given amount of liquidity. The repurchase rate (repo rate) represented the discount at which the reserve bank was willing to accept repurchase agreements with banks. Bank rate would be the interest rate charged on liquidity obtained from the additional lending facility. This rate would always be at a premium to the repo rate.⁶⁶ [66 Ibid]

The repo rate system came into effect in March 1998 at 15%, one percentage point lower than bank rate, which it replaced.⁶⁷ [67 *Business Day* 13 March 1998, 27 May 1998] Following its introduction the repo rate dropped slightly below 15%, but rose steeply in May 1998 when the reserve bank fixed the rate at 18%, because of speculative attacks on the rand.⁶⁸ [68 *Business Day* 20 April 1998, *Business Day*, *Business Report*, *The Citizen* 27 May 1998] In June 1998 the repo rate was raised to 23.99% as speculative transactions caused the rand to drop against the dollar and the pound.⁶⁹ [69 *The Citizen* 22 June 1998, *Business Day* 23 June 1998]

After the introduction of the repo rate in March 1998 banks reduced their prime overdraft rates by one percentage point to 18.25%. However, most banks increased their prime overdraft rates by two percentage points in June 1998 after the repo rate hike the previous month.⁷⁰ [70 Fast Facts No 4, April 1998; *The Citizen* 12 June 1998, *Business Report* 15 June 1998] The repo rate reached its highest level of 23.895% on 22nd June 1998. On 31st July 1998 the rate was 21.346%.⁷¹ [71 Information supplied by the SARB, 5 July 1998]

Interest rates in South Africa between 1984 and 1997 are given below (figures in brackets denote negative real interest rates):⁷² [72 Fax communication from the SARB, 13 October 1995; telephonic communication with

the SARB, 17 June 1998]

Interest rates: 1984–97^a

Year end

Bank rate^a

Prime overdraft rate^b

Real prime lending rate^c

1984

20.80%

24.00%

9.51%

1985

13.00%

16.50%

(1.67%)

1986

9.50%

12.00%

(5.14%)

1987

9.50%

12.50%

(1.94%)

1988

14.50%

18.00%

4.85%

1989

18.00%

21.00%

4.90%

1990

18.00%

21.00%

5.56%

1991

17.00%

20.25%

3.48%

1992

14.00%

17.25%

6.97%

1993

12.00%

15.25%

5.25%

1994

13.00%

16.25%

5.79%

1995

15.00%

18.50%

10.89%

1996

17.00%

20.25%

9.98%

1997

16.00%

19.25%

12.40%

^a Rate at which the reserve bank lends to banks.

^b Lowest overdraft rate charged by banks.

^c Actual prime overdraft rate adjusted for inflation.

The graph below shows real prime lending rate

Investment

According to the Economist Intelligence Unit, foreign direct investment in South Africa increased by 55% in 1997, taking the total for the four years since 1994 to some US\$7.5bn. However, the surge in investment was almost entirely accounted for by the partial privatisation of Telkom, which brought in US \$1.1bn (R5.5bn), the unit said (see also chapter on *Communications* and 1996/97 Survey, p292). Inflows were expected to slow down in 1998 because of the economic slowdown in Asia, growing caution over emerging market investment, and worries about some aspects of South Africa's economic policy, particularly regarding the labour market.⁷³ [⁷³ The Economist Intelligence Unit, *Business Africa*, 16 February 1998]

The main sources of foreign direct investment in South Africa in the period 1995–97 were the United States (US), which invested some R13.4bn, Malaysia (R6.4bn), Germany (R1.9bn), and the United Kingdom and Japan (R1.7bn each). The Investor Responsibility Research Centre (IRRC) in Washington DC said that US investment in South Africa in that period had been 'notably' capital-intensive. The employment levels of US companies in South Africa (about 90 000 people) had barely changed despite the trebling of the value of investment from around \$3bn in the early 1980s to an estimated \$9.5bn. According to the IRRC, US firms were reluctant to invest in labour-intensive activities because of 'concerns over wages, and the overall labour environment and skills' situation. According to a local consultancy group, BusinessMap, with the exception of hotels and leisure, none of the main sectors targeted by foreigners was labour-intensive.

BusinessMap added that the main constraint on foreign direct investment was the social and economic environment, crime being the major factor. The Economist Intelligence Unit said, however, that more and more businesspeople were worried that unless the government's *Growth, Employment and Redistribution* strategy started showing results, pre-election pressures for more populist economic policies could well 'become irresistible'.⁷⁴ [⁷⁴ Ibid]

The South African Reserve Bank said in March 1998 that year-to-year growth in real gross domestic fixed investment (GDFI) declined from 8% in 1996 to 3.5% in 1997. Capital outlay in the private sector fell from 6% in 1996 to 3% in 1997, in public corporations from 10.5% to 5.5%, and in public

authorities from 15% to 4%.⁷⁵ [75 SARB, *Quarterly Bulletin*, March 1998, pS7]

The Department of Finance said in the 1998 *Budget Review* that a recovery for gross domestic fixed expenditure was anticipated after 1998 as public sector investment spending accelerated in accordance with the government's commitment to social welfare and development objectives. The department added that prospects for the expansion of production capacity by private manufacturing looked 'promising' because of tax incentives and benefits accruing from proposals laid out in the government's manufacturing development programme. This scheme was specifically aimed at promoting exports and investment spending in the manufacturing sector. The department said furthermore that the 'imminent reduction' in domestic interest rates and the need to maintain international competitiveness were also likely to bolster capital expenditure in the period 1999 to 2001.⁷⁶ [76 Department of Finance, *Budget Review 1998*, 1998, p2.27]

The graph below shows GDFI as a proportion of GDP from 1946 to 1997:

The table below shows gross domestic fixed investment at constant 1990 prices, and as a proportion of GDP from 1946 to 1997:⁷⁷ [77 SARB, *South Africa's National Accounts 1946-1993*, supplement to the SARB *Quarterly Bulletin*, June 1994; SARB, *Quarterly Bulletin*, March 1998, pS110]

Gross domestic fixed investment: 1946-97^a

TotIncrease (decrease)	
GDFI as a proportion of GDP	
1946	18.3%
8 632	
-	
1947	23.9%
10 696	
22.3%	

1948

13 619

27.3%

26.5%

1949

14 027

3.0%

26.4%

1950

13 056

(6.9%)

23.3%

1951

12 819

(1.8%)

22.0%

1952

14 771

15.2%

24.4%

1953

16 599

12.4%

26.3%

1954

17 043

2.7%

25.4%

1955

16 449

(3.5%)

23.3%

1956

16 149

(1.8%)

21.7%

1957

17 012

5.3%

21.9%

1958

18 905

11.1%

23.7%

1959

17 833

(5.7%)

21.3%

1960

18 103

1.5%

21.0%

1961

18 120

0.1%

20.3%

1962

17 699

(2.3%)

18.7%

1963

20 859

17.9%

20.5%

1964

24 961

19.7%

22.8%

1965

29 316

17.4%

25.2%

1966

28 983

(1.1%)

23.9%

1967

29 731

2.6%

23.1%

1968

31 076

4.5%

22.9%

1969

34 971

12.5%

24.3%

1970

39 962

14.3%

26.4%

1971

44 282

10.8%

27.9%

1972

46 870

5.8%

28.8%

1973

49 317

5.2%

29.0%

1974

52 537

6.5%

29.2%

1975

57 664

9.8%

31.2%

1976

56 951

(1.2%)

30.0%

1977

53 556

(6.0%)

28.4%

1978

52 071

(2.8%)

26.9%

1979

54 241

4.2%

26.9%

1980

63 504

17.1%

29.6%

1981

69 191

9.0%

30.6%

1982

67 704

(2.1%)

30.1%

1983

65 306

(3.5%)

29.6%

1984

64 333

(1.5%)

27.7%

1985

59 813

(7.0%)

26.0%

1986

48 703

(18.6%)

21.2%

1987

46 211

(5.1%)

19.7%

1988

52 026

12.6%

21.4%

1989

55 410

6.5%

22.2%

1990

54 113

(2.3%)

21.9%

1991

50 115

(7.4%)

20.5%

1992

47 479

(5.3%)

19.9%

1993

46 159

(2.8%)

19.0%

1994

50 175

8.7%

20.2%

1995

55 359

10.3%

21.6%

1996

59 678

7.8%

22.6%

1997

61 792

3.5%

23.0%

^a At constant 1990 prices.

The following graph shows the ann

The table below shows GDFI according to organisation at constant 1990 prices from 1946 to 1997:⁷⁸ [78
Ibid]

GDFI by type of organisation: 1946–97^a

PriGenBusiness enterprises^b

RmPublic corporations^c

Rm1946

5 462

942

2 114

196

1947

6 927

971

2 581

317

1948

8 446

1 080

2 954

1 205

1949

8 827

1 224

3 288

790

1950

8 514

1 177

2 626

823

1951

8 844

1 169

2 176

713

1952

10 124

1 362

2 442

929

1953

10 298

1 531

3 233

1 599

1954

11 041

1 568

3 186

1 333

1955

10 462

1 750

3 504

849

1956

9 675

1 935

3 766

882

1957

10 042

2 123

4 077

888

1958

9 983

2 253

5 646

1 158

1959

9 936

2 490

4 179

1 315

1960

10 702

2 671

3 832

1 003

1961

10 532

3 174

3 510

995

1962

10 063

3 283

3 284

1 140

1963

11 877

3 425

3 962

1 666

1964

14 889

3 786

4 650

1 744

1965

16 600

4 782

5 914

2 140

1966

15 960

5 023

5 505

2 569

1967

16 349

4 843

5 518

3 069

1968

16 932

5 223

5 771

3 198

1969

19 570

6 484

5 654

3 316

1970

22 855

7 036

6 174

3 949

1971

24 476

8 141

7 781

3 976

1972

24 347

8 691

9 573

4 358

1973

26 248

7 601

8 928

6 522

1974

28 165

8 438

8 623

7 251

1975

29 125

9 073

10 176

9 147

1976

27 652

8 498

11 758

8 942

1977

26 357

7 834

9 301

9 843

1978

25 688

6 931

7 990

11 132

1979

26 498

7 073

7 888

12 379

1980

32 793

6 937

8 128

15 140

1981

39 331

7 069

9 825

12 718

1982

39 204

6 371

10 805

11 199

1983

38 621

6 154

9 347

11 033

1984

38 809

6 111

7 892

11 323

1985

33 934

6 033

7 939

11 640

1986

28 293

5 967

6 336

8 325

1987

29 392

6 002

5 277

6 887

1988

34 602

5 985

4 992

6 447

1989

35 338

6 425

4 973

8 674

1990

35 475

6 268

3 438

8 932

1991

33 512

5 364

3 232

8 007

1992

32 716

5 714

1 555

7 494

1993

32 208

5 801

1 658

6 492

1994

36 495

5 768

1 554

6 358

1995

41 246

5 295

1 461

7 357

1996

43 775

5 560

2 208

8 135

1997

45 151

5 906

2 170

8 565

^a At constant 1990 prices.

^b Includes parastatals.

^c Includes Transnet, Telkom, and the South African Post Office

Trade

Total exports in 1997 amounted to R142.9bn, an increase of 14% on 1996, while imports amounted to R129.7bn, an increase of 12%.⁷⁹ [⁷⁹ BER, *Trends*, vol 21, no1, April 1998] The volume of non-gold exports increased by 5.3% in 1997 compared with 14.9% in 1996. According to the Bureau for Economic Research (BER) at the University of Stellenbosch, the outlook for manufacturing exports in 1998 was 'bullish'.⁸⁰ [⁸⁰ BER, *Manufacturing Survey*, vol 13 no 1, April 1998, p5]

The value of net gold exports declined from R26.3bn in 1996 to R25.8bn in 1997. This was the result of a drop in the average gold price from US\$388 per fine ounce in 1996 to US\$331 in 1997. Although gold receipts still contributed revenue in excess of R25bn to the current account, their share in total export earnings has fallen steadily since 1983.⁸¹ [⁸¹ Department of Finance, *Budget Review 1998*, 1998, p2.23]

The table below shows the value of total exports and imports, and the annual change from 1980 to 1997:⁸² [⁸² BER, *Trends*, vol 21, no 1, April 1998]

South African trade: 1980–97

—————*Exports*—————

—————*Imports*—————

Year

Rm

Increase (decrease)

Rm

Increase (decrease)

1980

19 802

35.3%

14 356

46.4%

1981

18 032

(8.9%)

18 439

28.4%

1982

19 189

6.4%

18 374

(0.4%)

1983

20 619

7.5%

16 204

(11.8%)

1984

25 320

22.8%

21 636

33.5%

1985

36 244

43.1%

22 690

4.9%

1986

42 161

16.3%

26 851

18.3%

1987

43 230

2.5%

28 667

6.8%

1988

49 431

14.3%

39 428

37.5%

1989

58 782

18.9%

44 446

12.7%

1990

60 929

3.7%

44 125

(0.7%)

1991

64 355

5.7%

48 209

9.3%

1992

68 035

5.7%

52 489

8.9%

1993

78 501

15.4%

59 715

13.8%

1994

88 811

13.1%

76 257

27.7%

1995

101 503

14.3%

98 513

29.2%

1996

125 725

23.9%

115 524

17.3%

1997

142 938

13

The graph below illustrates the growth in the value of exports and imports from 1980 to 1997:

The table below shows South Africa's top ten trading partners in 1996 and compares their ranking with 1995:⁸³ Fax communication, Liz Whitehouse, General manager: consulting and information division, South African Foreign Trade Organisation, 19 November 1997]

South Africa's top ten trading partners: 1996

Position

Imports from Rm (1996)

Exports from Rm (1996)

Total trade Rm (1996)

1995

1996

United Kingdom

2

1

13 315

13 102

26 416

Germany

1

2

17 323

4 999

22 322

United States

3

3

14 778

6 788

21 566

Japan

4

4

9 447

6 974

16 421

Italy

5

5

5 072

2 672

7 744

Taiwan

7

6

3 614

3 178

6 792

Zimbabwe

8

7

1 177

5 388

6 565

Netherlands

10

8

2 912

3 384

6 296

Switzerland

6

9

2 941

2 974

5 914

Belgium

9

10

2 225

3

Competitiveness

An annual study of international competitiveness, published by the World Economic Forum, showed that South Africa's ranking in 1998 had improved marginally from 44th to 42nd out of 53 countries measured. According to a new measure introduced, which shows a country's micro-economic competitiveness, South Africa ranked 25th. (Micro-economic competitiveness focuses on such things as demand conditions, local rivalry, and information structure.)⁸⁴ [⁸⁴ *Business Day* 3 June 1998] The table below compares South Africa's ranking with a selected range of countries from 1993 to 1998: ⁸⁵ [⁸⁵ World Competitiveness On-Line, The World Competitiveness Scoreboard, 19 April 1998]

World competitiveness scoreboard of selected countries: 1993–98^a

Country

1993

1994

1995

1996

1997

1998

United States

1

1

1

1

1

1

Singapore

3

2

2

2

2

2

Netherlands

8

8

8

7

6

4

Canada

17

20

13

12

10

10

United Kingdom

16

14

15

19

11

12

New Zealand

18

10

9

11

13

13

Australia

20

16

16

21

18

15

Japan

2

3

4

4

9

18

Malaysia

14

18

23

23

17

20

China

–

34

31

26

27

24

Chile

19

24

20

13

24

26

Italy

27

28

29

28

34

30

Philippines

35

37

36

31

31

32

Brazil

44

43

38

37

33

37

Thailand

26

26

27

30

29

39

South Africa

43

42

43

44

44

42

a

Each country was rated based on eight criteria, ie domestic economy, internationalisation, government, finance, infrastructure, management, science and technology, and people.

The table below shows how South Africa ranked on each of the eight input factors used to determine

overall competitiveness, for the perio

South Africa's ranking on eight input factors: 1994-98

Input factor

1994

1995

1996

1997

1998

Domestic economy

42

42

44

42

40

Finance

26

27

31

36

31

Government

38

35

37

34

31

Infrastructure

37

30

32

33

35

Internationalisation^a

35

38

39

46

45

Management

35

38

40

37

38

People

46

46

46

46

46

Science and technology

28

31

34

40

39

a

Internationalisation comprised the following aspects: current account balance, exports and imports of goods and services, exchange rate, portfolio and foreign direct investment, national protectionism, and op

Fiscal Policy

Medium-Term Expenditure Framework

A medium-term expenditure framework (MTEF), published in December 1997 by the Ministry of Finance, set out three-year spending plans for the national and provincial governments. Some of the key features of the new medium-term budgeting system announced in December 1997 by the minister of finance, Mr Trevor Manuel, were the publication of three-year forward estimates on budget day, and detailed analysis of the policy implications of budget projections. Government departments would in future have to frame their policy proposals within their three-year allocations. The projections for 1999/2000 and 2000/01 published in the 1998 *Budget Review* would be revised in the course of 1998. According to the 1998 *Budget Review*, the MTEF would enable departments to enter into forward commitments without committing the entire amount in the first year of a proposed project. This should reduce the need to carry unspent balances from one year to the next.⁸⁷ [⁸⁷ Ministry of Finance, *Medium Term Budget Policy Statement 1997*, 2 December 1997 pp3–4; Department of Finance, *Budget Review 1998*, 1998, p5.2]

The MTEF formed part of a broader process of budget reform. The government would publish a white paper on budget reform during 1998.⁸⁸ [⁸⁸ Department of Finance, *Budget Review 1998*, 1998, p5.5]

The table below shows consolidated national and provincial spending from 1997/98 to 2000/01 in terms of the MTEF projections in nominal rands:⁸⁹ [⁸⁹ Ibid]

Consolidated national and provincial spending: 1997/98–2000/01

Preliminary

————MTEF projections————

1997/98

1998/99

1999/2000

2000/01

Total spending (Rbn)

196.3

205.2

219.8

239.6

As proportion of GDP

32.0%

30.7%

29.9%

29.6%

Increase on previous budget

7.5%

4.5%

7.1%

9.0%

Less debt service costs (Rbn)

39.6

43.0

45.3

48.1

Total non-interest spending (Rbn)

156.7

162.2

174.5

191.5

As proportion of GDP

25.6%

24.2%

23.8%

23.7%

Increase on previous budget

5.6%

3.5%

7.6%

9.7%

GDP (Rbn)

613.0

669.3

734.

Consolidated National and Provincial Budgets

The minister of finance, Mr Trevor Manuel, said in his budget speech that the 1998/99 budget provided an expenditure framework for taking the reconstruction and development programme into the 21st century. He said that the reconstruction and development programme and the *Growth, Employment and Redistribution* policy (*Gear*) were as much about addressing the needs of the people in South Africa as they were about creating a strong country and economy.⁹⁰ [⁹⁰ Minister of finance, Mr Trevor Manuel, budget speech, 11 March 1998]

The consolidated budgets for 1998/99 provided for expenditure of R201bn, some 6.4% above the revised 1997/98 level. After meeting the cost of state debt, spending would be R159bn. Mr Manuel said that in the last two years non-interest spending had increased by 18% to enable the government to

address some of the backlogs in social services.⁹¹ [⁹¹ Ibid]

The table below shows the consolidated national and provincial budgets, functionally classified for 1997/98, 1998/99 and the provisional medium-term classifications for 1999/2000 through to 2000/01:⁹²

[⁹² Department of Finance, *Budget Review 1998*, 1998, p B25–B26]

Functional classification of consolidated budgets: 1997/98–2000/01

1991 1991 1992 2000 Increase (decrease) 1997/98–2000/01

Protection services

Defence

10.72

10.97

11.59

12.27

14.5%

Police

13.06

14.14

15.07

16.03

22.7%

Prisons

3.87

5.35

5.85

6.44

66.4%

Courts of law

1.98

2.50

2.74

3.05

54.0%

Subtotal

29.62

32.96

35.25

37.79

27.6%

Social services

Education

40.27

46.82

49.22

52.23

29.7%

Health

20.22

25.11

26.36

28.15

39.2%

Social security and welfare

18.43

19.78

20.67

22.23

20.6%

Housing

4.16

3.95

4.30

4.34

4.3%

Other

5.51

6.49

6.51

7.50

36.1%

Subtotal

88.60

102.15

107.06

114.43

29.2%

Economic services

Water schemes and related services

1.86

1.90

2.03

2.27

22.0%

Fuel and energy

0.16

0.12

0.12

0.14

(12.5%)

Agriculture, forestry and fishing

4.52

4.30

4.50

4.94

9.3%

Mining

0.31

0.33

0.34

0.34

9.7%

Manufacturing

1.09

0.64

0.61

0.64

(41.3%)

Regional development

0.86

0.70

0.70

0.73

(15.1%)

Transport and communication

7.32

6.50

7.03

7.73

5.6%

Other economic services

2.82

2.60

3.22

3.79

34.4%

Subtotal

18.93

17.09

18.55

20.59

8.8%

General government services and unallocable expenditure

13.22

8.98

10.67

11.68

(11.6%)

Interest

38.55

43.03

45.30

48.10

24.8%

Reserve

1.30

1.00

3.00

7.00

438.5%

Total^a

190.22

205.20^b

219.83

239.59

26.0%

^a Figures may not add up owing to rounding.

^b T

The table below provides a breakdown of the 1997/98 to 2000/01 national and provincial budgets according to functional classification as a proportion of the total budget in each year:⁹³ [⁹³ Ibid]

Functional classification of consolidated budgets as a proportion of total budget: 1997/98–2000/01

1997/98

1998/99

1999/2000

2000/01

Protection services

Defence

5.6%

5.3%

5.3%

5.1%

Police

6.9%

6.9%

6.9%

6.7%

Prisons

2.0%

2.6%

2.7%

2.7%

Courts of law

1.0%

1.2%

1.2%

1.3%

Subtotal

15.6%

16.1%

16.0%

15.8%

Social services

Education

21.2%

22.8%

22.4%

21.8%

Health

10.6%

12.2%

12.0%

11.7%

Social security and welfare

9.7%

9.6%

9.4%

9.3%

Housing

2.2%

1.9%

2.0%

1.8%

Other

2.9%

3.2%

3.0%

3.1%

Subtotal

46.6%

49.8%

48.7%

47.8%

Economic services

Water schemes and related services

1.0%

0.9%

0.9%

0.9%

Fuel and energy

0.1%

0.1%

0.1%

0.1%

Agriculture, forestry and fishing

2.4%

2.1%

2.0%

2.1%

Mining

0.2%

0.2%

0.2%

0.1%

Manufacturing

0.6%

0.3%

0.3%

0.3%

Regional development

0.5%

0.3%

0.3%

0.3%

Transport and communication

3.8%

3.2%

3.2%

3.2%

Other economic services

1.5%

1.3%

1.5%

1.6%

Subtotal

10.0%

8.3%

8.4%

8.6%

General government services and unallocable expenditure

6.9%

4.4%

4.9%

4.9%

Interest

20.3%

21.0%

20.6%

20.1%

Reserve

0.7%

0.5%

1.4%

2.9%

T

The charts below provide a functional breakdown of the 1998/99 and (projected) 2000/01 consolidated national and provincial budgets:

The table below gives a breakdown of the 1997/98 to 2000/01 consolidated national and provincial budgets according to functional classifications as a proportion of GDP:⁹⁴ [94 Ibid]

Functional classification of consolidated budgets as a proportion of GDP: 1997/98-2000/01

1997/98

1998/99

1999/2000

2000/01

Protection services

Defence

1.7%

1.6%

1.6%

1.5%

Police

2.1%

2.1%

2.1%

2.0%

Prisons

0.6%

0.8%

0.8%

0.8%

Courts of law

0.3%

0.4%

0.4%

0.4%

Subtotal

4.8%

4.9%

4.8%

4.7%

Social services

Education

6.6%

7.0%

6.7%

6.5%

Health

3.3%

3.8%

3.6%

3.5%

Social security and welfare

3.0%

3.0%

2.8%

2.7%

Housing

0.7%

0.6%

0.6%

0.5%

Other

0.9%

1.0%

0.9%

0.9%

Subtotal

14.5%

15.3%

14.6%

14.1%

Economic services

Water schemes and related services

0.3%

0.3%

0.3%

0.3%

Fuel and energy

0.0%

0.0%

0.0%

0.0%

Agriculture, forestry and fishing

0.7%

0.6%

0.6%

0.6%

Mining

0.0%

0.0%

0.0%

0.0%

Manufacturing

0.2%

0.1%

0.1%

0.1%

Regional development

0.1%

0.1%

0.1%

0.1%

Transport and communication

1.2%

1.0%

1.0%

1.0%

Other economic services

0.5%

0.4%

0.4%

0.5%

Subtotal

3.1%

2.6%

2.5%

2.5%

General government services and unallocable expenditure

2.2%

1.3%

1.5%

1.4%

Interest

6.3%

6.4%

6.2%

5.9%

Reserve

0.2%

0.1%

0.4%

0.9%

Total

Deficit

The budget deficit in 1998/99 was expected to be 3.5%, according to the *Budget Review*. The medium-term projections were that it would drop to 3% by 1999/2000, at which level it would remain in the 2000/01 fiscal year.⁹⁵ [⁹⁵ Ibid, p3.11] The Department of Finance said in April 1998 that the budget deficit for 1997/98 was 4.4% of gross domestic product.⁹⁶ [⁹⁶ *The Citizen* 18 April 1998] The *Gear* target had been 4%.

The following table and graph show the proportion of GDP that the budget deficit represented between 1988/89 and 1997/98, as well as the projections for 1998/99–2000/01:⁹⁷ [⁹⁷ 1995/96 Survey, p559; Department of Finance, *Budget Review 1998*, 1998, ppB.17–B.18; SARB, *Quarterly Bulletin*, June 1998, p32]

The budget deficit: 1988/89–2000/01

Year

Proportion of GDP

1988/89

3.6%

1989/90

4.3%

1990/91

3.2%

1991/92

4.9%

1992/93

9.3%

1993/94

10.1%

1994/95

5.7%

1995/96

5.7%

1996/97^a

5.6%

1997/98^a

4.4%

1998/99^b

3.5%

1999/2000^b

3.0%

2000/01^b

3.0%

^a Preliminary estimate.

^b

Public Debt

According to the 1998 *Budget Review*, government debt increased from 48.6% of GDP in 1993/94 to a peak of 56.2% in 1995/96. Since then it has dropped to a projected 55.2% of GDP at the end of March 1998. The increase since 1993/94 was partly attributable to R14bn in respect of the indebtedness of former homelands.⁹⁸ [⁹⁸ Department of Finance, *Budget Review 1998*, 1998, pp3.22–3.23]

Total government debt was envisaged to be R363.2bn (54.3% of GDP) in March 1999 compared to an estimated R338bn (55.2% of GDP) in March 1998. According to the *Budget Review*, preliminary estimates showed that the total debt to GDP ratio would drop to 53% and 51.5% of GDP in 1999/2000 and 2000/01 respectively.⁹⁹ [⁹⁹ Ibid, p3.31]

The cost of servicing state debt in 1998/99 was estimated at R42.5bn or 6.4% of estimated GDP. In terms of the medium-term expenditure framework, the cost of servicing state debt was expected to increase to R45bn in 1999/2000, and to R48bn in 2000/01 (representing 6.2% and 5.9% of GDP respectively). In 1998/99 the cost of servicing state debt consumed 21% of the total budget. This figure was expected to drop to 20.6% of total budget in 1999/2000 and to 20.1% the year after.¹⁰⁰ [¹⁰⁰ Ibid, pp3.28–3.29]

According to the Institute for Futures Research, South Africa's government debt per capita amounted to an estimated R8 100, compared with personal disposable income per capita of R8 600.¹⁰¹ [¹⁰¹ Institute for Futures Research, *Economic Issues*, March 1998]

The graph below shows total government debt as a proportion of GDP in the period 1970–2001.

The table below shows total government debt in each year from 1970 to 2001. The table also provides projected estimates of total debt for 1999 to 2001.¹⁰² [¹⁰² Department of Finance, *Budget Review*, March 1997, ppB.67–B.70; *Budget Review 1998*, 1998, ppB.29–B.30]

Total debt of the government: 1970–2001a

TotTotal debt as a proportion of GDP

1970

5.213

44.6%

1971

5.453

42.8%

1972

6.211

43.7%

1973

7.152

44.3%

1974

7.761

38.1%

1975

8.472

34.6%

1976

10.263

37.5%

1977

12.094

39.3%

1978

14.251

41.8%

1979

16.295

40.5%

1980

18.151

36.8%

1981

19.853

31.6%

1982

22.113

30.3%

1983

26.421

31.7%

1984

30.173

31.8%

1985

37.072

33.4%

1986

41.425

32.8%

1987

50.314

33.7%

1988

60.056

34.5%

1989

79.895

38.1%

1990

96.036

38.6%

1991

105.656

37.2%

1992

126.615

39.5%

1993

154.665

44.5%

1994

192.160

48.6%

1995

244.498

54.8%

1996

279.688

56.2%

1997

310.608

55.8%

1998^b

338.119

55.2%

1999^c

363.195

54.3%

2000^c

387.790

52.8%

2001^c

415.138

51.3%

a

Central government debt excluding extra-budgetary institutions (such as libraries, museums, parks boards, research councils, technikons, universities, the National Road Fund, and Legal Aid Board) and social security funds (such as the Unemployment Insurance Fund). Figures prior to 1994/95 exclude the converted debt of the former homelands and are therefore not comparable with the ones thereafter.

^b As projected at the end of February

The Budget and the Poor

In 1998/99 the budget would provide ‘an expenditure framework for taking the reconstruction and development programme into the 21st century’, according to the minister of finance, Mr Trevor Manuel.

Some of the programmes that had been set up to address poverty since 1994 were the following:¹⁰³ [¹⁰³ Minister of finance, Mr Trevor Manuel, budget speech, 11 March 1998]

- 5m primary school children were being provided with a daily meal. About 11 000 jobs had been created;
- 500 new clinics had been built, bringing health services closer to 5m people. Largely free health care was provided to some 32m people without medical aid;
- 1m children and women in rural areas had gained access to clean water supply;
- 1.5m homes had been connected to an electricity supply, creating new income-earning opportunities

for over 4m people;

- 87 695 people had benefited from land redistribution transfers involving 324 486 hectares of land by the end of 1997;
- about 27 000 people had recovered about 150 000 hectares of land which had been taken from them during the apartheid years;
- 385 000 houses had been built, and 700 000 housing subsidies had been earmarked; and
- 900 projects of the community-based public works programme had been implemented, creating about 40 000 job opportunities.

An amount of R500m was allocated in 1998/99 for labour-based poverty relief programmes. The amount would increase to R800m in 2000/01.¹⁰⁴ [¹⁰⁴ Ibid]

Mr Manuel also announced a demutualisation charge on Sanlam and Old Mutual, which were expected to demutualise in 1998 and 1999. The charge would be levied at the rate of 2.5% on the free reserves of the mutual insurers as at the date of demutualisation. The proceeds from this levy would be used to capitalise a new fund, Umsobomvu. According to Mr Manuel, the fund was one of the instruments for alleviating unemployment which the government would be tabling at the presidential 'jobs summit' scheduled for later in 1998.¹⁰⁵ [¹⁰⁵ Ibid]

Taxation

In the 1998/99 budget the government proposed to reduce personal income tax by R3.7bn, thereby eliminating the effect of inflation on the real burden of tax. This tax reduction would be partially financed from an improvement in the efficiency of tax collection by the South African Revenue Service and the broadening of the tax base. The tax proposals announced by the minister in March 1998 included the following:¹⁰⁶ [¹⁰⁶ Department of Finance, *Budget Review 1998*, 1998, p9.15]

- a single scale of rates for all individuals, reaching a maximum marginal rate of 45% at a taxable income of R120 000 (previously R100000);
- an increase in the primary rebate from R3 215 to R3 515;
- an increase in the rebate in respect of individuals 65 years and older from R2 500 to R2 660;
- a reduction in the marginal rate applicable to taxpayers with taxable income in the range from R46 000 to R60 000 from 41% to 39%; and

- a reduction in the number of income tax brackets from seven to six.

According to the 1998 *Budget Review*, the effect of the proposed tax changes on the tax payable by a taxpayer under the age of 65 earning R30 000, would be a reduction in tax liability of R300 per year. A taxpayer earning R100000 would pay R1 000 less per year. The tax liability of a person over 65 years earning R50 000 would be reduced by R960, while a person earning R120 000 would pay R1360 less per year.¹⁰⁷ [¹⁰⁷ Ibid]

Mr Manuel said in his budget speech that the tax proposals would bring the estimated revenue for 1998/99 to R177.6bn, which was 26.5% of GDP, unchanged on 1997/98.¹⁰⁸ [¹⁰⁸ The minister of finance, Mr Trevor Manuel, budget speech, 11 March 1998]

The deputy minister of finance, Ms Gill Marcus, said in June 1998 that more than a quarter of individual South Africans and businesses who should be paying tax were defaulters. She said that the government's aim in improving the administrative capacity of the South African Revenue Service was to narrow the tax compliance gap and broaden the tax base, allowing for a reduction in taxes.¹⁰⁹ [¹⁰⁹ *The Citizen* 3 June 1998]

The graph and table that follow show company and personal income tax as a proportion of GDP from 1976 to 1999:¹¹⁰ [¹¹⁰ Information supplied by Boland Bank, April 1997, 26 June 1998]

Income tax burden as a proportion of GDP: 1976–99

Company tax as a proportion of GDP

Personal tax as a proportion of GDP

1976

5.3%

5.1%

1977

5.1%

5.7%

1978

4.9%

5.7%

1979

3.9%

5.2%

1980

3.7%

4.2%

1981

3.8%

3.5%

1982

4.3%

4.6%

1983

4.4%

5.5%

1984

3.5%

6.1%

1985

3.4%

7.1%

1986

3.8%

7.2%

1987

3.4%

7.0%

1988

3.4%

7.3%

1989

3.9%

7.1%

1990

4.4%

8.0%

1991

4.2%

8.5%

1992

3.9%

9.4%

1993

3.5%

9.7%

1994

2.8%

9.6%

1995

3.0%

10.1%

1996

3.1%

10.3%

1997

3.5%

10.4%

1998^a

3.3%

11.0%

1999a

3.4%

10.7%

^a Projected figure.

Data on the 1997 tax year indicated that taxpayers in the income groups of R100 000 and above contributed some 45% of the total revenue take from income tax. The number of taxpayers in those income groups comprised 9.6% of the total number of liable taxpayers.¹¹¹ [¹¹¹ Department of Finance, *Budget Review 1998*, 1998, p9.36]

In an analysis of the effective tax burden (including VAT and excise duties) on households in the 1998 *Budget Review* it was found that a household earning R18 000 (1995 prices) had an effective tax burden of 11.7%. On a household income of R30 000 the tax burden was 18.1% and on an income of R75 000 it was 32.6%. A household earning R140 000 had

The table below shows the estimated number of taxpayers by income group in the 1997 tax year:¹¹³ [¹¹³ *Ibid*, p9.36]

Estimated number of taxpayers in income groups: 1997 tax year

Income group (R)

Total number

Liable number of income taxpayers

Tax paid Rm

Proportion of total tax paid

0-5 000

479 643

0

0

—

5 001–10 000

324 597

0

0

—

10 001–15 000

644 490

0

0

—

15 001–20 000

1 016 992

579 601

266.9

0.4%

20 001–25 000

746 318

504 093

690.9

1.2%

25 001–30 000

612 873

476 673

926.5

1.6%

30 001–35 000

568 545

568 545

1 515.8

2.5%

35 001–40 000

427 114

427 114

1 778.3

3.0%

40 001–45 000

340 679

340 679

2 040.8

3.4%

45 001–50 000

310 108

310 108

2 539.7

4.3%

50 001–60 000

493 468

493 468

5 763.0

9.7%

60 001–70 000

307 062

307 062

4 907.6

8.2%

70 001–80 000

215 377

215 377

4 363.1

7.3%

80 001–90 000

160 207

160 207

3 950.5

6.6%

90 001–100 000

141 931

141 931

4 123.6

6.9%

100 001–150 000

325 565

325 565

12 975.0

21.8%

150 001–200 000

91 922

91 922

5 765.8

9.7%

200 001 +

61 194

61 194

7 887.6

13.3%

Total

7 268 085

5 003 539

59 495.3

100.0%

The bar chart below compares the proportion of liable income taxpayers by income group in 1997 with their proportional contributi

Mr Manuel announced a once-off demutualisation charge of 2.5% on the free reserves of the mutual insurers Sanlam and Old Mutual who were expected to demutualise, as at the date of demutualisation. The revenue from this charge would capitalise a fund to be known as Umsobomvu, which would focus on job creation (see also *The budget and poverty* above).

Proposals on Provincial Surcharge

According to the *Budget Review*, the national government would regulate the provincial and municipal tax powers granted by the constitution, to ensure that implementation of such taxes did not undermine macro-economic policy objectives. The Commission of Inquiry into Certain Aspects of the Tax Structure in South Africa (Katz commission) would submit a report on provincial tax matters, after which the government would prepare proposals and table the necessary legislation.¹¹⁴ [¹¹⁴ Ibid]

The Financial and Fiscal Commission (FFC) recommended a provincial surcharge on personal income tax during the period under review. The FFC pointed to the need for expanding provincial taxing powers as a means of promoting democratic and accountable government in the provinces. According to the FFC, the provinces had significant expenditure responsibilities but limited revenue-raising powers, and therefore had little incentive to be fiscally accountable.

However, the government believed that it would be 'premature' to build a provincial revenue-sharing formula around a surcharge on the personal income tax until the question of the appropriate tax base had been resolved.¹¹⁵ [¹¹⁵ Ibid]

In May 1998 Mr Manuel said that there was still considerable doubt about whether provinces had the capacity to administer their own taxes. He added that it was recognised that unless provinces could raise their own revenue, they would tend to spend more than they were allocated.¹¹⁶ [¹¹⁶ *The Star Business Report* 21 May 1998]

The Katz commission's eighth report, released in May 1998, said that it would take at least two years before the revenue service had the capacity to collect and distribute taxes regionally. The MEC for finance in the Eastern Cape, Mr Enoch Godongwana, said that reducing the national tax burden to allow provinces to collect taxes would reduce 'the broader cake if some provinces have nothing to tax'.¹¹⁷ [¹¹⁷ *Business Day* 1 June 1998] A member of the commission, Mr Pierre du Toit, said that taxes should continue to be collected 'at the most effective point' and allocated by the national government. A move towards federal taxation where no such system existed would be a formula for 'tremendous wastage and inefficiency'.¹¹⁸ [¹¹⁸ Ibid 25 May 1998]

Provincial own revenue, collected primarily from user charges such as motor licences and hospital fees, accounted for less than 5% of the provinces' total budgets. The remainder of provincial revenue came from central government.¹¹⁹ [¹¹⁹ Department of Finance, *Budget Review 1998*, 1998, p4.8]

Other Proposed Taxes/levies/surcharges/tolls

During the period under review various government departments made a number of proposals on additional taxes, levies, surcharges or tolls. In August 1997 the South African Chamber of Business (Sacob) said that it had identified at least 16 new levies and taxes that could possibly be implemented by the government, among them a land tax, a national job training levy, a national home builder registration council levy, a social health insurance premium, a national fuel levy, a capital transfer tax, a surcharge on income tax, an electricity levy, and a liquor levy. Other possible taxes included charges on discharge of waste water, water catchment and water management, an airport tax, and a Truth and Reconciliation Commission victims' restitution tax. Unemployment Insurance Fund contributions could increase to provide maternity benefits and there were also plans to raise funds to defray the costs of subsidising Telkom tariffs for the needy. The director general of finance, Ms Maria Ramos, said, however, that these possible new taxes were proposals by various departments that had not yet been approved by the

government.¹²⁰ [¹²⁰ *The Star Business Report* 18, 21 August 1997] Some of the proposed taxes are listed below:

- in July 1997 the Department of Environmental Affairs and Tourism proposed a tax of between US\$10 and US\$15 payable by every person leaving the country on an international flight. This would be in addition to the airport taxes currently levied and would replace the existing ‘bed levies’ collected from hotels and establishments which were graded by the South African Tourism Board (Satour). The departure tax was expected to generate between R90m and R120m, 50% of which would go to Satour, 30% to the provinces to promote tourism, and the remaining 20% towards national tourism-related development programmes. At the time of writing the departure tax had not been implemented;¹²¹ [¹²¹ *Business Day*, *The Citizen* 29 July 1997]
- also in July 1997, a report on the restructuring of the Road Accident Fund proposed that the government increase the fuel levy to clear the fund’s deficit of R8bn;¹²² [¹²² *Business Day* 10 July 1997, *The Citizen* 11 July 1997]
- in November 1997, a cabinet committee approved the Department of Transport’s proposed dedicated fuel levy to fund the national road network. The funds would be spent on maintaining the non-toll road network.¹²³ [¹²³ *Business Day* 28 November 1997, *The Citizen* 27 March 1998] In March 1998 the minister of transport, Mr Mac Maharaj, said that a five cents per litre levy would be allocated to the National Roads Agency during the 1998/99 financial year. This would increase to six cents a litre in the 1999/2000 financial year;¹²⁴ [¹²⁴ *The Citizen* 27 March 1998]
- in October 1997 the Department of Health proposed a plan to impose a social health insurance levy on all employers and employees for use in a social health insurance fund controlled by a new statutory authority. Employers and employees would pay over to the state a dedicated tax of 2%–4% of payroll to provide public hospital care to workers who did not have a medical aid;¹²⁵ [¹²⁵ *Business Day* 20 October 1997; *Financial Mail* 31 October 1997]
- in November the minister of justice, Mr Dullah Omar, said that an apartheid reparations tax could be introduced if business and those who benefited from apartheid did not contribute voluntarily to the president’s fund for victims of gross human rights violations. Mr Omar said that the more generous business was, the less likely it would be that legislation to compel companies to contribute would be implemented;¹²⁶ [¹²⁶ *Business Day* 19 November 1997] and
- in September 1997 the Department of Labour published a draft Skills Development Bill for public comment. The bill provided for the imposition of a training levy of between 1% and 1.5% on companies’ payrolls to finance training.¹²⁷ [¹²⁷ *Government Gazette* no 18 244, 2 September 1997] Of the revenue collected, 20% would be used to finance a national skills fund which would be managed by the department. The remaining 80% would be used to finance education and training in the various sectors.

At the time of writing the bill had not been tabled in Parliament.

Provincial Budgets

The 1998 *Budget Review* said that in the 1997/98 financial year the provinces took on new responsibilities. Provincial executive councils and legislatures developed and enacted budgets for the first time in their capacity as independent governments.¹²⁸ [¹²⁸ Department of Finance, *Budget Review 1998*, 1998, p3.9]

During 1997/98 most provinces remained within their budgets or, at most, ran small overdrafts. The Eastern Cape and KwaZulu-Natal ran significant deficits, however. In February 1998 the minister of finance, Mr Trevor Manuel, announced that R1.5bn would be made available to these provinces to help them cover their 1997/98 deficits. The additional funding would be subject to stringent conditions, which included that both provinces' provincial executive councils and the accounting officers of each of their departments had to commit themselves to remaining within budget in 1998/99; the finance MECs had to present Mr Manuel with detailed proposals to improve their financial and cashflow management within 14 days of the funding agreements being signed; expenditure plans had to include proposals for rationalisation and optimal use of personnel; and the central government's finance and state expenditure departments would have representatives on the two provinces' treasury committees.¹²⁹ [¹²⁹ *Business Day*, *The Citizen* 2 April 1998]

Provincial overexpenditure was the result of the fact that many of the 1997/98 budgets were unrealistic, according to the 1998 *Budget Review*. The Financial and Fiscal Commission argued that it was also possible that some provinces under-budgeted in key areas such as education, health, and welfare in anticipation that the national government would make up any shortfalls. The *Budget Review*, however, said that the national departments developed policy which was then implemented in the provinces. If the national departments failed to take account of the cost implications of their policies and did not provide additional funds to implement new responsibilities, provinces could find themselves with 'unfunded mandates'. An additional problem which 'confounded' the management of provincial budgets was policy and jurisdictional uncertainties, and the level of discretion provinces had in implementing national policies. While provinces felt they had little room in their budgets to reprioritise, in areas where they did have discretion they frequently failed to implement policies, for example, reducing the number of employees or administrative costs.¹³⁰ [¹³⁰ Department of Finance, *Budget Review 1998*, 1998, p4.12]

The table below gives a breakdown of total allocations to provincial revenue for the period 1997/98 and projected allocations in terms of the medium-term expenditure framework up to 2000/01.¹³¹ [¹³¹ *Ibid*, p6.6]

Central government's transfers to the provinces: 1997/98 to 2000/01

Adjusted appropriation

Medium-term expenditure estimates^a

1991 1991 1992 2000 Eastern Cape

14.44

15.38

15.95

17.03

Free State

5.84

6.19

6.46

6.93

Gauteng

13.57

14.49

15.60

17.14

KwaZulu-Natal

16.41

18.05

18.57

20.28

Mpumalanga

5.07

5.65

6.18

6.94

North West

7.06

7.39

7.68

8.24

Northern Cape

2.06

2.11

2.20

2.33

Northern Province

10.89

11.37

11.77

12.61

Western Cape

9.21

9.76

10.18

10.87

Unallocated

–

0.05

0.11

0.18

Total^b

84.56

90.44

94.69

102.55

Less local government grants

2.00

1.13

–

–

Comparable totals^b

82.56

89.31

94.69

102.55

Proportional increase

N/A

8.2%

6.0%

8.3%

^a C^b Totals may not add up owing to rounding.**Provincial Borrowing**

The constitution allowed provinces to borrow for capital and bridging finance, subject to regulation by the national government. The Borrowing Powers of Provincial Governments Act of 1996 regulates provincial borrowing. Although the Budget Council (a consultative body comprising the minister of finance and the provincial MECs for finance) agreed that provinces would not borrow in 1997/98 and 1998/99, a number of provinces utilised overdrafts with commercial banks for cashflow shortages. According to the 1998 *Budget Review*, the Budget Council intended to review the Borrowing Powers of Provincial Governments Act and develop a framework to regulate this practice in line with the constitution.¹³² [¹³² Department of Finance, *Budget Review 1998*, 1998, pp4.8–4.9]

Revenue Formula

The revenue formula has two components. One is an equitable share allocation over which the provinces have discretion. The formula for the division of this allocation includes components related to education, health, and welfare services in each province. For example, the education component takes into account the number of school-age children and the number of those actually enrolled. The health component takes into account the proportion of the population without private health insurance and is weighted in

favour of women, children, and the elderly. Money allocated in terms of this equitable share formula is not conditionally allocated to these functions. Provinces are expected to budget for these functions within their overall resource constraints.

In terms of the constitution there is also an allocation to provinces out of the national equitable share of revenue. Such grants are assigned for particular purposes. Grants from the national share are intended to ensure that cross border services are properly financed and that national priorities are appropriately reflected in provincial budgets.¹³³ [¹³³ Ibid, pp4.6, E5]

The revenue sharing formula would be phased in over five years, by 2002/03. The impact of the equitable shares formula (excluding other unconditional and conditional grants to the provinces from the national share) would be that Gauteng, KwaZulu-Natal, and Mpumalanga would gain in relative terms by 2002/03. The table below shows the impact of the equitable shares formula.¹³⁴ [¹³⁴ Ibid, p4.10]

Impact of equitable shares formula in the provinces: 1997/98 and 2002/03^a

1997/98

2002/03

Change

Eastern Cape

17.9%

16.9%

(5.6%)

Free State

6.9%

6.6%

(4.5%)

Gauteng

14.8%

16.2%

9.2%

KwaZulu-Natal

19.1%

20.3%

6.3%

Mpumalanga

6.3%

7.6%

19.6%

North West

8.7%

8.2%

(6.2%)

Northern Cape

2.6%

2.3%

(11.9%)

Northern Province

13.6%

12.5%

(8.5%)

Western Cape

10.1%

9.6%

(4.9%)

^a Figures add up vertically but may not owing to rounding.

According to the 1998 *Budget Review*, a conditional grant of R2.8bn would be available in 1998/99 to the provinces to guard against shortfalls in the provision of basic se

Eastern Cape

Total budget 1998/99: R15.4bn, up 9.7% on 1997/98 budget

The following table compares the 1997/98 and 1998/99 budgets and includes the proposed budgets until 2000/01 in terms of the medium-term expenditure framework:¹³⁶ [¹³⁶ Information provided by the Department of Finance, 5 May 1998]

Eastern Cape medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

2 853.9

2 920.0

2.3%

2 960.0

3 000.0

Education

5 450.2

6 386.6

17.2%

6 466.6

6 550.0

Welfare

2 848.1

3 884.0

36.4%

4 107.0

4 345.0

Premier

173.7

159.4

(8.2%)

159.5

199.3

Legislature

39.2

47.6

21.4%

47.6

57.5

Public works

792.0

696.6

(12.0%)

696.6

841.9

Housing and local government

483.2

361.0

(25.3%)

187.9

221.2

Agriculture and land affairs

535.1

376.7

(29.6%)

376.7

455.3

Economic affairs, environment and tourism

161.1

128.0

(20.5%)

128.0

154.7

Transport

283.5

187.0

(34.0%)

187.0

225.9

Corporate services

106.0

—

N/A

—

—

Finance and provincial expenditure

344.6

116.3

(66.3%)

116.3

79.6

Improvements of conditions of service^c

0

0

0.0%

0

0

Sports, arts and culture

–

173.4

N/A

163.4

197.5

Safety and security

7.1

4.3

(39.4%)

4.3

5.2

Total^d

14 077.8

15 441.0

9.7%

15 601.0

16 333.0

^a Amount voted.

^b Excludes provision for improvements in conditions of service.

^c A^d Figures may not add up owing to rounding.

– A dash indicates that no provision was made for this particular vote in the budget.

N/A – Not available.

Free State

Total budget 1998/99: R6.4bn, up 6% on 1997/98 budget

The table below shows the allocations to the three main functional areas of expenditure in 1997/98 and 1998/99, and includes proposed allocations up to 2000/01 as set out in the medium-term expenditure framework.¹³⁷ [¹³⁷ Ibid]

Free State medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Education

2 140.9

2 420.0

13.0%

2 540.0

2 540.0

Health

1 403.1

1 566.0

11.6%

1 629.0

1 629.0

Welfare

1 024.4

1 202.0

17.3%

1 285.0

1 351.0

Other expenditure

1 447.9

1 187.0

(18.0%)

967.0

1 229.0

Total^c

6 016.2

6 375.0

6.0%

6 421.0

6 749.0

^a Amount budgeted.

^b Excludes provision for improvements in conditions of service.

^c Figures may not add up owing to rounding.

Gauteng

Total budget 1998/99: R15.1bn, up 9.9% on 1997/98 budget

The following table gives a breakdown of the allocations in 1997/98 and 1998/99, as well as the proposed allocations in terms of the medium-term expenditure framework:¹³⁸ [¹³⁸ Ibid]

Gauteng medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

4 700.1

5 246.7

11.6%

5 691.1

5 981.8

Education

5 031.1

5 828.0

15.8%

5 949.8

6 077.3

Welfare

2 344.0

2 332.6

(0.5%)

2 497.2

2 683.8

Corporate services

120.8

109.4

(9.4%)

119.0

134.4

Legislature

48.9

53.1

8.6%

55.1

57.5

Finance and economic affairs

255.0

293.5

15.1%

62.3

63.9

Housing and land affairs

102.7

104.1

1.4%

113.0

110.9

Development planning and local government

237.7

91.9

(61.3%)

63.5

49.1

Transport, roads and public works

708.9

831.2

17.3%

981.3

1 029.9

Public safety and security

18.3

21.9

19.7%

24.5

31.7

Agriculture, conservation and environment

87.6

94.0

7.3%

98.3

104.6

Sports, recreation, arts and culture

58.2

55.0

(5.5%)

60.8

61.0

Provincial Service Commission

5.1

12.0

135.3%

12.4

13.1

Total^c

13 718.3

15 073.4

9.9%

15 728.3

16 399.0

a

Amount voted.

b

Excludes provision for improvement in conditions of service.

c

Figures may not add up owing to rounding.

Kwazulu-Natal

Total budget 1998/99: R17.9bn, up 8% on 1997/98 budget

The table below shows the 1997/98 and 1998/99 budgets of KwaZulu-Natal as well as the proposed budgets for 1999/2000 to 2000/01 in terms of the medium-term expenditure framework.¹³⁹ [¹³⁹ Ibid]

KwaZulu-Natal medium-term expenditure framework budget: 1997/98 to 2000/01

1997/98

1998/99

Increase

1999/2000

2000/01

Rm^a

Rm^b

(decrease)

Rm^b

Rm^b

Health

3 712.9

4 463.6

20.2%

4 563.6

4 863.6

Education and culture

6 124.3

6 868.6

12.2%

6 968.6

7 118.6

Social welfare

3 353.7

3 985.6

18.8%

4 274.6

4 522.6

Premier

86.9

59.0

(32.1%)

73.5

85.0

Parliament

28.1

24.0

(14.6%)

27.9

31.0

Agriculture

344.0

243.3

(29.3%)

282.7

314.0

Economic affairs and tourism

112.9

83.1

(26.4%)

93.2

101.2

Finance and auxiliary services

327.0

527.5

61.3%

302.8

527.4

Local government and housing

995.9

801.3

(19.5%)

288.3

331.9

South African Police Services

2.8

1.1

(60.7%)

1.3

1.4

Provincial Service Commission

8.8

6.7

(23.9%)

7.2

7.5

Traditional and environmental affairs

190.4

162.6

(14.6%)

169.2

174.4

Transport

597.8

443.8

(25.8%)

648.7

810.8

Works

594.9

242.9

(59.2%)

266.1

325.4

Promoting the RDP

100.0

—

—

—

—

Provincial public protector

0.5

—

—

—

—

Statutory amounts

21.2

24.1

13.7%

24.1

24.1

Total^c

16 602.2

17 937.2

8.0%

17 992.0

19 239.0

a

Amount voted.

b

Excludes provision for improvements in conditions of service.

c

Figures may not add up owing to rounding.

– A dash indicates that no provision was made for this particula

Mpumalanga

Total budget 1998/99: R5.7bn, up 14.8% on 1997/98 budget

The following table shows the allocations made to each of the budget votes in 1997/98 and 1998/99 and the proposed allocations in terms of the medium-term expenditure framework for 1999/2000 to 2000/01:¹⁴⁰ [140 Ibid]

Mpumalanga medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

859.7

937.7

9.1%

995.8

1 095.5

Education

2 027.1

2 561.9

26.4%

2 720.8

2 992.9

Welfare

871.7

1 090.7

25.1%

1 158.3

1 274.2

Premier

19.5

20.7

6.2%

22.0

24.1

Finance

137.9

89.8

(34.9%)

95.4

104.9

Economic affairs and gaming

26.0

31.1

19.6%

33.0

36.3

Local government, housing and land administration

196.4

131.2

33.2%

139.3

153.2

Agriculture

110.3

129.2

17.1%

137.2

150.9

Environmental affairs and tourism

76.0

96.1

26.4%

102.1

112.3

Public works, roads and transport

451.4

463.9

2.8%

492.7

541.9

Safety and security

38.6

21.9

(43.3%)

23.2

25.5

Legislature

41.8

31.8

(23.9%)

33.8

37.2

Arts, culture, sport and recreation

40.1

31.8

(20.7%)

33.8

37.2

Central services

104.9

104.2

(0.7%)

110.7

121.8

Total^c

5 001.3

5 742.0

14.8%

6 098.0

6 708.0

a

Main budget.

b

Excluding provision for improvement in conditions of service.

c

Figures may not add up owing to rounding.

North West

Total budget 1998/99: R7.6bn, up 6.6% on 1997/98 budget

The table below shows the allocations made to each budget vote in 1997/98 and 1998/99 and those proposed in 1999/2000 and 2000/01.¹⁴¹ [141 Ibid]

North West medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

1 173.5

1 296.1

10.4%

1 311.8

1 385.3

Social welfare

1 095.9

1 315.0

20.0%

1 331.0

1 405.4

Education

2 664.5

3 096.1

16.2%

3 145.3

3 307.5

Premier support

90.1

74.7

17.1%

74.7

75.7

Corporate services

15.2

3.8

(75.0%)

3.8

4.0

Legislature

28.6

29.7

3.8%

29.7

31.7

Safety and security

6.7

5.5

(17.9%)

5.5

6.0

Tourism and environmental affairs

86.3

69.1

(19.9%)

69.8

71.5

Finance and economic affairs

158.8

142.8

(10.1%)

143.5

146.2

Local government and housing

460.4

348.4

(24.3%)

351.6

358.9

Transport and civil aviation

357.7

351.6

(1.7%)

351.6

356.6

Public works and roads

627.9

574.8

(8.5%)

580.3

608.1

Sports, arts and culture

85.1

79.7

(6.3%)

79.7

83.7

Agriculture

254.5

190.1

(25.3%)

193.0

202.0

Totalc

7 105.2

7 577.4

6.6%

7 671.4

8 042.6

a

Amount voted.

b

Excludes provision for improvements in conditions of service.

c

Figures may not add up owing to rounding.

– A dash indicates that no provision was made for this particular vote in the budget.

Northern Cape

Total budget 1998/99: R2.1bn, up 4.5% on 1997/98 budget

The following table provides a breakdown of allocations in 1997/98 and 1998/99 as well as the proposed

allocations in terms of the medium-term expenditure framework:142 [¹⁴² Ibid]

Northern Cape medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

324.3

350.3

8.0%

350.3

360.7

Education and culture

705.2

811.4

15.1%

804.9

844.3

Welfare

551.1

566.1

2.7%

600.1

614.1

Premier

37.3

38.5

3.2%

43.1

43.9

Legislature

11.8

11.5

2.5%

11.5

12.3

Provincial Service Commission

3.2

1.7

(46.9%)

1.7

1.8

Works

69.5

67.0

(3.6%)

71.4

72.6

Economic affairs and tourism

14.5

11.6

(20.1%)

11.6

12.2

Sport and recreation

4.7

4.0

(14.9%)

4.0

4.2

Finance

17.8

18.0

1.1%

18.0

18.8

Housing and local government

76.8

46.1

(40.0%)

40.1

41.8

Transport

140.6

128.5

(8.6%)

128.5

133.3

Agriculture

57.5

46.3

(19.5%)

46.3

48.1

Nature conservation

9.7

7.9

(18.6%)

7.9

8.0

Safety and security

2.7

2.6

(3.7%)

2.6

2.7

Improvements of conditions of service^c

0

0

0.0%

0

0

Promoting the RDP

9.0

16.0

77.8%

16.0

26.0

Total^d

2 035.7

2 127.6

4.5%

2 158.2

2 244.7

a

Amount voted.

b

Excludes provision for improvements in conditions of service.

c

Figures too small to record. Additional allocations to improvements in conditions of service to be made in the supplementary estimate.

d

Totals may not add up owing to rounding.

Northern Province

Total budget 1998/99: R11.3bn, up 4.2% on 1997/98 budget

The table below shows the 1997/98 and 1998/99 budgets of the Northern Province as well as the proposed budgets for 1999/2000 to 2000/01 in terms of the medium-term expenditure framework.¹⁴³ [143
Ibid]

Northern Province medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

1 684.9

1 870.9

11.0%

1 814.5

1 849.9

Education, arts, culture and sports

4 000.4

5 611.9

40.3%

5 763.6

5 883.5

Welfare

1 565.8

1 819.0

16.2%

1 729.5

1 922.5

Premier

135.9

90.0

(33.8%)

96.8

99.6

Trade, industry and tourism

135.7

94.7

(30.2%)

99.0

101.9

Agriculture, land and tourism

487.1

516.2

6.0%

559.0

592.0

Local government and traditional affairs

268.6

250.4

(6.8%)

248.5

255.8

Public transport

202.4

215.2

6.3%

229.9

236.7

Public works

715.4

699.7

(2.2%)

670.0

726.5

Safety and security

4.4

4.5

2.3%

5.2

5.1

Finance and expenditure

219.3

114.9

(47.6%)

120.8

124.4

Legislature

22.8

21.2

(7.0%)

23.6

23.0

Improvements of conditions of service^c

1 399.6

—

—

—

—

Housing and water affairs

25.4

14.3

(43.7%)

15.5

16.0

Total^d

10 867.5

11 323.0

4.2%

11 376.0

11 837.0

a

Amount voted.

b

Excludes provision for improvements in conditions of service.

c

Additional allocations to improvements in conditions of service to be made in the supplementary estimate.

d

Figures may not add up owing to rounding.

– A dash indicates that no provision was made for this particular vote in the budget.

Western Cape

Total budget 1998/99: R10.1bn, down 5.3% on 1997/98 budget

The following table shows the allocations made to each of the votes in 1997/98 and 1998/99 and the proposed allocations in terms of the medium-term expenditure framework for 1999/2000 to 2000/01:¹⁴⁴
 [¹⁴⁴ Ibid]

Western Cape medium-term expenditure framework budget: 1997/98 to 2000/01

199199Increase (decrease)

199200Health

2 902.8

2 901.9

0.0%

2 922.2

3 040.0

Education

3 805.7

3 595.4

(5.5%)

3 427.5

3 547.7

Social services

2 245.9

2 240.7

(0.2%)

2 256.3

2 326.2

Premier

7.5

12.9

72.0%

14.2

17.3

Provincial parliament

21.1

20.9

(0.9%)

20.9

21.9

General administrative services

43.5

49.4

13.6%

49.1

49.1

Housing and planning

85.5

77.9

(8.9%)

75.7

79.6

Finance

75.8

230.0

203.4%

328.9

381.7

Community safety

7.7

8.6

11.7%

8.8

9.4

Trade, industry and tourism

38.3

23.3

(39.2%)

23.9

25.3

Agriculture

83.7

68.2

(18.5%)

65.1

68.1

Environmental affairs

107.6

108.5

0.8%

107.7

115.1

Local government

218.9

37.7

(82.8%)

16.7

17.6

Provincial Service Commission

5.4

—

—

—

—

Public works

419.5

340.8

(18.8%)

385.0

363.3

Sport and recreation

8.4

6.5

(22.6%)

10.8

11.3

Transport

439.4

381.1

(13.3%)

370.8

430.3

Provincial discretionary development

2.5

—

—

—

—

Improvement of conditions of service^c

166.4

13.0

(92.2%)

25.0

25.0

Total^d

10 685.5

10 116.7

(5.3%)

10 108.6

10 529.0

a

Main budget.

b

Excludes improvements in conditions of service.

c

Allocations to improvements in conditions of service had not yet been divided between provincial and national levels. The provincial budget however provided additional funding for this vote from provincial funds.

d

Figures may not add up owing to rounding.

– A dash indicates that no provision was made for the particular vote in the budget.

National Economic Policy

During the period under review the *Growth, Employment and Redistribution (Gear)* policy of the government came under increasing attack from the allies of the African National Congress (ANC), the Congress of South African Trade Unions (Cosatu) and the South African Communist Party. In a submission to the trade and industry parliamentary committee in May 1998, Cosatu said that both monetary policy and *Gear* were responsible for lost jobs and the failure to create new employment. Cosatu said that the fact that ‘there has been a decline in employment levels at the same time as increases in output and export growth ... flies in the face of the prevailing logic of the *Gear* strategy that

increased competitiveness will lead to increased exports, which in turn will lead to expanded production for the expanded market, which in turn will lead to increased job creation'.¹⁴⁵ [¹⁴⁵ *Business Day* 11 May 1998] (See 1996/97 Survey, pp710–715.)

Earlier, in December 1997, at the ANC's national conference in Mafikeng (North West), the delegates affirmed *Gear* as the party's economic strategy. The delegates also resolved, however, that 'like other policies, *Gear* will be reviewed, monitored and adjusted as required'.¹⁴⁶ [¹⁴⁶ *The Citizen* 22 December 1997, *Mail and Guardian* 24 December 1997] The secretary general of the ANC, Mr Kgalema Motlanthe, said in early 1998 that *Gear* targets were flexible and could be reviewed. This, however, was contradicted by the minister of finance, Mr Trevor Manuel, who said that the targets were not up for review. *Gear* had had successes, Mr Manuel said. The tax holidays had elicited R1.4bn in investment commitments for 48 projects, which would create 5 000 jobs. He added that the macro-economic strategy was the reason why South Africa had held up well during the crisis in east Asia, which had swept through emerging markets around the world.¹⁴⁷ [¹⁴⁷ *Business Day* 23, 25, 27 February 1998; *F & T Weekly* 6 March 1998] The director general of finance, Ms Maria Ramos, said in March 1998 to the parliamentary portfolio committee on finance that *Gear's* targets were perhaps ambitious. The greatest deviation had been in job creation.¹⁴⁸ [¹⁴⁸ *Beeld* 18 March 1998]

The ANC came under attack from opposition parties in Parliament during the period under review for being half-hearted in its implementation of *Gear*. During an interpellation in Parliament in February 1998, the deputy president, Mr Thabo Mbeki, said that *Gear* was on track to achieve its objective of transforming the economy from one characterised by low growth, high inflation, periodic balance of payments difficulties, and huge disparities in income and access to services, to a fast-growing economy with stable prices in which opportunity and infrastructure were equitably shared.¹⁴⁹ [¹⁴⁹ *The Star* 19 February 1998]

In a review of political developments in South Africa published by the South African Chamber of Business (Sacob) in February 1998 Professor Lawrence Schlemmer, a vice president of the South African Institute of Race Relations and political consultant to Sacob, said that *Gear* was 'naive' and a 'panic measure' pushed through when the rand dropped sharply in 1996. Some of *Gear's* failures, according to Professor Schlemmer, included job creation, public expenditure, and the tax burden. Dr Ben van Rensburg, Sacob's director for economic policy, said that *Gear* was in line with world economic thinking. Countries such as the United States and the United Kingdom had achieved success with comparable policies. He said that it was particularly important in terms of the perception international investors had of South Africa. According to Sacob, some pillars of *Gear* had been successful, especially monetary and fiscal discipline. These had gained status for South Africa on world markets and could be seen as the main reason for the country's 'relatively easy ride in the recent turmoil to hit emerging markets'.¹⁵⁰ [¹⁵⁰ *F & T Weekly* 13 February 1998]

In April 1998 Cosatu, the Federation of South African Trade Unions and the National Council of Trade Unions launched a platform for input on a proposed presidential job 'summit'. The broad framework

document viewed government as central to job creation. Although the document made few references to *Gear*, it clearly stated that South Africa needed a fundamentally different growth and employment path. The idea of focusing only on labour market flexibility and a wage freeze was rejected.¹⁵¹ [¹⁵¹ *Business Day* 30 April 1998] In June 1998 Cosatu's deputy general secretary, Mr Zwelinzima Vavi, said that the government's macro-economic practices entailed high interest rates and advanced a 'one-sided approach' to reducing inflation. Mr Vavi added, 'An active, interventionist state is necessary to achieve our goals of economic development.' There was a need for monetary and interest rate policies to be 'urgently refocused in a manner that promotes the primary objectives of the reconstruction and development programme'. Economic policy had to be linked to Cosatu's vision of socialism. Cosatu proposed significant public and social ownership of the economy.¹⁵² [¹⁵² *The Citizen* 3 June 1998]

A discussion document on the presidential job summit by the South Africa Foundation in May 1998 stated that although *Gear* contributed towards macro-economic stability it had failed, partly due to events beyond its control, to create jobs. The foundation said that 'it may be necessary to revisit the *Gear* programme, particularly the assumptions on which it is based'. The document added, however, that the government had failed to comply with the *Gear* requirements of ensuring flexible labour market policies. The government was instead 'passing legislation that is decreasing this flexibility'. An appropriate growth strategy, according to the document, should also incorporate skills development, directing investment to relatively labour-intensive sectors, and incentives to generate jobs, training and investment instead of punitive measures.¹⁵³ [¹⁵³ *Business Day* 5 May 1998]

Policy Review

The economic statistics of 1997 have shown that the *Gear* targets of 6% growth by 2000 and the creation of more than 1m jobs by the same time are unlikely to be reached. When *Gear* was announced in 1996 its importance was its intention to break away from 2%–3% annual economic growth which was regarded as insufficient for generating jobs and investment. The economy's performance since 1996, which has seen it miss economic growth and job creation targets, has increased opposition to the *Gear* policy by the ANC's alliance partners, the Congress of South African Trade Unions (Cosatu) and the South African Communist Party. Cosatu has favoured less fiscal austerity so as to create more jobs, which it believes is a function of government. However, the president, Mr Nelson Mandela, said at the opening of Parliament in 1998 that the government was not an 'employment agency'. This was reiterated by the minister of finance, Mr Trevor Manuel, during his budget speech in March 1998.

The December 1997 conference of the ANC endorsed *Gear* but mixed signals have been emanating from the ANC and the Department of Finance. The secretary general of the ANC and the deputy minister of finance have said that the targets set out by *Gear* may need to be revised, while Mr Manuel and Mr Mbeki have expressed their satisfaction with what *Gear* has achieved thus far. A report on poverty and inequality prepared for the deputy president has questioned *Gear*'s commitment to low inflation and fiscal prudence. Budgetary constraints, according to the report, have limited the government's capacity to provide adequate services, which increases the risk of social instability and

may undermine growth. Furthermore, the report notes that there is a danger that while the growing use of casual and contract labour may increase the number of jobs, these may be of a 'lower quality, and worker insecurity may be increased'.¹⁵⁴ [¹⁵⁴ Fast Facts No 7 1998]

Mr Manuel announced further relaxation of exchange controls in March 1998. He said that the government would seek to ensure that the lifting of the remaining exchange controls occurred without placing undue pressure on the balance of payments.

The medium-term expenditure framework, which introduced rolling three-year budgets for the first time in 1998/99, would enable the government to allocate resources more effectively to priority services, and would clearly demonstrate how the government expected to meet its fiscal targets. Furthermore, the government would publish a white paper on budget reform later in 1998. According to the 1998 *Budget Review*, the proposals would be based on greater devolution of decision making, improved accountability, tougher enforcement of controls, and tougher penalties for overspending or inappropriate use of funds.¹⁵⁵ [¹⁵⁵ Department of Finance, *Budget Review 1998*, 1998, pp5.5–5.6]

There was debate during the period under review as to whether the provinces should be given revenue-raising powers. In terms of the constitution a provincial legislature could impose taxes, levies and duties or a flat surcharge on the tax bases of any tax, levy or duty imposed by national legislation.¹⁵⁶ [¹⁵⁶ Constitution of the Republic of South Africa Act of 1996, section 228 (1)] The power of a provincial legislature had to be regulated in terms of an act of Parliament. The Financial and Fiscal Commission (FFC) said that the financial problems of the provinces related to the fact that they had expenditure responsibilities but limited fund-raising powers. This created a situation where there was little incentive to be fiscally responsible. The FFC recommended that a provincial surcharge on personal income tax be introduced. It believed that expanding provincial taxing powers would be a means of promoting democratic and accountable government in provinces. Mr Manuel said that there was considerable doubt about whether provinces had the capacity to administer their own taxes. A member of the Katz commission, Mr Pierre du Toit, said that a move towards federal taxation where no such system existed would lead to 'tremendous wastage and inefficiency'.

In 1997 Cosatu called for a loosening of control over monetary policy exercised by the governor of the reserve bank. This came in the wake of Cosatu's criticism of the bank's maintenance of high interest rates. A multiparty task team was set up by the parliamentary finance committee to investigate the reserve bank. Opposition parties and business alike feared that its recommendations would dilute the independence of the bank. The government also announced that it was investigating the feasibility of setting defined inflation targets, which would be the focus of monetary policy. The inflation target would be determined by the government at a level or band that was achievable within a specified time period. The reserve bank's role would be to control the instruments required to achieve the goals of monetary policy.¹⁵⁷ [¹⁵⁷ *Business Day* 16 March 1998]

The director general of finance, Ms Maria Ramos, said that if implemented the setting of inflation

targets would not interfere with the independence of the reserve bank. In May 1998 Mr Mbeki stated that the government 'respected the bank's autonomy in the implementation of monetary policy'. In the same month the task team presented its report. It said that 'the credibility of the reserve bank's autonomy required that there be no actual or perceived interference in the carrying out of its mandate'.

In July 1998 the deputy president, Mr Thabo Mbeki, announced that the minister of labour, Mr Tito Mboweni, would take over as governor of the reserve bank in August 1999, after the expiry of Dr Stals's contract. The appointment was criticised by among others the National Party who feared that it would undermine the independence of the reserve bank. The National Party asked the public protector to investigate whether the appointment was in conflict with the clauses in the constitution which guaranteed the central bank's independence. However, Mr Mboweni said that the bank's independence would not be threatened under his leadership.

Key Projections

- The cost of servicing state debt was expected to increase to R45bn in 1999/2000, and to R48bn in 2000/01.
- Total public debt would decline from 55.2% of GDP to 51.3% in 2001.
- Boland Bank expected personal income tax as a proportion of GDP to fall to 10.7% in the 1999 tax year, from 11% in 1998. Company tax as a proportion of GDP was expected to increase to 3.4% in 1999, from 3.3% in 1998.

FORECASTS OF KEY ECONOMIC INDICATORS: 1998–2002

1998

1999

2000

2001

2002

Real GDP growth

Nedcor

0.8%

1.8%

5.0%

3.1%

4.5%

Absa Bank

1.2%

2.5%

Standard Bank

1.2%

2.8%

3.2%

BER^a

0.9%

2.7%

Inflation rate (average)

Nedcor

6.4%

7.5%

8.0%

8.2%

9.5%

Absa Bank

5.8%

9.6%

Standard Bank

6.6%

5.8%

5.0%

BER^a

6.6%

7.2%

Producer price rise (average)

Absa Bank

3.4%

8.4%

Standard Bank

3.8%

6.0%

4.9%

BER^a

4.4%

8.8%

Growth in private consumption expenditure

Nedcor

0.9%

1.4%

4.7%

2.5%

3.5%

Absa Bank

1.1%

2.3%

BER^a

0.6%

1.3%

GroNedcor

2.4%

2.5%

8.0%

7.0%

8.0%

Absa Bank

4.2%

3.0%

BER^a

2.1%

1.0%

Growth in gross domestic expenditure

Nedcor

1.2%

2.1%

6.3%

3.2%

4.9%

Absa Bank

1.8%

3.0%

BER^a

0.4%

1.8%

Real growth in exports

Nedcor

1.5%

4.0%

6.0%

5.0%

8.0%

Absa Bank

2.6%

1.7%

Real growth in imports

Nedcor

2.8%

5.0%

10.0%

5.0%

7.0%

Absa Bank

4.2%

3.3%

Current account deficit (Rbn)

Nedcor

13.0

14.4

23.0

21.0

23.7

Absa Bank

9.8

8.6

BER^a

4.3

3.2

PriNedcor

23.0%

17.0%

15.0%

19.0%

16.0%

Absa Bank

21.25%

19.25%

Standard Bank

22.0%

18.25%

18.75%

(4Q average)

BER^a

21.25%

18.5%

R/\$ exchange rate (average)

Nedcor

5.555

6.416

7.121

7.620

8.382

Absa Bank

5.50

6.23

Standard Bank

5.72

6.78

6.72

BER^a

5.52

5.78

^a Bureau for Economic Research at the University of Stellenbosch.

GOVERNMENT AND CONSTITUTION

Bird's Eye View

The 1996 constitution took effect in February 1997, while a provincial constitution was implemented in the Western Cape in January 1998. No further progress was made in drafting a constitution for KwaZulu-Natal.

A Presidential Review Commission recommended in May 1998 that the office of the president be strengthened, the number of ministries decreased from 25 to 20, and the public service considerably reduced in size. No changes will be made, however, until after the 1999 general election.

Judicial independence came under pressure in various ways during the period under review.

The independence of the auditor general was impugned when the minister of minerals and energy questioned the auditor general's competence, and the public protector was authorised by Parliament to investigate one of the auditor general's reports regarding the Central Energy Fund. The issue remained unresolved at the time of writing.

The independence of the South African Reserve Bank came under pressure from the Congress of South African Trade Unions and a task group was established to investigate the operation of the bank. It recommended in May 1998 that the bank's autonomy be respected, but that, among other things, it liaise more closely with a parliamentary committee to be established for this purpose.

In July 1997 South Africa was rated 33rd out of 52 countries on a corruption perception index survey carried out by Transparency International—an organisation based in Berlin. This represented a deterioration from the previous year when it had been placed in 23rd position. (First position is accorded the least corrupt country.)

In February 1998 President Nelson Mandela called for a campaign of ‘moral regeneration’ and said that ‘elements of the new administration had become as corrupt as the apartheid-era civil servants they had replaced’.

South Africa’s provincial governments continued to be dogged by allegations of widespread misconduct by politicians and officials. These allegations included fraud, nepotism, and mismanagement.

In several provinces, tensions were reported to have developed within the governing party. These tensions were held to be the result of disputes over the leadership of the party at provincial level, where a perception had developed that the national leadership had attempted to impose its choice of leader on the province.

During the period under review, the government published its *White Paper on Local Government*, which recommended centralising powers and functions in metropolitan areas (creating ‘megacities’), and amalgamating various municipalities where there was a functional linkage.

Key Points

- Mrs Patricia de Lille MP (Pan-Africanist Congress) was suspended from Parliament for 15 days for identifying various leaders of the African National Congress (ANC) as spies for the former government. The High Court in Cape Town set the suspension aside, and the judgement was taken on appeal.
- President Nelson Mandela was subpoenaed by the Pretoria High Court to give evidence in an application brought by the South African Rugby Football Union (Sarfu) to set aside a commission of inquiry into its affairs. The court’s decision to subpoena the president—as well as its finding in Sarfu’s favour—were widely criticised.
- Other judgements unpopular with the government were also criticised by members of the executive, who stressed the need for further ‘transformation’ of the judiciary. A programme of ‘reorientation’ for judges and magistrates was initiated, to ‘eliminate a culture of racism, repression, sexism and intimidation’ within their ranks.
- The Human Rights Commission was mandated by the Department of Justice to assist in drawing up anti-discrimination legislation to give effect to the equality clause in the 1996 constitution.
- In July 1998 the government announced that the minister of labour, Mr Tito Mboweni, would assume office as governor of the reserve bank in August 1999.
- The public protector received some 3 300 complaints in 1997. His office was asked to investigate various controversial issues, including alleged bias on the part of the Truth and Reconciliation

Commission.

- The ANC recommended that the Volkstaat Council be disbanded, while little progress was made in establishing the commission for the promotion and protection of the rights of cultural, religious and linguistic communities for which the 1996 constitution provides.
- Little progress was made in ‘rightsizing’ the public service through forced retrenchments.
- According to a provincial audit report published in August 1997, South Africa’s provincial governments were experiencing significant managerial and financial difficulty. This was compounded by a ‘lack of discipline and the prevalence of misconduct (such as fraud and theft)’. Several provinces took disciplinary steps against people implicated in misconduct. Some adopted austerity measures in their budgets.
- According to the Department of Constitutional Development, a ‘core group’ of South Africa’s municipalities were owed some R8.9bn in outstanding rates and service charges in March 1998.

The National Constitution

Implementation of the 1996 Constitution

The national constitution adopted in 1996 came into effect, in general, on 4th February 1997. (For details of its terms, see 1996/97 Survey, pp524–544.) It was amended once in 1997, primarily to amend the period in relation to which amnesty may be granted by the Truth and Reconciliation Commission. This now extends from 1st March 1960 to 10th May 1994 (the date when Mr Nelson Mandela was inaugurated as president under the transitional constitution).

The Inkatha Freedom Party (IFP) abandoned its demand for international mediation¹ [¹ *Business Day* 20 March 1997] (see 1996/97 Survey, p523), and pledged its loyalty to the 1996 constitution notwithstanding its reservations regarding the terms of the new text.² [² *The Star* 20 March 1997] The IFP said it would continue its struggle for a constitution which would devolve power, allow bottom-up participation in policy formation, and provide a vehicle for effective delivery to the people.³ [³ *Ibid*]

Possible Amendments to the Constitution

A proposed amendment to the national constitution—which would have allowed MPs to cross the floor to another party without losing their seats—was defeated by the combined opposition of the African National Congress (ANC) and the Inkatha Freedom Party (IFP). The proposal was moved by the Democratic Party (DP) and the National Party (NP), but rejected by the ANC on the basis that ‘it would not be democratic or fair to the electorate that MPs be allowed to cross the floor’.⁴ [⁴ *The Citizen* 10 October

1997]

The possibility of changing the provincial boundaries reflected in the 1996 constitution was also rejected by the ANC. In July 1997 the minister of provincial and constitutional affairs, Mr Mohammed Valli Moosa, said the ANC had decided that this would not be in the best interests of the country or the provinces concerned. The central government had sought for three years to resolve various border disputes and had decided that the best solution was to retain the status quo. Provinces had been created for administrative purposes only, and any difficulties should thus be solved administratively—rather than through ‘hyped up provincial politics’.⁵ [⁵ Ibid 23 July 1997] (For details of particular border disputes, see *Provincial Government* below.)

In May 1998 the secretary general of the ANC, Mr Kgalema Motlanthe, told a Sunday newspaper that the ANC was seeking a two-thirds majority in the 1999 general election so that it could amend the constitution, review the powers of constitutionally independent bodies, and govern ‘unfettered by constraints’. He said the Judicial Service Commission, the offices of the attorney general and auditor general, and the South African Reserve Bank would have to be ‘transformed’.⁶ [⁶ *Sunday Times* 3 May 1998, *Business Day* 5 May 1998] This echoed similar views earlier expressed by Mr Peter Mokaba, deputy minister of environmental affairs and tourism, but contradicted a statement by President Nelson Mandela that the ANC was bound by the constitution and would not seek to change it unilaterally, even if it attained a two-thirds majority in the 1999 election.⁷ [⁷ *The Citizen* 30 April 1998]

Mr Motlanthe later denied that the ANC was seeking fundamental changes to the constitution. All that he had meant, he stated, was that ‘complete and lasting democracy’ could not be attained until the government had ‘tackled every one of apartheid’s last vestiges’. The ANC thus viewed the attainment of an overwhelming majority in the 1999 election as ‘crucial to continuing reconstruction and development’. The judiciary, the attorneys general, the auditor general, and the reserve bank were all ‘institutions inherited from the old order’. Though they might be independent of the present government, they were not necessarily ‘independent of other political interests’. They would therefore have to be made ‘representative’, so as to win the confidence of the people and ‘demonstrate their independence from any political interference, past or present’.⁸ [⁸ *Sunday Times* 10 May 1998]

Provincial Constitutions

The national constitution makes provision for provincial governments to draw up their own constitutions. Only two provinces have thus far sought to exercise this power—KwaZulu-Natal and the Western Cape.

Kwazulu-Natal

KwaZulu-Natal made no further progress in formulating a provincial constitution. This followed the rejection by the Constitutional Court in September 1996 of the text earlier approved by its provincial

legislature (see 1996/97 Survey, pp551–553). The African National Congress (ANC) said in January 1998, however, that it would be willing to renegotiate a provincial constitution with the Inkatha Freedom Party (IFP) as a precursor to the two parties drafting a single list of candidates for the next election, to be held in 1999.⁹ [⁹ *Business Day* 12 January 1998] (This proposal formed part of peace talks between the two parties, which had begun in May 1996, see chapters on *Politics* and *Security*, and 1996/97 Survey, pp607–609.)

Western Cape

In February 1997 the Western Cape adopted a constitution for the province (see also 1996/97 Survey, pp553–555). This text required certification by the Constitutional Court before it could come into effect. The court, in September 1997, initially refused certification on three ‘narrow grounds’.¹⁰ [¹⁰ *Ibid* 3 September 1997; *Certification of the Constitution of the Western Cape*, Constitutional Court, CCT 6/97, 2 September 1997] A text with necessary revisions was certified by the Constitutional Court in November 1997.

The Western Cape constitution was signed into law on 15th January 1998. The constitution gave the provincial premier, Mr Hernus Kriel, the power to increase the size of the provincial executive committee from ten to 12 people, but made no provision for enforced power-sharing. The African National Congress (ANC), which had previously held four seats on the committee under the power-sharing provisions mandated by the transitional constitution, was offered two. It rejected this, stating that it had received 33% of the vote in the 1994 election, that its support had grown since then—and that it was entitled, at minimum, to four seats in the expanded executive committee.¹¹ [¹¹ *The Citizen* 16 January 1998] The ANC protested against the adoption of the constitution and boycotted the ceremony marking its signature.¹² [¹² *Business Day* 2 December 1997, *The Citizen* 12 December 1997] The Democratic Party (DP) and the African Christian Democratic Party were each offered and accepted one seat on the executive committee, while its remaining members represented the National Party (NP).¹³ [¹³ *The Citizen* 12 December 1997]

Parliament

The National Assembly

The functioning of the National Assembly was criticised by opposition parties on a number of occasions on the basis (among other things) that:

- MPs failed on various occasions to attend Parliament in sufficient numbers to muster a quorum;¹⁴ [¹⁴ *Ibid* 23 August 1997]
- some 300 parliamentary questions remained unanswered at the end of the 1997 session;¹⁵ [¹⁵ *The Star* 25

November 1997] and

- the African National Congress (ANC) was using its dominance of parliamentary committees to prevent their exercising their oversight functions.¹⁶ [¹⁶ *The Citizen* 10 September 1997, *Business Day* 14 October 1997]

Particular controversy arose when Ms Patricia de Lille of the Pan-Africanist Congress (PAC) used parliamentary privilege to name, in the National Assembly, a number of senior ANC leaders alleged to have spied for the previous government. Though she subsequently withdrew her allegations, a special parliamentary committee was convened to consider what action to take against her. The committee—which was dominated by ANC members—ruled in late November 1997 that she should be suspended from Parliament for 15 working days, and this was subsequently endorsed by the assembly as a whole. Opposition parties criticised the decision, saying that it made a mockery of the doctrine of parliamentary privilege.¹⁷ [¹⁷ *The Star* 25 November 1997]

In January 1998 Ms de Lille applied to the High Court in Cape Town to have her suspension declared null and void.¹⁸ [¹⁸ *The Citizen* 27, 28 January 1998] The court ruled in Ms de Lille's favour in May 1998, finding that the ANC-dominated special committee had failed to accord her a 'real and meaningful hearing'. The ANC could not be 'complainant, prosecutor and judge in its own case against Ms de Lille'.¹⁹ [¹⁹ *Ibid* 26 May 1998] The court also found that Ms de Lille's right to free speech had been infringed.²⁰ [²⁰ *Ibid* 14 May 1998] Finally, the court ruled that section 5 of the Powers and Privileges Act of 1963—allowing the Speaker to instruct a court that it could not hear a particular matter—was unconstitutional. Parliament no longer had supreme power, and 'the attempt to place issues of parliamentary privilege beyond judicial scrutiny' was invalid.²¹ [²¹ *Ibid* 26 May 1998]

The presiding officers of Parliament subsequently decided to appeal against the judgement to the Supreme Court of Appeal in Bloemfontein (Free State). At the time of writing, leave to appeal was being sought and the matter remained unresolved.²² [²² *Ibid* 26 May 1998]

Concern was expressed in the period under review at an increasing tendency to incorporate within legislation provisions mandating ministers to rule by regulation and thus bypass public scrutiny of controversial new rules on important policy issues. Thus, for example, the Medical, Dental and Supplementary Health Service Professions Amendment Act of 1997 allows the minister of health to prescribe conditions of community service for newly qualified doctors by regulation—precluding future parliamentary oversight of these (see also chapter on *Health*).²³ [²³ *Business Day* 19 August, 10 October 1997] In addition, the Basic Conditions of Employment Act of 1997 allows the minister of labour to replace or exclude many of the conditions guaranteed by the statute, opening the door to uneven application of the act and thus to abuse of ministerial discretion (see also chapter on *Employment*).²⁴ [²⁴ *The Star* 8 July 1997]

The National Council of Provinces

The functioning of the National Council of Provinces (NCOP), which replaced the Senate under the 1996 constitution, was sharply criticised at a workshop in Mpumalanga in September 1997. Delegates said the council was failing to function properly because, among other things:²⁵ [²⁵ Ibid 8 September 1997]

- politicians at both national and provincial levels did not understand its intended role or utility;
- time constraints and insufficient expertise on policy issues prevented effective debate; and
- inordinate costs were incurred in flying provincial representatives to the seat of Parliament in Cape Town to participate in its work.

The NCOP played only a limited role in formulating policy in 1997, both because of these difficulties and because it was accorded scant opportunity to review and revise draft legislation. Thus, for example, in November 1997 some 30 bills were sent to the NCOP and were passed by it within three days.²⁶ [²⁶ *The Citizen* 18 November 1997]

Funding for Political Parties in Parliament

Some R53m was to be allocated in the 1998/99 financial year to political parties represented in Parliament to enable them to maintain their administrative capacity as part of ‘democracy-building’. Parties not represented in the legislature would not qualify. A further R56m was to be allocated to these parties in the 1999/2000 financial year and R61m in 2000/01. The contribution to be received by each party is to be determined by the extent of its representation in Parliament. (Provision for funding political parties in this way was included in the 1996 constitution and was further mandated by legislation enacted in 1997.)²⁷ [²⁷ *The Star* 13 March 1998]

The Executive

There were no formal changes to the powers of the national executive during the period under review.

Presidential Review Commission

A Presidential Review Commission had earlier been appointed, in April 1996, by the president, Mr Nelson Mandela, to advise him on the possible restructuring of the executive branch of government so as to ensure, among other things, better co-ordination between different departments.²⁸ [²⁸ *The Citizen* 26 September 1997] In May 1998 the commission, chaired by Dr Vincent Maphai, published its report on ‘Developing a Culture of Good Governance’. It recommended a reduction in government departments from 25 to 20 and proposed the abolition in their present form of the ministries of correctional services, education, justice, provincial affairs and constitutional development, public enterprises, public service

and administration, sport and recreation, as well as arts, culture, science and technology.²⁹ [²⁹ Ibid 15 May 1998] It found no justification for the 'massive' 1.2m-strong public service and proposed the creation of a 'smaller, highly skilled and well-paid public service'.³⁰ [³⁰ *Business Day* 15 May 1998]

A 14-member cabinet committee, chaired by the minister of public service and administration, Dr Zola Skweyiya, is to investigate the proposals. It will report to Mr Mandela and Mr Mbeki. No changes will, in any event, be made until after the election in 1999, while the implementation of the recommendations, according to Dr Skweyiya, is to be regarded as a 'five-year project'.³¹ [³¹ Ibid 15 May 1998]

Subpoena Served on the President

In March 1998 Mr Mandela was compelled to appear before the Pretoria High Court to answer questions regarding his appointment of a commission of inquiry into alleged racism and corruption within the South African Rugby Football Union (Sarfu). Sarfu had earlier brought an action challenging the establishment of the commission, and had alleged that the president had failed properly to apply his mind to the matter. Instead, Sarfu claimed, Mr Mandela had merely endorsed a decision earlier made by the minister of sport, Mr Steve Tshwete.³² [³² *The Citizen* 10 March 1998]

Mr Justice I J de Villiers found it impossible to resolve the matter on the basis of the papers before him and ruled that the president should appear in court to provide further clarification of contested issues. An application was made to overturn this ruling on the basis that 'a head of state should be called on to testify on a decision he had made only in very special cases, and only if there was a very strong prima facie case that he should be called upon to answer'. Moreover, the president would be 'stultified and frustrated in the proper exercise of his functions if he were to be compelled to appear in person and to submit to cross-examination every time allegations were made against him on flimsy evidence that he had acted contrary to the constitution'. Further, 'undue intrusion by the judicial branch into the executive sphere of government could disturb the balance between the two'.³³ [³³ Ibid]

Judge de Villiers reaffirmed his decision to call Mr Mandela to testify, stating that it would not be in the interests of justice to revoke the order.³⁴ [³⁴ *The Star* 16 March 1998] Mr Mandela appeared in court thereafter, and was subjected to extensive cross-examination.³⁵ [³⁵ *The Citizen* 28 March 1998] In April 1998 the court upheld Sarfu's application, ruling that the decision to appoint a commission of inquiry to investigate Sarfu's affairs had not been properly taken. Judge de Villiers stated that the reasons for his decision would be provided in due course.³⁶ [³⁶ Ibid 18 April 1998] This had not yet happened at the time of writing, and Judge de Villiers was criticised for the delay. The government said it intended to appeal against the judgement.³⁷ [³⁷ *Business Day* 22 May 1998]

Provincial Powers

A committee chaired by Mr Khehla Shubane of the Centre for Policy Studies was established by the

minister for safety and security, Mr Sydney Mufumadi, to advise on provincial policing powers. It recommended that consideration should be given to devolving policing powers on a limited basis. The African National Congress (ANC) has since indicated that policing functions might be decentralised, but that policy should continue to be developed at national level.³⁸ [³⁸ Ibid 4 September 1997] Legislation giving municipalities the power to create their own police forces under specific guidelines was to be introduced in 1998 (see also chapter on *Security*).³⁹ [³⁹ *Business Day* 4 September 1997; Schoenteich M, 'Excessive regulation may undermine municipal policing from the word "go"', Fast Facts, No 12 1997, p6]

No formal amendment to the powers accorded provinces by the 1996 constitution was effected. The provinces, however, lost significant autonomy in the sphere of welfare, which the 1996 constitution identifies as an area of concurrent national and provincial jurisdiction (see chapter on *Welfare*).

The Judiciary

The 1996 constitution guarantees the independence of the judiciary. Judicial autonomy came under pressure, however, in various ways. In September 1997 the minister of justice, Mr Dullah Omar, said judges and magistrates appointed during the apartheid era were to be 'taken through a programme of reorientation to help them adopt a culture of justice and human rights'. The programme was necessary, Mr Omar stated, to 'eliminate the culture of racism, repression, sexism and intimidation that had persisted after the 1994 general election'.⁴⁰ [⁴⁰ *The Star* 12 September 1997]

The following month, judges were called by the Truth and Reconciliation Commission to appear before it to account for their role in the apartheid era. They were also severely criticised for their judgements in security and other trials, and accused of having made 'a bigger contribution than all the state's assassins in shoring up the system' (see also chapter on *Politics*).⁴¹ [⁴¹ *Mail & Guardian* 31 October 1997] During the commission's hearings, the president of the Association of Law Societies, Mr Ashwin Trikamjee, recommended that the powers of the Judicial Service Commission (JSC)—established under the 1996 constitution to advise on the appointment of judges—be expanded so as to empower the JSC to 'consider complaints against members of the bench'.⁴² [⁴² *The Star* 29 October 1997] This proposal was later endorsed by Professor Kader Asmal, minister of water affairs and forestry, who added that many of the judges appointed during the apartheid era should have been compelled to re-apply for their positions on the bench, so as to weed out the 'judicial time-servers and recalcitrants'.⁴³ [⁴³ *Mail & Guardian* 23 January 1998]

Judgements in controversial cases were also castigated by members of the executive. Judge de Villiers was criticised for having summoned Mr Mandela as a witness in deciding an application brought by Sarfu (see *Subpoena served on the president* above), as well as for ultimately ruling in Sarfu's favour. Mr Parks Mankahlana, spokesman for Mr Mandela, said the judgement illustrated 'the long way we still have to go in changing a judiciary dominated by the old order'. It was time, Mr Mankahlana continued, that 'the judgements given by South African high courts became a "reflection of our society"'.⁴⁴ [⁴⁴

Business Day 20 April 1998] Speaking in Parliament, Ms Gill Marcus, deputy minister of finance, indicated that Judge de Villiers had ‘shamed’ the judiciary in the Sarfu case, while Mr Moosa further impugned the judge’s integrity in a manner (according to the NP) that contravened the rule that it is unparliamentary to attack a judge except on the basis of a substantive motion.⁴⁵ [⁴⁵ *The Citizen* 7 May 1998] Mr Sibusiso Ndebele, MEC for transport in KwaZulu-Natal, described Mr Jan Combrink as an ‘accomplished fascist’ after, among other things, the judge had acquitted Mr Sifiso Nkabinde, a former ANC leader in KwaZulu-Natal, on various charges of murder.⁴⁶ [⁴⁶ Rickard C, ‘Judges lose touch in a changed world’, *KwaZulu-Natal Briefing*, No 11, May/June 1998, Helen Suzman Foundation, pp12–15]

In late May 1998 Mr Omar warned judges to ‘stop meddling in policymaking’. He said this was the responsibility of the government and that ‘the moment the courts meddled in policy-making, they began to dig a grave for the notion of judicial independence’.⁴⁷ [⁴⁷ *The Star* 26 May 1998] A judge in Gauteng, who asked not to be named, told *The Star* that judges were ‘not happy’ about the ‘recent barrage of allegations’ against the judiciary. Judge Combrink, in the Nkabinde case for example, had merely been ‘applying the letter of the law’. Mr Peter Hodes SC, chairman of the General Council of the Bar, said he had held discussions with Mr Omar who had assured him that the government was not attacking judicial independence and had no intention of dismissing judges who made unpopular decisions.⁴⁸ [⁴⁸ *Ibid* 29 May 1998]

State Institutions Created Under the Constitution

The 1996 constitution makes provision for seven ‘state institutions supporting constitutional democracy’. All these institutions are supposed to be independent, and to exercise their powers and functions without ‘fear, favour, or prejudice’. They are accountable to the National Assembly and must report to it annually.⁴⁹ [⁴⁹ Section 181, Constitution of the Republic of South Africa] The 1996 constitution also provides for the Pan South African Language Board, while the transitional constitution of 1993 made provision for a Volkstaat Council and the 1996 constitution has permitted the retention of this body.

Auditor General

In June 1997 the independence of the auditor general, Mr Henri Kluever, was said to have been impugned by an attack on his integrity and competence by the minister of minerals and energy, Mr Penuell Maduna. Mr Maduna alleged in Parliament that the auditor general had failed to report the loss of R170m from the Strategic Fuel Fund in the 1992/93 financial year. Mr Maduna implied that this sum had been stolen, and its loss covered up by the auditor general.⁵⁰ [⁵⁰ *Sunday Tribune* 17 August 1997] In a special report at the end of July, Mr Kluever responded that the reported ‘loss’ reflected a stock transfer which had been correctly recorded.⁵¹ [⁵¹ *Ibid*, *The Citizen* 19 August 1997] Mr Maduna thereafter renewed his attack on the auditor general—alleging that the R170m ‘loss’ had been ‘neatly tucked away’, implying that Mr Kluever had collaborated in the theft of hundreds of millions of rand from the Central Energy Fund, and questioning Mr Kluever’s qualifications for his post.⁵² [⁵² *Business Day* 14 August 1997, *The Citizen* 15

August 1997] Opposition parties tabled a motion in Parliament to censure Mr Maduna for his unfounded allegations,⁵³ [⁵³ *The Citizen* 14 August 1997] while the Audit Commission—a statutory body charged with overseeing the work of the auditor general—expressed unqualified support for the integrity and competence of Mr Kluever and his staff. The commission also resolved to obtain legal advice on whether Mr Maduna had infringed constitutional provisions requiring the government to respect the independence of the auditor general.⁵⁴ [⁵⁴ *Business Day* 18 August 1997]

Mr Max Sisulu, chief whip in Parliament for the African National Congress (ANC), responded that a motion would be tabled in the National Assembly calling for the matter to be investigated by both the public protector and a special parliamentary committee.⁵⁵ [⁵⁵ *The Citizen* 19 August 1997] The motion was carried, and Parliament resolved to appoint the public protector to investigate allegations of irregularities in the Strategic Fuel Fund and Mr Kluever's alleged actions in concealing these. Opposition parties threatened to take the issue to the Constitutional Court on the basis that the public protector had no mandate to investigate the auditor general, while any such investigation would undermine the constitutionally guaranteed independence of the latter.⁵⁶ [⁵⁶ *Ibid* 22 August 1997]

The ANC also won approval for a motion establishing an all-party parliamentary committee to investigate whether Mr Maduna had acted appropriately with regard to the auditor general. This, too, evoked widespread criticism from opposition parties.⁵⁷ [⁵⁷ *Business Day*, *The Star* 22 August 1997]

In September Mr Maduna was further criticised by opposition parties when it was revealed that his private audit investigation into the Strategic Fuel Fund had already cost R770 000 out of a projected R1m, and that the award of the contract had never been put out to tender. It was on the basis of an incomplete report prepared by the auditors thus appointed that Mr Maduna had initially accused Mr Kluever of covering up the loss or possible theft of the R170m. Mr Maduna's deputy, Ms Susan Shabangu, declined to answer a further question in Parliament as to whether the minister was competent to authorise such expenditure without observing tender board procedures.⁵⁸ [⁵⁸ *Business Day* 4 September 1997]

The public protector's investigation of Mr Kluever was scheduled to begin in March 1998, but was postponed until June.⁵⁹ [⁵⁹ *The Citizen* 3 March 1998] Soon after its commencement, Mr Maduna acknowledged that there had been no loss or theft of the oil in question. Opposition parties said his failure to say so earlier had resulted in an unnecessary investigation at a cost of some R10m.⁶⁰ [⁶⁰ *Ibid* 25, 26 June 1998] The public protector found, however, that various other issues merited investigation. The inquiry was proceeding at the time of writing, and was due to recommence in October 1998, for a further two-month period. This extension was expected to cost a further R10m.⁶¹ [⁶¹ *Business Day* 1 July 1998] The inquiry by the special parliamentary investigating committee also remained in progress at the time of writing, with a further hearing scheduled for August 1998.

Human Rights Commission of South Africa

The Human Rights Commission of South Africa (HRC) had a budget of R6.8m for the 1997/98 financial year.⁶² [⁶² *The Citizen* 13 February 1997] In May 1997 it began drafting anti-discrimination legislation, in conjunction with the ministry of justice, to address racial, gender and cultural imbalances in criminal law (especially regarding rape and other forms of sexual violence against women).⁶³ [⁶³ *The Star* 22 May 1997] In May 1998, also in conjunction with the ministry of justice, it launched a further initiative to draft the general 'equality' legislation that the 1996 constitution requires to be enacted by February 2000. (This is required under section 9 of the constitution, which prohibits unfair discrimination on 17 listed grounds, while also authorising affirmative action.)⁶⁴ [⁶⁴ Jeffery A, 'An interventionist state that seeks a real equality', *Fast Facts* No 6 1998, p6]

In June 1997 the HRC ruled on a complaint by the National Party (NP) that a statement by Mr Peter Mokaba, deputy minister of environmental affairs and tourism, amounted to hate speech. Mr Mokaba had described Mr F W de Klerk, the NP leader, as a 'bald headed criminal dripping with the blood of innocent people'. The HRC found that this statement prima facie violated the dignity of Mr de Klerk. It added, however, that Mr Mokaba's right to free speech in 'distinguishing between those who fought for freedom for black people and those who did not' was equally significant. It concluded thus by rejecting the complaint.⁶⁵ [⁶⁵ *The Citizen* 26 June 1997]

Commission on Gender Equality

The Commission on Gender Equality was established in March 1997, with a budget of R2m for the 1997/98 financial year. It criticised this allocation as insufficient even to pay the salaries of its 12 commissioners, each of whom earns some R200 000 a year.⁶⁶ [⁶⁶ *Business Day* 13 November 1997] It is developing an inventory of legislation which discriminates against women, and is researching customary law, the setting of targets for gender equality, and the role of the media in transforming gender relationships.⁶⁷ [⁶⁷ *Ibid*]

In a report in August 1997 the commission welcomed the establishment of an Office on the Status of Women at national level (in the office of the deputy president), with counterparts in most of the provinces. Government departments were also expected to establish gender units, and 11 out of 28 had done so.⁶⁸ [⁶⁸ Commission on Gender Equality, 'Executive Summary', *CGE Information and Evaluation Workshops: May 1997*, Pretoria, 1997, pp1-3]

The commission stated that there remained an urgent need to:⁶⁹ [⁶⁹ *Ibid*, pp3-7]

- amend patriarchal customary rules;
- introduce anti-discrimination law;

- develop gender sensitive policies and laws within all government departments;
- reduce violence against women;
- integrate gender considerations into macro-economic planning and the national budget; and
- engage with the media and with cultural groups that perpetuated the stereotyping of women.

Public Protector

The public protector, Mr Selby Baqwa, received some 2 000 complaints in the first nine months of 1997 and settled some 600 of these—mostly from former public servants complaining of late pension and retrenchment payments.⁷⁰ [⁷⁰ *The Star* 16 October 1997] By the end of 1997, the number of claims received by his office was 3 320.⁷¹ [⁷¹ *Business Day* 18 March 1998] He was criticised by the Democratic Party for responding primarily to high profile requests for investigations, and for possible susceptibility to political influence.⁷² [⁷² *Ibid* 4 July 1997]

In April 1997 Mr Baqwa recommended that anonymous donations to government ministers and public servants should be prohibited unless specifically approved by himself and the auditor general.⁷³ [⁷³ *Business Day, The Star* 18 April 1997] He also exonerated the minister of health, Dr Nkosazana Zuma, from any dubious action regarding an unnamed donor who had offered to pay R14m to cover the costs of the AIDS play *Sarafina II*.⁷⁴ [⁷⁴ *Business Day* 18 April 1997] (For further details, see 1996/97 Survey, p550 and chapter on *Health*.)

In late 1997 the public protector was asked, among other things, to investigate the Motheo housing scandal in Mpumalanga (see *The Motheo housing inquiry* below),⁷⁵ [⁷⁵ *Ibid* 30 September 1997] and allegations made by the Inkatha Freedom Party that the Truth and Reconciliation Commission was biased in the way it operated (see chapter on *Politics*).⁷⁶ [⁷⁶ *The Citizen* 10 October 1997] Neither of these investigations had been completed at the time of writing.⁷⁷ [⁷⁷ Information provided by a spokesman for the public protector, 2 April 1998]

The public protector requested R22m for his office for the 1998/99 financial year. He was accorded R7.4m (about one third of this) in the March 1998 budget. An editorial in the *Sowetan* commented that the allocation was inadequate. Plans to open regional offices so as to increase the public protector's capacity and access to the public would have to be postponed. The newspaper urged the government to regard its allocation to the public protector as 'an investment rather than an expense', for an adequately resourced institution of this nature would not only help uncover more cases of corruption but would also discourage its incidence.⁷⁸ [⁷⁸ *Sowetan* 19 March 1998] (By contrast, the government's new information service, the Government Communication and Information System, was accorded a budget of R48.3m.)⁷⁹

[⁷⁹ Ibid 12 March 1998]

Independent Broadcasting Authority

The Independent Broadcasting Authority (IBA) was originally established under the transitional constitution of 1993 (see 1995/96 Survey, p482). It was retained under the 1996 constitution, which describes its role as being to ‘regulate broadcasting in the public interest’ and to ‘ensure fairness and a diversity of views broadly representing South African society’.⁸⁰ [⁸⁰ Section 192, Constitution of the Republic of South Africa of 1996]

In June 1997 the IBA said it would approach the government for an additional R9m in funding to enable it to complete its planned regulatory functions. This followed allegations that IBA councillors had, among other things, misused IBA credit cards for personal expenditure amounting overall to over a hundred thousand rand. Five of the IBA’s seven councillors resigned.⁸¹ [⁸¹ *The Citizen* 26 June 1997]

In October 1997 the IBA stipulated that all broadcasters were required to implement a 20% local content quota. Its decision was welcomed by the Musicians’ Union of South Africa, which has urged the IBA to increase the local content requirement to 50%.⁸² [⁸² *The Star* 29 October 1997] Broadcasters questioned the expense and quality of local productions—and stated that it cost ten times as much to generate a local programme as to buy an international one. The government is committed to increasing local content, however, to promote a ‘new consciousness’ in the country and ‘inculcate a new value system’ (see also chapter on *Arts and Culture*).⁸³ [⁸³ *Business Day* 21, 24 November 1997]

Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

Section 185 of the 1996 constitution provides for the establishment of this commission. Its functions are to ‘promote respect for the rights of cultural, religious and linguistic communities’, to encourage tolerance between such communities, and to investigate, lobby, and advise on issues affecting them. It may report issues within its mandate to the Human Rights Commission for investigation.⁸⁴ [⁸⁴ Section 185, Constitution of the Republic of South Africa of 1996]

At the time of writing, the national legislation necessary to provide for the powers and functions of the commission had not been enacted and the commission had yet to be established. The government said in December 1997 that the necessary statute was likely to be passed in 1998.⁸⁵ [⁸⁵ *The Star* 8 December 1997]

Pan South African Language Board

Provision for the Pan South African Language Board (Pansalb) has been made in section 6 of the 1996 constitution. The board’s functions, in terms of the constitution, are to promote the development and use

of all 11 official languages and to ensure respect for all other languages used in the country (see also 1995/96 Survey, p5, p524).

In February 1997 the board said it was investigating complaints that the South African Broadcasting Corporation (SABC) was giving only 3% of its airtime to languages such as Swazi and Venda. It added that similar complaints had been made against South African Airways, the Human Sciences Research Council, and the State Tender Board. A member of the board, Ms Khethiwe Marais, said Pansalb was empowered not only to act on complaints, but also to initiate action to combat language discrimination.⁸⁶ [⁸⁶ *The Citizen* 21 February 1997]

In June 1997 the chairman of the board, Professor N C P Golele, wrote an open letter to the president, Mr Nelson Mandela, expressing Pansalb's concerns about the government's 'tendency towards monolingualism'. English, the letter stated, appeared to dominate to the detriment of the country's ten other official languages. The letter was referred to the Department of Arts, Culture, Science, and Technology to establish the facts and advise the government on the most appropriate course of action, if any were required.⁸⁷ [⁸⁷ *Ibid* 13 June 1997]

Independent Electoral Commission

Legislation providing for the establishment of an electoral commission, as mandated by the 1996 constitution, was enacted in 1996.⁸⁸ [⁸⁸ Electoral Commission Act no 51 of 1996] In July 1997 Mr Justice Johann Kriegler—who served as chairman of the Independent Electoral Commission during the 1994 general election—was appointed chairman of a new Independent Electoral Commission.⁸⁹ [⁸⁹ *The Citizen* 24 July 1997]

Concern has been expressed that the time remaining to the commission to organise South Africa's next poll is already too short. The next general election must be held within 90 days of the expiry of the current five-year term of Parliament in late April 1999. The possibility of holding the election in July 1999—the last month possible—had been mooted at the time of writing but no date had yet been set.⁹⁰ [⁹⁰ *Mail & Guardian* 16 January 1998] A new electoral act and other legislation remain to be enacted before the polls can be held, while a comprehensive voters' roll must also be drawn up.⁹¹ [⁹¹ *Business Day* 15 April 1997] National and provincial elections must be held at the same time, while the government has yet to decide if local government elections—which are due in most provinces in October 1999—will simultaneously be conducted. The commission was due to begin registering voters in October 1998 and planned to finalise the roll by March or April 1999. Some 12 000 polling stations were to be provided, and each would cater for between 1 800 and 2 000 voters.⁹² [⁹² *The Star* 23 January 1998]

Volkstaat Council

The transitional constitution provided for the establishment of a Volkstaat Council (see 1994/95 Survey,

pp348–350). The 1996 constitution provides for the council to continue to function under the terms of the Volkstaat Council Act of 1995, until the amendment or repeal of this legislation (see 1996/97 Survey, p549).⁹³ [⁹³ Section 20(5)(a), Schedule 6, Constitution of the Republic of South Africa of 1996]

In May 1997 the constitutional affairs committee of the National Assembly tabled a report recommending that the work of the Volkstaat Council be wound down and terminated. The committee stated that the council had exceeded its mandate—which was to conduct research and investigate—and had instead sought to advocate a particular position. It had also completed any necessary research on the viability of a nation-state for Afrikaners. Supporters of self-determination, the committee added, should instead seek a role within the commission on the rights of cultural, religious and linguistic communities (see above).⁹⁴ [⁹⁴ *The Citizen* 16 May 1997]

A spokesman for the Volkstaat Council said the body had a continuing role to play in developing proposals for a separate volkstaat and should therefore be retained. The council was also seeking to promote and protect rights to cultural self-determination. It was pursuing the establishment of ‘Afrikaner councils’ to advise government at local, provincial and national levels on the content of policy and legislation affecting cultural and linguistic rights. These councils would be linked to the commission on the rights of cultural, religious and linguistic communities.⁹⁵ [⁹⁵ Notes of telephone interview, Dr W le Roux, Volkstaat Council, 12 March 1998]

Cost of Statutory Commissions

In October 1996 the South African Institute of Race Relations disclosed that various statutory commissions, boards, and other bodies—including the Human Rights Commission (HRC)—were costing the country more than R330m a year for little apparent benefit.⁹⁶ [⁹⁶ Douglas C, ‘Commissions consume millions’, Fast Facts, No 10 1996, p1] The Democratic Party (DP) took up the matter and reported in October 1997 that seven commissions had cost South African taxpayers R287m since 1995 without producing an output to justify this expenditure. The commissions in question included the HRC, the Commission on Gender Equality, the National Youth Commission, and the Volkstaat Council. The DP alleged that commissioners were overpaid, with the chairman of the HRC earning R400 000 a year, and the 26-year-old chairwoman of the youth commission receiving a package worth some R350 000 a year. The party recommended that at least four commissions—including the gender and youth commissions—be abolished.⁹⁷ [⁹⁷ *The Citizen* 1 October 1997]

Financial Institutions

The 1996 constitution makes provision for two particularly important financial institutions—the South African Reserve Bank and the Financial and Fiscal Commission.

South African Reserve Bank

The independence of the South African Reserve Bank—which is guaranteed by the 1996 constitution—came under pressure during 1997. The Congress of South African Trade Unions (Cosatu) was particularly critical of the bank's role in maintaining high interest rates. The trade union federation was also angered by a statement made by the governor of the reserve bank, in a quarterly report, that legislation mandating minimum conditions of employment might undermine job creation. Cosatu called in response for a loosening of the control over monetary policy exercised by the governor of the bank, Dr Chris Stals.⁹⁸ [⁹⁸ Ibid 19 August 1997]

The African National Congress (ANC) proposed various amendments to the functioning of the reserve bank so as to increase its co-operation with the cabinet and make its decisions more transparent.⁹⁹ [⁹⁹ *Business Day* 12 August 1997] At the insistence of Cosatu,¹⁰⁰ [¹⁰⁰ *The Star* 3 September 1997] the parliamentary finance committee established a multiparty task group, under the chairmanship of Professor Ben Turok, to investigate the reserve bank and make recommendations for its reform by March 1998. Opposition parties warned that any changes made should preserve the independence of the bank from governmental interference.¹⁰¹ [¹⁰¹ *The Citizen* 21 October 1997]

In March 1998 it was reported that the parliamentary finance committee would propose the formation of a monetary policy board to assist the bank achieve specified inflation targets (see chapter on *The Economy*).¹⁰² [¹⁰² *Finance Week* 19 March 1998] In May 1998 the task group presented its report to the portfolio committee on finance. The team said it accepted that 'the credibility of the reserve bank's autonomy required that there be no actual or perceived interference in the carrying out of its mandate'. It recommended, among other things, the establishment of a permanent subcommittee which would 'specialise in central bank issues'. The group added that there was 'a need for greater understanding of the workings of the reserve bank and the reasoning behind some of its decisions'. The recommendations, commented an article in *The Star*, fell 'far short of the active intervention by Parliament in the running of the bank that was feared by some, mainly in business, and strongly advocated by others, notably Cosatu'.¹⁰³ [¹⁰³ *The Star* 29 May 1998]

Financial and Fiscal Commission

The 1996 constitution makes provision for a Financial and Fiscal Commission (FFC) to advise the government, among other things, on the 'equitable division of revenue raised nationally among the national, provincial, and local spheres of government'. The Financial and Fiscal Commission Act was enacted in 1997 and came into operation on 1st January 1998.¹⁰⁴ [¹⁰⁴ Financial and Fiscal Commission Act, no 99 of 1997]

An Intergovernmental Fiscal Relations Act was also introduced in 1997 and took effect on 1st January 1998. It establishes a Budget Council comprising the minister of finance and the MEC for finance in each province. The council provides a mechanism for national and provincial governments to consult on budgetary or financial matters affecting the provincial sphere of government. The act also establishes a Local Government Budget Forum, comprising the minister of finance, the MECs for finance in each

province, and various representatives of local government. The function of this body is to allow consultation between all three tiers on budgetary or financial matters affecting the local sphere of government.

The FFC has made a number of proposals regarding the funding of provincial and local governments (see chapter on *The Economy*).

Public Administration

Public Service Commission

The 1996 constitution specifies a number of ‘basic values and principles’ which must govern public administration. These include the promotion and maintenance of:¹⁰⁵ [105 Section 195, Constitution of the Republic of South Africa of 1996]

- a high standard of professional ethics;
- efficient, economic, and effective use of resources;
- impartial and equitable service provision; and
- accountability and transparency in public administration.

In addition, ‘human potential must be maximised’, and the public service must be ‘broadly representative of the South African people, with employment practices based on ability, fairness, and the need to redress the imbalances of the past’.

The constitution provides, in addition, for an independent and impartial Public Service Commission to promote these basic values and principles.¹⁰⁶ [106 Section 196, Constitution of the Republic of South Africa of 1996]

Legislation was enacted in October 1997 to govern the establishment of this commission.¹⁰⁷ [107 Public Service Commission Act of 1997, Government Gazette no 46]

Public Service Laws Amendment Act of 1997

The Public Service Laws Amendment Act was promulgated in October 1997 in a bid to address problems in effective governance, including those arising from a lack of discipline and widespread misconduct in the public service (see also chapter on *Employment*). The act also gives the minister extensive powers of regulation in, among other things, rationalising and restructuring departments as well as creating or abolishing posts in the public service.¹⁰⁸ [108 See Section 30, Public Service Laws Amendment

Act of 1997]

Affirmative Action in the Public Service

The Public Service Laws Amendment Act of 1997 makes provision, in addition, for the implementation of affirmative action in the appointment and promotion of public servants. The amendment act provides that, in the making of public service appointments, all candidates for appointment or promotion must be taken into consideration. Evaluation of applicants must be based on ‘training, skills, competence, knowledge, and the need to redress the imbalances of the past to achieve a public service broadly representative of the South African people, including representative according to race, gender and disability’. In addition, a draft white paper on affirmative action in the public sector was published in October 1997 (see also chapter on *Employment*).

Traditional Leaders

The 1996 constitution ‘recognises the institution, status and role of traditional leadership’. It does so, however, subject to the terms of the constitution itself as well as any other relevant legislation.¹⁰⁹ [¹⁰⁹ Section 211, Constitution of the Republic of South Africa of 1996] There is potential conflict between the recognition thus accorded traditional leaders and the constitution’s further provision for land reform.¹¹⁰ [¹¹⁰ Ibid, section 25] Traditional leaders have customarily administered and controlled the allocation of tribal land, and land reform might remove this power from them. In January 1997 an article in the *Sunday Times* urged accelerated implementation of land reform provisions, and said that ‘no real basis for the survival of the institution of traditional leadership’ would remain once the chiefs’ trusteeship over land had been removed.¹¹¹ [¹¹¹ *Sunday Times* 5 January 1997] The issue has not yet been resolved (see also below and chapter on *Living Conditions*).

Role in Local Government

The role of traditional authorities in local government is a controversial issue and remained unresolved at the time of writing (see *Local and Metropolitan Government* below).

Council of Traditional Leaders

The Council of Traditional Leaders Act of 1997 was enacted early in the year, despite the objections of the Inkatha Freedom Party (IFP) and the National Party (NP) to provisions preventing elected provincial and national representatives from serving on the council. This prohibition—dubbed the ‘Buthelezi’ clause—was described as a means of ensuring that the IFP president would be unable to sit on or chair the council. The ANC stated, by contrast, that the purpose of the provision was to ensure that traditional leaders remained above party politics.¹¹² [¹¹² *Business Day* 5, 12 March 1997] Each provincial house of traditional leaders is entitled to nominate three members to the national council. (An IFP proposal that the composition of the council should be governed by the number of chiefs in each province was

rejected.)¹¹³ [¹¹³ Ibid 11 March 1997]

The council was inaugurated in Parliament in April 1997 at a ceremony attended by Mr Mandela. Councillors hold office for five years, and the function of the council is to promote the role of traditional leadership ‘within a democratic constitutional dispensation’, to enhance unity among traditional communities, and to advise the government on all matters relating to traditional leadership and customary law (see 1996/97 Survey, pp547–548).¹¹⁴ [¹¹⁴ *Sowetan*, *The Citizen* 19 April 1997]

Difficulties in Governance

Corruption and Inefficiency

In July 1997 South Africa was rated 33rd out of 52 countries in a corruption perception survey carried out by Transparency International (TI), an organisation based in Berlin. Denmark obtained the highest score as the least corrupt, and Nigeria the lowest.¹¹⁵ [¹¹⁵ *The Citizen* 1 August 1997] South Africa’s score was considerably lower than the ranking it had obtained in 1996, which had placed it 23rd among the 52 countries reviewed.¹¹⁶ [¹¹⁶ *The Star* 4 August 1997] The minister of finance, Mr Trevor Manuel, responded that perceptions of corruption could be higher because of increased reportage of its incidence. ‘Stronger safeguards,’ he continued, ‘are in place and are working.’¹¹⁷ [¹¹⁷ *The Citizen* 2 August 1997]

The deputy president, Mr Thabo Mbeki, responded to the TI report by warning South Africans not to underestimate the dangers of deep-rooted corruption. Mr Mbeki stated that the democratic government had inherited a corrupt society, but that the problem was being addressed and the police had established a special anti-corruption unit for this purpose.¹¹⁸ [¹¹⁸ Ibid 21 August 1997]

In February 1998 corruption was identified by the International Finance Corporation—the private investment arm of the World Bank—as the most serious government-related constraint on doing business in South Africa.¹¹⁹ [¹¹⁹ *Business Day* 6 February 1998]

Soon thereafter, President Nelson Mandela acknowledged that ‘elements of the new administration appointed after 1994 had become as corrupt as the apartheid-era civil servants they had replaced’. He continued: ‘When we came to power we wanted a clean administration, but after four years, the very men and women we put there have become as corrupt as the elements we wanted to drive out of the civil service.’ The president attributed the situation to ‘years of decadent rule which had eroded South African society’ and said the ANC would continue to ‘convict officials found guilty of corruption because the party believed in transparency’.¹²⁰ [¹²⁰ *The Citizen* 3 March 1998]

Nepotism

In October 1997 the NP accused the ANC of nepotism in public service appointments, citing as examples the appointments of:¹²¹ [¹²¹ Ibid 20, 22 October 1997]

- the wife of the defence minister as a general in the South African National Defence Force;
- the wife of the minister of land affairs as Gauteng's agriculture director; and
- the sister of the Speaker of Parliament as South Africa's ambassador to Italy.

In Mpumalanga, moreover, the wife of the MEC for environmental affairs had been appointed as deputy director of his department, while the MEC's daughter was an assistant director, and his cousin and sister-in-law were both officials. The ANC dismissed the NP's claims as unfounded, saying the NP had exposed 'its scant regard for our womenfolks's ability to perform tasks as equals to their menfolk'.¹²² [¹²² Ibid 20 October 1997]

Further allegations of nepotism arose when the auditor general reported that a director of the South African Communication Service (SACS) had awarded a printing contract to a black company which employed his wife. A contract for R2.56m was awarded to the printing company without proper tender procedures being followed—and at a premium of some R1.3m over what the government printer would have charged for the work.¹²³ [¹²³ Ibid 18 February 1998]

Motheo Housing Inquiry

In September 1997 the auditor general called for a full-scale commission of inquiry to investigate, among other things, whether any family or friends of the minister of housing, Ms Sankie Mthembu-Mahanyele, had benefited improperly from a R198m housing contract. This had been awarded by the provincial government in Mpumalanga to a company called Motheo Construction, which was managed by Dr Thembi Ndlovu—allegedly a close friend of the minister.¹²⁴ [¹²⁴ Ibid 2 October 1997] The auditor general reported that the costs of the contract had been inflated by some R24m, and that proper evaluation and other financial controls had been disregarded by the Mpumalanga housing department. He added that the province had already overrun its housing budget by R313m when the Motheo scheme was approved, and queried why a payment of some R9m had been made to Motheo before construction had begun.¹²⁵ [¹²⁵ *Business Day* 12 September 1997] The auditor general rejected a proposal from the province that the matter be investigated by the public protector, and said an independent commission of inquiry was needed.¹²⁶ [¹²⁶ Ibid 12 September 1997]

A provincial commission of inquiry reported in November 1997. It found that the award of the contract to Motheo had been illegal—and that virtually all safeguards established to prevent the abuse of taxpayers' money had been ignored. In keeping with its mandate, the commission made no comment on whether an alleged friendship between the minister and the director of the construction company had

played a part in the awarding of the contract.¹²⁷ [¹²⁷ *Sunday Times* 9 November, *Business Day* 10 November 1997]

‘Rightsizing’ the Public Service

The question of reducing the size of the public service to contain government expenditure has proved particularly controversial in the period under review. The ANC denied that pressure from its trade union partner, the Congress of South African Trade Unions (Cosatu), was preventing it from addressing the forced retrenchment of public servants. In September 1997, moreover, the Department of Public Service and Administration was reported to be investigating lifting the moratorium on such retrenchments under a new rightsizing project. The department said this project should be seen in the context of the failure of the government’s earlier more humane voluntary retrenchment scheme aimed at reducing the size of the 1.2m-strong public service (see also chapter on *Employment*).¹²⁸ [¹²⁸ *Business Day* 4 September 1997]

Thousands of temporary teachers were warned of impending retrenchment at the end of 1997 and some 43 000 were expected to have been retrenched by mid-1998¹²⁹ [¹²⁹ *The Star* 31 March 1998] (see also chapter on *Education*). This had not happened at the time of writing, however.

The minister of public service and administration, Dr Zola Skweyiya, said the government had identified some 55 000 personnel who could not be redeployed and who had nothing to do. Important progress, he added, had already been made in reducing the size of the public service by 131 500 jobs between 1995 and 1997, while 25 000 funded vacancies had been shed and 48 000 individuals granted voluntary severance packages. The government would negotiate with unions on further rightsizing and would assist those made redundant—especially in the former homelands—to ‘join in development efforts outside the public service’.¹³⁰ [¹³⁰ *Ibid* 11 February 1998] The planned retrenchments would reduce the R74bn public sector payroll by R2bn.¹³¹ [¹³¹ *Sowetan* 9 February 1998]

Provincial Government

Difficulties in Provincial Governance

The period under review was marked by financial and managerial problems in many provincial governments.

In August 1997 the director general of public service and administration, Mr Paseka Ncholo, published a report on governance within the nine provinces. This revealed, among other things, that provincial administrations were suffering severe problems. Three—the Eastern Cape, KwaZulu-Natal, and the Northern Province—were on the verge of collapse.¹³² [¹³² *The Star* 21 August 1997] Gauteng and the Western Cape were functioning relatively well. The remaining provincial administrations—the Free State, Mpumalanga, North West and the Northern Cape—were found to be experiencing an intermediate degree of difficulty in their functioning.¹³³ [¹³³ *Business Day* 21 August 1997] The problems identified in the

report included grossly inadequate financial, information and human resource management systems, chronic shortages of skilled staff, a lack of discipline, and the prevalence of fraud and theft in many departments.¹³⁴ [¹³⁴ *The Citizen* 23 August 1997] The report also criticised the implementation of an earlier voluntary severance scheme intended to promote the downsizing of provincial administrations, saying that prescripts and directives in this regard had not been followed.¹³⁵ [¹³⁵ *The Star* 21 August 1997] National departments were asked to formulate proposals to assist their provincial counterparts in overcoming these problems, while Mr Ncholo warned of the urgency of taking effective action to redress the situation.¹³⁶ [¹³⁶ *Business Day* 18 September 1997]

Only the health, housing and social welfare departments were reported to have provided such assistance, however, and problems in provincial administration continued. In February 1998 a two-day public hearing on the provincial audit report was convened by the public service portfolio committee so that provincial governments could report to Parliament on the steps taken by them to address the problems in financial and administrative management earlier revealed.¹³⁷ [¹³⁷ *The Star* 17 February 1998]

Steps taken by the Eastern Cape government to solve its difficulties include the ‘exorcising of ghost workers’, the elimination of ‘confusion and duplication among provincial departments, and the outsourcing of the payment of social grants to preclude further corruption and fraud.’¹³⁸ [¹³⁸ *Ibid*] The province was nevertheless unable to pay social pensions in January 1998 owing to a lack of funds and was given a R800m advance by central government to cover payments until the end of the financial year in March 1998. In addition, a number of schools in the province suffered electricity disconnections for non-payment. The Eastern Cape government thereafter removed the MECs for welfare and education from their posts. It did not dismiss them, however, but instead redeployed them.¹³⁹ [¹³⁹ *The Citizen* 16 January 1998, *Business Day* 22, 30 January 1998] The KwaZulu-Natal government said it would address its problems by privatising all except its three most essential government departments—these being education, health and welfare. It would also retrench large numbers of civil servants (see also chapter on *The Economy*).¹⁴⁰ [¹⁴⁰ *The Citizen* 18 February 1998]

Provincial Expenditure

In November 1997 it was projected that most provinces would overspend their budgets for the 1997/98 financial year. It was estimated that overall provincial overexpenditure might total some R8bn—approximately 10% of the budgeted provincial allocation of R80.8bn. Projected overruns for the Eastern Cape, Gauteng, KwaZulu-Natal and the Western Cape were R2.7bn, R1.4bn, R2bn and R1.1bn respectively (see chapter on *The Economy*).¹⁴¹ [¹⁴¹ *Sunday Times Business Times* 16 November 1997]

Views vary regarding the reasons the provinces have experienced financial difficulties. In September 1997 the National Party stated that the provinces were unable to curb spending because central government had not provided a mechanism to retrench provincial public servants. The party warned that the provinces would shortly be obliged to spend their entire budgets on salaries, leaving no funds for

service delivery or infrastructural development.¹⁴² [¹⁴² *The Citizen* 19 September 1997]

In January 1998 the minister of finance, Mr Trevor Manuel, explained provincial problems on a somewhat different basis. The government, he said, was now obliged to provide services for many more people out of a revenue base that had not grown in proportion. This was because, in particular, per capita government spending in the ‘independent’ homelands had been less than that in the remainder of South Africa. The government was now seeking to provide equal services to the entire population and resources had therefore to be stretched much further.¹⁴³ [¹⁴³ *Sowetan* 23 January 1998] (The minister’s explanation echoed an earlier statement by the chief executive of the Institute, Mr John Kane-Berman, that the abolition of the homeland system—contrary to widespread expectation—should not be expected to yield an economic ‘dividend’. On the contrary, Mr Kane-Berman had stated in 1992, reintegrating the ten homelands would cost more in equalising public spending than it would save in dismantling ethnic bureaucracies.)¹⁴⁴ [¹⁴⁴ Kane-Berman J, ‘Economic Growth and Development’, address to the Business Advisory Bureau, University of the North, 11 November 1992]

In April 1998 Mr Brian Molefe, the director of provincial finances, and Mr Murphy Morobe, the chairman of the Financial and Fiscal Commission, ascribed the provinces’ financial difficulties partly to the fact that provinces had drafted unrealistic budgets. Provinces also lacked capacity to spend the funds that they received well. However, the national government had aggravated the situation by giving provinces ‘unfunded mandates’. It had done so, for example, by reducing pupil/teacher ratios without a concurrent increase in resources to pay teachers’ salaries.¹⁴⁵ [¹⁴⁵ *The Star Business Report* 6 April 1998]

Eastern Cape

In February 1997 the Rev Arnold Stofile (ANC) replaced Mr Raymond Mhlaba as premier of the Eastern Cape.¹⁴⁶ [¹⁴⁶ *Business Day* 5 February 1997, *Eastern Province Herald* 1 March 1997] (See 1996/97 Survey, p556.)

In August 1997 the leader of a provincial human resource audit task team, Mr Chris Dreyer, said that the Eastern Cape government had saved R2m after it had stopped payments to 51 ‘ghost’, or non-existent, employees.¹⁴⁷ [¹⁴⁷ *Daily Dispatch* 27 August 1997] In December Mr Dreyer stated that preliminary results from his team’s investigation, which had begun in November 1996, suggested that there were 10 000 ‘ghost’ workers in the Eastern Cape, and that this was costing the government some R400m a year.

In January 1998 the national government intervened in a crisis involving the inability of the province to pay pensioners under its jurisdiction. Some R800m was transferred by the minister for welfare and population development, Ms Geraldine Fraser-Moleketi, so that the Eastern Cape could pay grants to about 632 000 pensioners.¹⁴⁸ [¹⁴⁸ *Business Day* 29 January 1998]

In February 1998 the MEC for finance in the province, Mr Enoch Godong-wana, said that the Eastern

Cape had 'irredeemable difficulties'. Its overdraft stood at some R800m, but if the redirection of funds which had taken place to facilitate social security and pension payments were included, this figure could total R1.5bn.¹⁴⁹ [¹⁴⁹ Ibid 17 February 1998]

Free State

During the period under review apparent tensions continued between supporters of the previous premier, Mr Patrick 'Terror' Lekota (who had been transferred by the national leadership of the African National Congress (ANC) to the National Council of Provinces), and supporters of the new premier, Dr Ivy Matsepe-Casaburri, who was seen as having the backing of the ANC's national leadership. At the ANC's Free State provincial congress Mr Zingile Dingani was elected chairman of the ANC in the province, defeating Dr Matsepe-Casaburri. Mr Dingani was seen as a close associate of Mr Lekota.¹⁵⁰ [¹⁵⁰ *Business Day*, *The Star* 17 February 1998]

Gauteng

In June 1997 the premier of Gauteng, Mr Tokyo Sexwale, announced that he would resign as provincial premier in January 1998 in order to pursue a career in the private sector.¹⁵¹ [¹⁵¹ *The Citizen* 27 June 1997] There was much speculation about who would succeed him: it was rumoured that the national leadership of the ANC had attempted to thwart the candidacy of Dr Mathole Motshekga, and had hoped to secure the election to the premiership of the Reverend Frank Chikane, the director general in the office of the deputy president.¹⁵² [¹⁵² *Sowetan* 30 September 1997, *Saturday Star* 4 October 1997] Dr Motshekga was elected at a meeting of the ANC's provincial general council in September 1997.¹⁵³ [¹⁵³ *Sowetan* 29 September 1997]

Early in March 1997 the MEC for finance and economic affairs in Gauteng, Mr Jabu Moleketi, said that the province would begin the 1997/98 financial year 'on a clean slate', after additional funds were received from the national fiscus (R1.6bn), and from the Northern Province (R38m), the latter to cover the costs of people from the Northern Province who had been treated at Gauteng's medical institutions.¹⁵⁴ [¹⁵⁴ *Business Day* 5 March 1997, *Sowetan* 6 March 1997] However, the MEC for health, Mr Amos Masondo, noted later in the month that North West and Mpumalanga had not paid some R360m that they owed to Gauteng for medical attention given to their residents.¹⁵⁵ [¹⁵⁵ *The Star* 26 March 1997]

In August 1997 Mr Moleketi announced that a report by the provincial auditor general, Mr Shauket Fakie, showed that the Gauteng government had incurred unauthorised expenditure of some R404m in the 1995/96 financial year. Mr Moleketi termed this a 'mockery of accountability'.¹⁵⁶ [¹⁵⁶ *Business Day* 8 August 1997]

In June 1997 the Democratic Party called for the suspension of Mr Oupa Monareng MPL (ANC) after he had lost an appeal against a conviction for having attempted to bribe a police officer.¹⁵⁷ [¹⁵⁷ *The Citizen* 3 June 1997] In December 1997 he was suspended by a disciplinary committee from the legislature for three

months, and fined R3 000 for having brought the legislature into disrepute.¹⁵⁸ [¹⁵⁸ *Beeld* 3 December 1997]

In early 1998 it was alleged that the MEC for safety and security, Ms Jessie Duarte, had engaged in impropriety. It was alleged that she had driven a state-owned vehicle without a valid driver's licence, had failed to timeously report an accident in which she was involved, employed an underqualified consultant at a salary of some R300 000 a year, and purchased an unauthorised air ticket for an acquaintance who was not an employee of the government. Ms Duarte denied any wrongdoing.¹⁵⁹ [¹⁵⁹ *Mail and Guardian* 13 February 1998] In mid-February 1998 a commission of inquiry was appointed by the premier, Dr Motshekga, to investigate these charges.¹⁶⁰ [¹⁶⁰ *The Citizen* 13 February 1998] In mid-March 1998, before the commission had completed its investigation, Ms Duarte resigned as MEC for safety and security.¹⁶¹ [¹⁶¹ *Sowetan* 27 March 1997]

In February 1998 the leader of the National Party in the Gauteng legislature, Mr Johan Kilian, called for the suspension of the MEC for housing and land affairs, Mr Dan Mofokeng, and for a judicial probe into his department. It was alleged that there was widespread mismanagement, corruption and intimidation in his department. The premier's office said that the auditor general would investigate the allegations but that there was no reason to suspend Mr Mofokeng.¹⁶² [¹⁶² *The Star* 24 February 1998] At the time of writing the issue remained unresolved.

Kwazulu-Natal

At the time of writing, both Ulundi and Pietermaritzburg were serving as provincial capitals of KwaZulu-Natal and the issue had not yet been resolved. (See also 1996/97 Survey, pp559–560.)

In September 1997 it was announced that KwaZulu-Natal would freeze all non-essential vacancies in order to prevent estimated overspending of some R1bn in the 1997/98 financial year. This would be most noticeable in respect of education, where there were some 20 000 vacant posts.¹⁶³ [¹⁶³ *Sunday Tribune* 7 September 1997]

After a meeting with the minister of finance, Mr Trevor Manuel, the premier of the province, Dr Ben Ngubane, said that some 80 000 retrenchments might be necessary to address the province's financial problems.¹⁶⁴ [¹⁶⁴ *The Mercury* 24 November 1997]

In March 1998 Dr Ngubane announced that Mr Peter Miller, the provincial MEC for local government and housing, was to be appointed MEC for finance. In the same month Mr Miller said that KwaZulu-Natal would pursue a 'ruthless' programme of fiscal discipline to extricate the province from its financial 'mess'. He indicated that he would consider selling some state assets. KwaZulu-Natal's actual expenditure during the 1997/98 financial year had been some R19.8bn, while its allocation for 1998/99 would be some R17.9bn. Dr Ngubane commented that this represented an 'austerity budget' in which there was 'no joy'.¹⁶⁵ [¹⁶⁵ *Business Day* 23 March 1998]

Kwazulu-Natal Constitution

See *Provincial constitutions* above.

Mpumalanga

During the period under review the Mpumalanga provincial government was embroiled in a number of scandals.

In April 1997, following media reports of irregularities in the issuing of driver's licences in Mpumalanga (including one to the deputy speaker of the National Assembly, Ms Baleka Mbete-Kgositsile), the premier, Mr Mathews Phosa, appointed a commission of inquiry to investigate the alleged fraudulent issuing of licences.¹⁶⁶ [¹⁶⁶ *The Citizen* 13 May 1997] The commission found that the MEC for safety and security, Mr Steve Mabona, as well as several officials in his department had been negligent and incompetent in their duties. It further declared Ms Mbete-Kgositsile's licence invalid.¹⁶⁷ [¹⁶⁷ *Sunday Times* 25 May 1997]

In late May 1997, following the commission's report, Mr Phosa reshuffled his provincial executive committee. This followed the resignation earlier in the same month of Mr Mabona.¹⁶⁸ [¹⁶⁸ *The Star* 30 May 1997]

In April 1998 the MEC for environmental affairs and tourism in Mpumalanga, Mr David Mkhwanazi, tendered his resignation after it had been revealed that several of his relatives were working in his department, and subsequently that he had allegedly used state funds for an overseas holiday.¹⁶⁹ [¹⁶⁹ *Business Day* 23 April 1998, *Sowetan* 27 April 1998] In June 1998 it was announced by his successor, Mr Fish Mahlalela, that some 228 staff members had been dismissed from the department in an attempt to 'clean up the mess Mkhwanazi left behind'.¹⁷⁰ [¹⁷⁰ *Business Day* 12 June 1998]

In June 1998 the provincial auditor general, Mr Douglas Maphiri, said in a report to the Mpumalanga legislature that there had been some 121 cases of possible overpayment in the 1995/96 financial year. In response to the report the director general of the province, Mr Frank Mbatha, said that the administration had instituted several reforms to the financial management systems in Mpumalanga, which included stringent financial controls and the termination of several programmes.¹⁷¹ [¹⁷¹ *The Star* 23 June 1998]

For the boundary dispute over Bushbuckridge, see under *Northern Province* below.

North West

The provincial auditor general of the North West, Mr Bryant Madiwa, reported in May 1997 that there

appeared to be serious problems in the province's financial management. His report indicated that unauthorised spending by the administration totalled some R367.3m in the 1995/96 financial year.¹⁷² [¹⁷² *The Citizen, The Star* 30 May 1997]

Northern Cape

During the period under review a proposal to incorporate a section of the North West (Kudumane and Taung) into the Northern Cape was reviewed by a commission of inquiry under Mr Khehla Shubane. This would add some 800000 people to the Northern Cape, which had a population of some 750000. The National Party (NP) said this was a plan on the part of the African National Congress (ANC) to weight the vote in the Northern Cape in favour of itself, and thus deprive the NP of victory in the province in the 1999 general elections. The ANC argued that the earlier demarcation had been irrational since many people in the affected areas of the North West worked in the Northern Cape and should therefore have access to the latter's economy.¹⁷³ [¹⁷³ *Business Day* 19 February 1997]

In July 1997 the commission handed its report to the president, Mr Nelson Mandela. It recommended that the border be adjusted to allow for incorporation of parts of the North West into the Northern Cape, but added that there was a need 'effectively to test the will of the residents in the areas concerned'.¹⁷⁴ [¹⁷⁴ *The Star* 9 July 1997]

At the time of writing the incorporation of these areas into the Northern Cape had not been concluded.

Northern Province

In February 1998 the MEC for health and welfare in the Northern Province, Ms Hunadi Mateme, said that in order to root out fraudulent welfare recipients, it was necessary to suspend payments to all 94 806 beneficiaries in the province, and wait for genuine claimants to come forward for re-assessment.¹⁷⁵ [¹⁷⁵ *Business Day* 29 January 1998]

Tabling the Northern Province's 1998/99 provincial budget, the provincial MEC for finance, trade, industry and tourism, Mr Thaba Mufamadi, called on the central government to assist the province in reducing its severe infrastructural backlogs, since the province did not have the funds to do so itself. The Northern Province's revenue estimate for 1998/99 was some R257m, as opposed to R498m in the previous budget.¹⁷⁶ [¹⁷⁶ *Ibid* 19 March 1998]

During the first half of 1997 there were outbreaks of violence over demands by residents of Bushbuckridge, a town in the Northern Province bordering on Mpumalanga, for incorporation into Mpumalanga. The campaign for the transferral of the town was co-ordinated by an organisation called the Bushbuckridge Border Committee.¹⁷⁷ [¹⁷⁷ *The Citizen* 1 May 1997, 22 May 1997] Mr John Dombo, the Northern Province MEC for local government, said that Bushbuckridge would remain part of the

Northern Province.¹⁷⁸ [¹⁷⁸ *Ibid* 23 May 1997] However, in September it was announced that the Northern Province executive committee had decided to create a special arrangement for Bushbuckridge, whereby Mpumalanga would assume responsibility for certain service functions in the town on an agency basis.¹⁷⁹ [¹⁷⁹ *Northern Review* 5 September 1997]

Western Cape

In April 1998 the premier of the Western Cape, Mr Hernus Kriel, announced that he would be resigning from politics.¹⁸⁰ [¹⁸⁰ *The Star* 21 April 1998] Subsequently, the premiership of the province was contested by Mr Peter Marais, the MEC for health, and Mr Gerald Morkel, the MEC for community security. Mr Morkel secured the premiership.¹⁸¹ [¹⁸¹ *Business Day* 24 April 1998]

Provincial Constitution

During the period under review the Western Cape became the first province in the country to adopt a provincial constitution. (See *Provincial constitutions* above.)

In November 1997 the Constitutional Court certified the Western Cape's revised constitution. Mr Cameron Dugmore MPL (ANC) said that the ANC was 'deeply disappointed' that the African Christian Democratic Party (ACDP), Democratic Party (DP), the Freedom Front, and the NP had united to end power-sharing in the province.¹⁸² [¹⁸² *Ibid* 18 November 1997] The executive council of the Western Cape included representatives from the NP and two minority parties, the DP and the ACDP. Although the ANC was offered two seats in the executive council, it refused them, and stated that Mr Kriel's attempts to diminish the ANC's position in the province were 'very dangerous'.¹⁸³ [¹⁸³ *The Citizen* 1 December 1997] (See *Provincial Constitution, Western Cape*, above.)

Local and Metropolitan Government

Policy

During the period under review the government's attention focused primarily on reconstructing the system of local government, so as to replace the current transitional system with a permanent one.

In early 1997 the Ministry of Provincial Affairs and Constitutional Development and a white paper political committee, chaired by Mr Pravin Gordhan MP (ANC), published a discussion document on local government. This document indicated, among other things, that:¹⁸⁴ [¹⁸⁴ Ministry of Provincial Affairs and Constitutional Development and the White Paper Political Committee, *South Africa's Local Government: a Discussion Document*, 1997]

- the existing local government system was structurally flawed, especially given the inadequate revenue base of many local authorities;
- relationships between different spheres of government and between different tiers of government at local level were not clearly defined; and
- the way local government finances were managed would have to change, to facilitate better planning for sustainable service provision within the context of government's overall macro-economic strategy.

White Paper on Local Government

In March 1998 the government published its *White Paper on Local Government*. The contents of the document are discussed under the headings below.

Metropolitan Governance

The white paper proposed two types of metropolitan system: metropolitan government with ward committees (described as a 'megacity' or 'unicity'); and a metropolitan government with metropolitan substructures. The latter model would vest the metropolitan council with original powers which would then be devolved to the metropolitan substructures.¹⁸⁵ [¹⁸⁵ Ministry for Provincial Affairs and Constitutional Development, *White Paper on Local Government*, March 1998, pp64–66] The white paper indicated that smaller forums would probably encourage race-based politics, and that a future system of metropolitan governance would have to ensure that 'no constituent council which represents only part of the metropolitan community has the authority to act in ways which limit the rights and opportunities of other metropolitan residents'.¹⁸⁶ [¹⁸⁶ Ibid, pp62–63]

Rural Local Governance

The white paper noted that local government structures in rural areas would have to assume a more 'developmental' role. It stressed the importance of second-tier structures (district councils) as a means of co-ordinating development, promoting co-operation between smaller rural towns and their adjacent rural areas, supporting the primary-tier structures, and facilitating the redistribution of resources.¹⁸⁷ [¹⁸⁷ Ibid, pp68–73]

The white paper proposed a flexible system that would incorporate the following features:

- rural municipalities (primary-tier structures) should be allocated some executive and legislative powers. Other powers could accrue to them as they built capacity to administer these efficiently;
- in areas with large, sparse populations, district councils should undertake service provision as primary-

tier structures would not be viable; and

- certain urban centres should be amalgamated with their rural hinterlands in order to promote integrated development between the two.

Elected Councillors

The white paper proposed lowering the number of elected councillors, as well as the number of municipalities, to effect savings. It noted that the current number of councillors in South Africa was some 11 000, and the number of councils 843. The need for all these would have to be reviewed, and the resources thus saved invested in infrastructural projects.¹⁸⁸ [¹⁸⁸ Ibid, p12]

Traditional Leaders

The white paper envisaged a ‘co-operative model for rural governance’ in which traditional leaders would attend the meetings of elected councils in rural areas. Their function would be to advise these councils on the needs and interests of their communities. Whether they would also be accorded voting rights on rural councils remained to be determined after further consultation. The white paper added that there was ‘no reason why African customs and traditions should be seen to be in conflict with the demands of modern governance’. What was needed, it continued, was an ‘innovative institutional arrangement’, which would ‘combine the natural capacities of both traditional and elected local government’ and accord traditional leaders ‘a constructive role’ in rural development.¹⁸⁹ [¹⁸⁹ Ibid, pp75–79]

Where the constitution allocated a function to a municipality, the white paper added, the latter would have sole jurisdiction regarding the matter. In addition, traditional leaders would not necessarily retain control over land, as traditional communities would be given the right to vest responsibility for administering and allocating land in institutions of their choice. These might, but would not necessarily, include traditional authorities.¹⁹⁰ [¹⁹⁰ Ibid, p97]

The role and functions of traditional authorities are to be further explored in a white paper on traditional affairs. The Department of Justice plans, in addition, to establish community law courts and traditional leaders will ‘enjoy special recognition’ in those operating in rural areas.¹⁹¹ [¹⁹¹ Ibid, pp95-96]

Legislation

Organised Local Government Act of 1997

The Organised Local Government Act is intended to fulfil the constitutional requirement that ‘organised local government’ be able to delegate representatives to the National Council of Provinces (NCOP). The act makes provision for the recognition of one organisation representing local government in each of the

nine provinces, as well as one national body. The national body—the South African Local Government Association—is to designate ten representatives of local government to serve on the NCOP, after the provincial bodies have submitted nominations. Representatives from organised local government do not have voting powers on the NCOP. The act also makes provision for representatives of local government to serve on the Financial and Fiscal Commission.¹⁹² [¹⁹² *The Citizen* 1 August 1997, *Financial Mail* 8 August 1997]

The act commenced operation in November 1997.¹⁹³ [¹⁹³ Organised Local Government Act, no 52 of 1997, *Government Gazette* no 18 421, 12 November 1997]

Finance

According to the Department of Finance, municipal budgets totalled some R45bn in the 1996/97 financial year. Unaudited municipal budget figures that were submitted to the Department of Finance for the same period indicated that the budgeted expenditure of local authorities was broken down as follows (figures exclude two metropolitan councils and four metropolitan substructures) :¹⁹⁴ [¹⁹⁴ Department of Constitutional Development, *The Present State of Municipal Finance and Action Steps taken by Government to manage the Situation*, March 1997]

- 30 metropolitan councils and substructures budgeted for a total expenditure of R22bn, or 49% of the total;
- 513 transitional councils budgeted for R19bn, or 44% of the total; and
- 278 district councils and rural councils budgeted for R3bn, or 7% of the total.

According to a study of the financial situation of local governments, published by the Department of Constitutional Development, one third of local authorities was regarded as viable, another third marginally or potentially viable, and the last third—including most local authorities situated in the former homelands—as not viable (having no real prospect of generating sufficient revenue to support themselves, at least in the foreseeable future).¹⁹⁵ [¹⁹⁵ *Ibid*]

In February 1997 the minister of provincial affairs and constitutional development, Mr Mohammed Valli Moosa, wrote that one of the primary financial problems facing South Africa's local governments was a cashflow problem. Before conclusions could be drawn about the severity of the financial problems of local governments, it was necessary to determine, inter alia, whether proper management existed, revenues could match expenditure over the long term, and services were being delivered efficiently and at a level affordable to communities. Mr Moosa added that the responsibility for controlling expenditure rested with the councils themselves. If they failed to do this adequately, they would become bankrupt and their functions would be taken over by other levels of government.¹⁹⁶ [¹⁹⁶ *Business Day* 13 February 1997]

In October the minister of finance, Mr Trevor Manuel, said that many local authorities had been undermining the government's reconstruction and development programme. He said that local authorities were investing less in new infrastructure in order to finance their increasing operating costs.¹⁹⁷ [¹⁹⁷ South African Chamber of Business, *This Week in Parliament*, 13 October 1997]

Intergovernmental Grants

According to the 1998 *Budget Review*, total transfers to local governments in 1998/99 would amount to some R4.1bn, excluding amounts that would be transferred for agency functions. Of this amount R2.8bn would be for operating transfers while R1.3bn would be for capital transfers (a drop of R504m or 39% on the amount for 1997/98). The decrease in capital transfers was ascribed to extraordinary high rollovers from 1996/97 into 1997/98 which significantly distorted the 1997/98 figure, and the phasing out of the bulk and connector infrastructure grants and the extended municipal infrastructure programme (and their rationalisation into the consolidated municipal infrastructure programme).¹⁹⁸ [¹⁹⁸ Department of Finance, *Budget Review 1998*, 1998, p4.15]

In June 1998 the Department of Constitutional Development published a draft document outlining proposed changes to the system of intergovernmental grants. The document described four components of the new system. They were:¹⁹⁹ [¹⁹⁹ Department of Constitutional Development, *An Equitable Share for Local Government*, June 1998]

- the municipal basic services transfer. This would aim to provide basic services to all poor residents of local governments across the country. Local governments would determine the number of poor people within the area under their jurisdiction and multiply this figure by the amount it would cost to provide basic services to one person per financial year. The resulting figure would be multiplied by 'another amount that describes the proportion of need' which would be met by this transfer;
- the municipal institutions transfer. This transfer would be made to municipalities whose income from rates and services fell below a certain level, although municipalities whose population fell below 2 000 people would not be eligible. The transfer would be calculated on the differences between the income that the municipality received from rates and service charges and the 'threshold level', ie the amount needed to finance the institutional capacity of the municipality. Different sizes of municipalities would be eligible for different maxima of funds;
- the tax-base equalisation transfer. This would aim to redress 'unbalanced development' in South African cities. This transfer would be available only to metropolitan areas with a two-tier system of government. The transfer would operate as a redistribution mechanism between substructures of various metropolitan systems and would come into operation only after metropolitan areas had chosen their future institutional models; and

- the matching transfer. This would be made available only to metropolitan and district councils, for the purpose of installing infrastructure for service delivery.

It was envisaged that implementation of this system would begin in 1998/99 and be completed by 2004/05. The Department of Constitutional Development said one of the most important factors in the new system was that it would make intergovernmental grants more consistent and predictable and thus improve municipal capacity for planning and borrowing at ‘reasonable rates’.

Project Viability

Project Liquidity—subsequently renamed Project Viability—was launched in 1995 by the Department of Constitutional Development to monitor the short-term liquidity of municipalities and to measure the success of the Masakhane campaign. (The Masakhane campaign was an initiative launched in early 1995 to encourage the payment of rent and service obligations—see 1995/96 Survey, pp340–341.)

Project Viability involved sending questionnaires to all municipalities requesting financial data. At the time of writing, the last questionnaire issued queried financial data as at the end of March 1998. Responses for this period were received from 69% of municipalities, which was an improvement on the data collected for the period ending on 31st December 1997. (By this due date for reporting, only some 47% had responded.) However, a ‘core group’ of municipalities—representing 54% of urban municipalities—had responded to all questionnaires, and data from these ‘could be used with confidence to determine a trend in respect of all municipalities’.²⁰⁰ [200 Department of Constitutional Development *Project Viability—March 1998*, July 1998, p2]

The statistical information below was taken from Project Viability reports.

The following table provides certain key economic indicators of the financial position of South Africa’s local governments.²⁰¹ [201 Ibid]

Economic indicators of South Africa’s local governments^a

Month and year

Outstanding amounts (Rbn)

Debt as a proportion of rates and service charges

Regular payers as a proportion of total

October 1996

6.3

25.9%

68%

December 1996

6.5

26.7%

69%

March 1997

7.05

29.0%

67%

June 1997

7.33

30.1%

71%

September 1997

8.53

35.1%

71%

December 1997

8.72

35.9%

69%

March 1998

8.9

36.5%

71%

a

These figures represent the 'core group' of municipalities.

The bar chart below reflects debt as a proportion of rates and service

Boycotts and Non-Payment

During the period under review the amount owed to local government in unpaid rates and service charges continued to escalate. However, in real terms the overall amount owed has remained relatively stable. As at March 1998, outstanding amounts owed to the 'core group' of local authorities in Project Viability's study were some R8.9bn (see *Project Viability* above). At the time of writing, however, the total outstanding debts of municipalities, countrywide, which had responded to the questionnaire in respect of March 1998 (615 or 69% of the total) were:²⁰² [202 Ibid]

Total debt to municipalities

Province

Rm

Eastern Cape

885

Free State

640

Gauteng

4 945

KwaZulu-Natal

930

Mpumalanga

385

North West

410

Northern Cape

222

Northern Province

115

Western Cape

1 196

Total^a

9 727

a

Figures may not add up owing to

Intergovernmental Relations

Undefined Responsibilities

During the period under review several local authorities expressed concern that they were not being adequately compensated for expenditure that they had incurred in providing services that they performed on behalf of other levels of government. For example, in Johannesburg, Mr Mike Moriarty, a DP councillor, stated that the city's 'ambulance service costs three times what the council gets by way of an intergovernmental grant, but this isn't acknowledged. Local governments are expected to provide greater services yet don't get more in return'.²⁰³ [²⁰³ *Financial Mail* 21 March 1997] In May 1997 Midrand (Gauteng) claimed to have spent some R73m on infrastructure that was properly the responsibility of provincial and national government.²⁰⁴ [²⁰⁴ *The Star* 19 May 1997]

In the *Medium Term Budget Policy Statement*, published in December 1997, the minister of finance, Mr Trevor Manuel, indicated that a new mediumterm budgeting system would be introduced in 1998 to provide 'three year forward estimates'. This would make more stable planning and resource allocation possible (see chapter on *The Economy*).²⁰⁵ [²⁰⁵ Ministry of Finance, *Medium Term Policy Statement*, December 1997]

Traditional Leaders

The transitional constitution accorded traditional leaders representation in local councils on an ex officio basis.²⁰⁶ [²⁰⁶ Section 182, Constitution of the Republic of South Africa of 1993] The African National Congress (ANC), however, has sought to treat traditional authorities as one of a number of recognised interest groups, each of which is entitled to no more than 10% of the vote within a local council. Cumulatively, moreover, these interest groups may not hold more than 20% of the seats on such a council.²⁰⁷ [²⁰⁷ Local Government Transition Act Second Amendment Act of 1995; 1995/96 Survey, p447]

The KwaZulu-Natal government in 1996 enacted a provincial law according the 300 or so chiefs in the province full ex officio representation on seven rural councils in the province. The ANC brought court proceedings to have the law invalidated. The High Court in Pietermaritzburg rejected the ANC's contentions in November 1997, and the matter was taken before the Constitutional Court.²⁰⁸ [²⁰⁸ *Business Day* 7 November 1997]

In March 1998 the Constitutional Court upheld the right of traditional leaders to sit on the province's local councils by virtue of their status. It rejected the ANC's contention that the KwaZulu-Natal law violated the transitional constitution, which was still in force at the time when the provincial law was promulgated. Delivering the court's unanimous finding, Ms Justice Kate O'Regan ruled that traditional leaders remained entitled to membership of transitional local government structures until 1999. This was needed, the court indicated, to ensure continuity and avoid dislocation in the transitional period.²⁰⁹ [²⁰⁹ *Ibid* 26 March 1998]

Policy Review

On the horizontal plane, the power of the executive branch of government seems to be increasing while that of the other branches of government (the legislature and the judiciary) is diminishing.

A diminution in parliamentary powers seems to be reflected, among other things, in:

- a failure on the part of ministers to answer questions posed by MPs (some 300 having remained unanswered at the end of the 1997 parliamentary session);
- the adoption of key legislation by Parliament, often at the end of annual sessions, with an urgency effectively precluding full scrutiny of its terms and ramifications; and
- the power increasingly being given to ministers to legislate through regulation, bypassing Parliament in this process.

Further compounding current problems is the constitutional prohibition on MPs 'crossing the floor'. This, coupled with internal party discipline, makes it difficult for MPs to challenge and amend legislation put forward by the cabinet.

The fact that the president, Mr Nelson Mandela, complied with a subpoena to appear before the High Court in Pretoria in early 1998 was significant in upholding the separation of powers between the executive and the judiciary. However, the integrity of the judge responsible for issuing the subpoena has since been questioned by cabinet ministers in a manner likely to undermine respect for the bench. A possible diminution in the power and independence of the judicial branch of government is also evident, for example, in:

- the impugment by key ministers of the integrity of all judges appointed by the previous government;
- a tendency on the part of government to prejudge and then dispute the outcome of contentious cases; and
- the introduction of a 'super attorney general', appointed by and accountable to the executive, and responsible for policy on prosecutions. The recent appointment of a senior ANC politician, Mr Bulelani Ngcuka, as the country's first national director of public prosecutions has reinforced concerns that important decisions on the initiation of criminal prosecutions will increasingly be controlled by the executive in the future.

On the other hand, in May 1998, the Cape High Court set aside the suspension from Parliament of Ms Patricia de Lille MP (PAC), who had been suspended by a parliamentary committee dominated by the

ANC. The court found that she had not been given a fair hearing and that her right to free speech had been infringed. It also ruled that legislation allowing the speaker of Parliament to instruct a court not to hear a matter was unconstitutional.

The auditor general, Mr Henri Kluever, has played an important role in exposing corruption and fraud in administration. His integrity was impugned, however, by Mr Penuell Maduna, minister of minerals and energy, who questioned his competence and qualifications for his position and alleged that he had attempted to conceal the loss of R170m from the Strategic Fuel Fund. In June 1998, however, Mr Maduna's lawyer said that his client conceded that the loss had never occurred. Possible 'reforms' that might limit the independence of the South African Reserve Bank have also been under investigation. Though such changes seem unlikely to be effected, the recent appointment as governor designate of the bank of a serving minister of labour, Mr Tito Mboweni, has raised questions as to whether the independence of the reserve bank, in its practical operation, will be sustained in the future.

Vertically, the concentration of power in the executive branch of government is reflected, for example, in:

- the requirement of 'co-operative governance' between the national, provincial and local tiers of government, which has served to reduce the autonomy of the lower administrative tiers;
- a diminution in the powers accorded provincial governments by the 1996 constitution, accompanied by a further erosion of their administrative powers in the welfare sphere, for example; and
- the planned introduction of centralised 'mega-city' administrations in major metropolitan areas.

A further important question is the extent of probity and accountability in governance. Corruption was common under the former government and has persisted since 1994. In February 1998 corruption was identified by the International Finance Corporation—the private investment arm of the World Bank—as the most serious government-related constraint on doing business in South Africa. Soon thereafter, President Nelson Mandela himself stated that 'elements of the new administration appointed after 1994 had become as corrupt as the apartheid-era civil servants they had replaced'. Though fraud and corruption have been uncovered and penalised on various occasions, their true incidence remains difficult to quantify.

In view of the financial and capacity problems experienced by most provinces during the period under review, the sustainability of some of the provincial governments is open to question. The provinces' limited powers to raise their own revenue, and their consequent dependence on the central fiscus, furthermore raise the issue of the role and powers of the provinces, and indeed whether they are performing a role which merits the resources allocated to them—or whether their functions should rather be basically administrative.

A general consensus seems to have emerged that the current system of local government is financially unviable, and that addressing this will involve at least some restructuring of the institutional system. Although legislation has not yet been promulgated to facilitate such a restructuring, it does appear that a more centralised approach—in the form of ‘megacities’ and amalgamated urban-rural municipalities—is likely to be adopted. It does, however, remain to be seen whether this will produce the envisaged cost savings, or whether it will prove unwieldy and costly to implement and manage. The adoption of a new system of local government—or indeed the retention of the current system—will no doubt be a highly contested political issue.

POLITICS

Bird’s Eye View

During the period under review, both the African National Congress (ANC) and the National Party (NP) underwent leadership changes. Mr Thabo Mbeki, the deputy president of South Africa, became the president of the ANC while Mr Marthinus Van Schalkwyk was elected leader of the National Party. In addition, a new party, the United Democratic Movement, was formed.

In view of the general election due in 1999, all parties began to campaign or to consider how best to increase their electoral support. The ANC defended its role in government, warning that South Africa’s socio-economic problems would take many years to resolve. It also attacked criticism of its policies and performance by arguing that racism was the real motivation behind such criticism. The leader of the Democratic Party (DP), Mr Tony Leon, called for a ‘Codesa of the opposition’ to ensure that the ANC did not obtain a two-thirds majority (which would enable it to amend the constitution).

During the period under review, the government made overtures to the DP and the Pan-Africanist Congress (PAC) to join the government of national unity. The DP rejected this on the grounds that it would undermine its role in opposition, while the PAC insisted that certain conditions be met before it could consider the offer. This did not occur.

The Truth and Reconciliation Commission (TRC) continued its work and was given until 31st October 1998 to complete an initial report. Its Committee on Amnesty was mandated to continue operating for an indefinite period, while the commission was empowered to delay its final report until after all amnesty applications had been decided.

To ascertain the context in which gross human rights abuses had been committed, the commission held special hearings for business, the churches, the media, judges, and the legal and medical professions, and asked these institutions to explain the role they had played under National Party rule.

Amnesty hearings canvassed among other things, the death of Mr Steve Biko, the killing of the ‘Pebco Three’ and the ‘Cradock Four’, the assassination of Mr Chris Hani, the murder of Ms Amy Biehl, the massacre in the Heidelberg Tavern in Cape Town, and the Church Street bombing in Pretoria. No

decision on the granting of amnesty in these instances had been made at the time of writing. The granting of amnesty, without a hearing, to 37 ANC leaders who had taken collective responsibility for acts committed in the struggle against apartheid, was particularly controversial. The decision was set aside by the High Court in Cape Town.

The Committee on Reparation and Rehabilitation recommended that every victim of gross human rights abuses be given some R120 000 over six years, at an estimated total cost of R3bn.

Key Points

Considerable speculation arose about the future of the alliance between the ANC, the South African Communist Party (SACP), and the Congress of South African Trade Unions (Cosatu), following the publication of a discussion document by the deputy minister of environmental affairs and tourism, Mr Peter Mokaba, questioning the role played by the SACP in the ANC and calling on the ANC to support market-based upliftment of Africans.

- The United Democratic Movement (UDM), a new political party, was formed in September 1997, after merging structures headed by Mr Roelf Meyer and Major General Bantu Holomisa, who had formerly been senior members of the NP and ANC respectively.
- In the latter part of 1997, there was considerable speculation about a possible merger between the ANC and the Inkatha Freedom Party (IFP). This following calls for a merger by the president, Mr Nelson Mandela, and Dr Sipo Mzimela, the minister of correctional services and a senior IFP member. The IFP rejected this notion.
- In its foreign relations, the South African government attempted to play a mediatory role in a civil war in erstwhile Zaire, and transferred diplomatic recognition from the Republic of China on Taiwan to the People's Republic of China.
- Controversy regarding the Truth and Reconciliation Commission (TRC) intensified. The National Party brought legal action against it for bias in mid-1997 but settled its suit later in the year, while the Inkatha Freedom Party (IFP) referred the commission to the public protector for investigation of the TRC's alleged partisanship.
- The TRC subpoenaed a former state president, Mr P W Botha, to appear before it. When he refused to do so, it issued summons against him. Mr Botha's trial for contempt of the commission—an offence punishable by two years' imprisonment, a fine of up to R20 000, or both—was in progress at the time of writing.
- The commission also conducted a public hearing into the role in 'hit-squad' killings in KwaZulu-Natal of a number of former 'Caprivi trainees'—members of the IFP who had been given training for

‘offensive’ and ‘defensive’ purposes by the army in 1986. The erstwhile trainees said they had been responsible for the deaths of some 100 people in the province and that their activities had been sanctioned by senior IFP leaders.

- The TRC conducted special hearings into the role in the apartheid era of the churches, the judiciary, and the media, among others. The TRC’s call to judges to appear before it and account for their conduct under apartheid raised concerns that judicial independence could be undermined.

Political Parties

In terms of the 1994 general elections the African National Congress (ANC) holds 252 seats in the National Assembly, the National Party (NP) 82, the Inkatha Freedom Party (IFP) 43, the Freedom Front (FF) nine, the Democratic Party (DP) seven, the Pan-Africanist Congress (PAC) five, and the African Christian Democratic Party (ACDP) two. In the Senate—now renamed the National Council of Provinces (NCOP)—the ANC has 60 seats, the NP 17, the IFP five, the FF five, and the DP three (see 1994/95 Survey, pp338–340). In terms of the transitional arrangements in the 1996 constitution, the change from the Senate to the NCOP did not affect the overall representation of political parties, as determined by the 1994 election. (For further details regarding the composition of the NCOP, see 1996/97 Survey, pp527–532.)

African Christian Democratic Party

In August 1997 the African Christian Democratic Party published details of a plan to counter crime. It included the reintroduction of capital punishment, making prisoners pay rent for their incarceration and restitution to their victims, the elimination of the parole system, and the denial of bail to those accused of certain serious offences.¹ [¹ *The Citizen* 22 August 1997]

African National Congress

During the period under review, the African National Congress (ANC) continued to defend its performance in government, and to further its attempts to consolidate and extend its support in the country.

In January 1997, at a meeting of its national executive committee, the ANC reaffirmed its commitment to its alliance with the South African Communist Party (SACP) and the Congress of South African Trade Unions (Cosatu). It also indicated that it would review internal party discipline by establishing and enforcing rules governing the attendance of its representatives in Parliament and in parliamentary committees.² [² *Ibid* 21 January 1997] It stated further that it would target minority communities in an attempt to expand its support base.³ [³ *The Star* 21 January 1997]

In the latter part of 1997, the ANC indicated that it intended to implement stricter disciplinary measures

against public representatives of the organisation who failed to perform their duties, such as irregular attendance of parliamentary committee meetings.⁴ [⁴ *Business Day* 31 October 1997] Professor Kader Asmal, the minister for water affairs and forestry, said the ANC was considering restricting eligibility for public candidacy to those who had been members of the organisation for specified periods of time.⁵ [⁵ *Ibid* 3 November 1997]

In November 1997 Mr Mandela started the party's campaign for the 1999 elections. He cautioned that resolving South Africa's socio-economic problems could take many years.⁶ [⁶ *The Citizen* 10 November 1997] During the same month, the premier of Mpumalanga, Mr Mathews Phosa, said in an address in Pretoria that the ANC would have to avoid neglecting and alienating its constituency.⁷ [⁷ *Sowetan* 26 November 1997]

Africanism

There was considerable speculation about the importance of 'Africanism' in the ANC's vision for the future, particularly given the commitment of the deputy president, Mr Thabo Mbeki, to this concept. Prominent ANC members, including Mr Mbeki, denied that this concept reflected an exclusive nationalism, maintaining that the term 'African' included all South Africans. According to a report in the *Saturday Star* in July 1997, Mr Mbeki stressed that Africanism should be viewed as the foundation for a non-racial society, and said it would involve taking 'exceptional measures' to ensure South Africa's success in the future. He added that people in 'advantaged positions' should endorse Africanism to secure their own interests. He also stated that South Africa had to see itself as part of southern Africa in order to address its own social problems and to encourage its own economic prosperity.⁸ [⁸ *The Star* 24 June 1997, *Saturday Star* 12 July 1997]

In May 1998 Mr Mbeki stated that South Africa was still divided into two nations: one white and prosperous, the other black and poor. He also asked whether 'the relatively rich, who, as a result of an apartheid definition, are white, are prepared to help underwrite the development of the poor, who are black'.⁹ [⁹ *The Citizen* 30 May 1998] Some days later Mr Mbeki attacked both whites for their alleged 'social amnesia' and 'elements among the black elite', whom he accused of abusing freedom in the name of entitlement.¹⁰ [¹⁰ *Business Day* 4 June 1998]

The ANC's 50th Conference

As the ANC's national conference in December 1997 approached, there appeared to be numerous competing views on the direction the party's policies should take. Addressing the Congress of South African Trade Unions in September, the president of the ANC, Mr Nelson Mandela, said that the government was committed to its macro-economic plan, *Growth, Employment and Redistribution (Gear)*, despite opposition from within the alliance (see also *South African Communist Party* below).¹¹ [¹¹ *F & T Weekly* 19 September 1997] Subsequently, the deputy minister of environmental affairs and tourism, Mr Peter Mokaba, published a discussion document questioning whether members of the SACP should

also be ANC members, and arguing that the ANC should support market-based empowerment of Africans.¹² [¹² *Cape Argus* 6 August 1997]

In mid-December 1997 the ANC held its 50th national conference, in Mafikeng (North West). Mr Mandela resigned the presidency of the organisation. At the conference Mr Mbeki was elected unopposed to the presidency of the ANC. Mr Jacob Zuma, the leader of the ANC in KwaZulu-Natal, became the organisation's deputy president.¹³ [¹³ *The Star* 19 December 1997]

At the conference Mr Mandela attacked the media for its alleged racism and its hostility to the present dispensation.¹⁴ [¹⁴ *Business Day* 17 December 1997, *The Citizen* 19 December 1997] ANC leaders had done this on previous occasions during the year.¹⁵ [¹⁵ *Sowetan* 22 May 1997, *The Citizen* 22 September 1997] Mr Mandela also accused the Democratic Party (DP) and the National Party (NP) of having a 'reactionary, dangerous, and opportunist position'.¹⁶ [¹⁶ *Business Day* 17 December 1997] Earlier, in November 1997, the ANC had stated that the critical reaction of Mr Tony Leon, the leader of the DP, to the award of state decorations to the heads of state of Libya and Indonesia showed that he was 'a white racist South African leader who actually feared the consolidation of democracy in our country'.¹⁷ [¹⁷ *The Citizen* 5 November 1997]

The conference was, attended by the minister of arts and culture, science and technology, Mr Lionel Mtshali, who represented the IFP. It was the first time a representative of the IFP had attended an ANC conference (see also *Inkatha Freedom Party* below)

'Counter-Revolutionary Threat'

During his speech at the 50th conference, Mr Mandela said that the ANC was aware of a 'counter-revolutionary' threat to South Africa.¹⁸ [¹⁸ *Business Day* 17 December 1997] Earlier in the year, in its submission to the Truth and Reconciliation Commission in May, Mr Mbeki had said that the party believed that such a threat existed and that it derived from the national security management system, which had been established during the 1980s by the previous government.¹⁹ [¹⁹ *The Citizen* 14 May 1997] The MEC for transport in KwaZulu-Natal, Mr Subisiso Ndebele (ANC), had said in July 1997 that violence in the KwaZulu-Natal Midlands was a result of counter-revolutionary activity.²⁰ [²⁰ *Beeld* 1 August 1997] (In April 1997 the ANC expelled a prominent leader of the party in the Natal Midlands, Mr Sifiso Nkabinde, over allegations that he had been a police spy.²¹ [²¹ *The Citizen* 8 April 1997] Subsequent violence in the area was allegedly linked to his expulsion and the resulting political tension in the region.)

In June 1998 Mr Mluleki George MP (ANC) called on ANC members to defend the gains of the liberation struggle, even if this necessitated taking up arms. He stressed that if counter-revolutionary forces were successful in subverting the state, black people would be oppressed more severely than they had been in the past.²² [²² *Ibid* 17 June 1998]

Afrikaner Weerstandsbeweging

During the period under review several members of the Afrikaner Weerstandsbeweging (AWB) were involved in court cases, relating chiefly to their alleged involvement in violent crimes. In February 1997 three members of the AWB were sentenced to lengthy prison sentences for their role in bomb attacks in Gauteng prior to the 1994 elections (see 1994/95 Survey, pp438–439).²³ [²³ *Beeld* 8 February 1997] In April 1997, the leader of the AWB, Mr Eugene TerreBlanche, was found guilty in the Potchefstroom magistrate's court of attempted murder and assault (see 1996/97 Survey, p594).²⁴ [²⁴ *The Citizen, Business Day* 24 April 1997] In June, he was sentenced to six years' imprisonment, and was released on bail pending an appeal.²⁵ [²⁵ *Beeld* 18 June 1997] He subsequently indicated that he would be applying to the Truth and Reconciliation Commission (TRC) for amnesty in connection with earlier offences.²⁶ [²⁶ *Sowetan* 29 September 1997] (See also *Truth and Reconciliation Commission* below.)

In January 1997, following a spate of bomb attacks in Worcester (Western Cape) and Rustenburg (North West), Mr TerreBlanche said that he had lost control of some of his supporters, and appealed to the government to 'stop the reason for the bombings'.²⁷ [²⁷ *Mail and Guardian* 10 January 1997]

In response to the murders of a number of farmers across South Africa in 1997 (see also chapter on *Security*), the AWB announced in December 1997 that it planned to form protection units for them.²⁸ [²⁸ *Business Day* 5 December 1997]

Azania People's Organisation and Socialist Party of Azania

At a congress of the Azania People's Organisation (Azapo) in Pietersburg (Northern Province) in December 1996, a number of delegates walked out in protest against a report by the president of the organisation, Mr Mosibudi Mangena. This followed considerable speculation about tensions within the organisation, which had arisen from the manner in which former exiles had allegedly 'taken over' the organisation.²⁹ [²⁹ *The Star* 3 January 1997, 24 February 1997] In March 1997 the Gauteng and KwaZulu-Natal regional executives of Azapo were suspended by the organisation's central committee.³⁰ [³⁰ *The Star* 11 March 1997, *Sowetan* 25 March 1997]

In April 1997, at its regional congress, the Gauteng region of Azapo announced that it would secede from Azapo in order to form a new organisation.³¹ [³¹ *The Star* 14 April 1997] The Gauteng region seceded and was followed by the Free State, KwaZulu-Natal, and North West regions.³² [³² *Sowetan* 2 June 1997, *Beeld* 5 August 1997, *Beeld* 18 August 1997] Among the breakaway group were former president, Mr Lybon Mabasa, and Dr Itumeleng Mosala.³³ [³³ Idasa, *Siyaya*, issue 1, autumn 1998] In September 1997, delegates of these groups announced at a Black National Conference of Review (BNCR) that they planned to form a new black consciousness organisation.³⁴ [³⁴ *Beeld* 15 September 1997]

In March 1998 delegates from the BCNR launched a new party, the Socialist Party of Azania.³⁵ [³⁵ *Sowetan* 24 March 1998]

Conservative Party

In October 1997 the Conservative Party (CP) held a national congress in Pretoria and resolved to participate in the 1999 elections.³⁶ [³⁶ *The Citizen* 6 October 1997, *Patriot* 17 October 1997] It indicated further that it would investigate the possibility of co-operation with the Freedom Front as a potential electoral strategy.³⁷ [³⁷ *The Citizen* 4 October 1997]

In September 1997 the CP called on farmers to form self-defence units. This was in reaction to the murder of a number of farmers (see also chapter on *Security*). The CP said that the murders were part of a plan to drive farmers from their land.³⁸ [³⁸ *Ibid* 10 September 1997]

The CP supported the amnesty applications to the Truth and Reconciliation Commission of Messrs Clive Derby-Lewis and Janus Walusz, who had been convicted of the murder, in 1993, of Mr Chris Hani, general secretary of the South African Communist Party (see 1993/94 Survey, p643).³⁹ [³⁹ *Ibid* 4 December 1997] (See *Truth and Reconciliation Commission* below.)

Democratic Party

In January 1997 the Democratic Party (DP) indicated that it would consider an offer by the president, Mr Nelson Mandela, to join the government of national unity.⁴⁰ [⁴⁰ *Ibid* 30 January 1997] The DP added, however, that it would do so only if the conditions of joining would enable it to continue functioning as an opposition party.⁴¹ [⁴¹ *The Mercury* 27 February 1997] In March 1997 the DP declined the offer, noting that the party would be bound by cabinet responsibility and fearing that this would compromise its critical voice in Parliament.⁴² [⁴² *Eastern Province Herald* 3 March 1997]

At its federal congress in Kempton Park (Gauteng) in September 1997, the party adopted a policy entitled *Economic Liberation*, which advocated privatisation, tax relief, a more flexible labour market, and encouragement of the growth of small, medium and micro enterprises.⁴³ [⁴³ *Business Day*, *The Citizen* 4 September 1997] At the same congress, the leader of the DP, Mr Tony Leon, called for a 'Codesa of the opposition' to prevent the ANC from obtaining a two-thirds majority in the 1999 elections.⁴⁴ [⁴⁴ *The Star* 15 September 1997]

During the period under review the DP won a number of municipal byelections. These included victories in Kempton Park (Gauteng) in March 1997 and in Witbank (Mpumalanga) in July 1997.⁴⁵ [⁴⁵ *Beeld* 13 March 1997, *The Citizen* 2 August 1997] The DP maintained a succession of byelection victories throughout

1997 and into 1998. As at June 1998, it had won 11 seats in municipal byelections.⁴⁶ [⁴⁶ *Citizen* 26 June 1998]

In October 1997 Mr Kobus Jordaan MP (DP) announced that he intended to resign his seat in the National Assembly.⁴⁷ [⁴⁷ *The Citizen* 1 October 1997] He was replaced by Dr Bukelwa Gilberta Mbulawa.⁴⁸ [⁴⁸ *Die Burger* 17 November 1997] *Rapport*, an Afrikaans Sunday newspaper, noted that Dr Mbulawa would be the DP's first African representative in the National Assembly. Mr Hennie Bester, the leader of the DP in the Western Cape stated that she had been selected solely on merit.⁴⁹ [⁴⁹ *Rapport* 16 November 1997]

Freedom Front

During the period under review the Freedom Front (FF) continued its attempts to secure greater autonomy for Afrikaners. According to the chief whip of the FF, Mr Joseph Chiole, the party sought a 'volkstaat pillar' and a cultural 'self-determination pillar'.⁵⁰ [⁵⁰ *The Citizen* 14 July 1997] The leader of the FF, General Constand Viljoen, as well as the youth wing of the party said that they intended to lobby for support for these aims in the European Union and the United Nations.⁵¹ [⁵¹ *Ibid* 14 June 1997, *Rapport* 17 August 1997]

The FF expressed dissatisfaction with the Truth and Reconciliation Commission (TRC), stating that it was alienating members of the security forces by failing to draw a distinction between a minority of members who had been guilty of gross violations of human rights and those who had not.⁵² [⁵² *The Citizen* 12 February 1997] It called on the TRC to give a 'blanket amnesty' to all those soldiers who had been involved in authorised operations.⁵³ [⁵³ *Ibid* 18 February 1997] In the FF's second submission to the TRC in May 1997, Gen Viljoen called upon all sides to admit that they had waged a 'dirty war'.⁵⁴ [⁵⁴ *Ibid* 17 May 1997] (See also *Truth and Reconciliation Commission* below.)

In October 1997 members of the FF's youth wing disrupted parliamentary proceedings by singing loudly in the public gallery. The youth wing was protesting against the Higher Education Bill which, they claimed, would undermine university autonomy and possibly deny Afrikaans-language institutions the right to teach in Afrikaans.⁵⁵ [⁵⁵ *Business Day* 29 October 1997] (See also chapter on *Education*.)

In response to attacks on farmers across the country in the latter part of 1997, Gen Viljoen said he feared that this might be part of a plot to drive farmers from their land. It could be a new form of terrorism, he stated.⁵⁶ [⁵⁶ *The Star* 23 October 1997] (See also chapter on *Security*.)

In early June 1998, the ANC and FF met after heated exchanges in Parliament, in which the FF had accused the ANC of having deprived Afrikaners of their freedom. The national chairman of the FF, Dr Pieter Mulder, subsequently indicated that the FF was waiting for a 'nod from the ANC' to develop a homeland in the north-western Cape. The FF proposed an area between Orania (on the Orange River)

and Vredendal (on the west coast) which would become a predominantly Afrikaans province.⁵⁷ [⁵⁷ *The Citizen* 11 June 1998, *Saturday Star* 20 June 1998, *Business Day* 25 June 1998]

Inkatha Freedom Party

The year 1997 opened with considerable speculation about the future of the Inkatha Freedom Party (IFP). This arose in part from the resignation of three IFP leaders—Dr Frank Mdlalose, Dr Ziba Jiyane, and Mr Musa Myeni (see 1996/97 Survey, p596). Speculation in the media suggested that these resignations indicated discord in the party, as well as an over-concentration of power in the hands of the leader of the IFP, Chief Mangosuthu Buthelezi.⁵⁸ [⁵⁸ *The Star* 30 January 1997, *City Press*, *Sunday Tribune* 2 February 1997] This view was rejected by the leadership of the party, which said that it saw the ‘resignations as an opportunity to position itself to lead the party into the new millennium’.⁵⁹ [⁵⁹ *The Natal Witness* 28 February 1997]

In March 1997 the IFP announced that it was abandoning its demand for international mediation on certain constitutional issues (see also 1995/96 Survey, pp429–431). It maintained that the ANC had not honoured its pledge to submit certain constitutional issues to ‘international mediation’, and said the IFP would continue to raise the breach of the agreement ‘as a point of honour’. However, the IFP said that the issue had fallen away in light of the adoption of the new constitution and that, despite the party’s reservations, IFP MPs were working to raise awareness of the constitution.⁶⁰ [⁶⁰ *Business Day* 20 March 1997]

During the period under review, the IFP was highly critical of the TRC, maintaining that it would not foster reconciliation.⁶¹ [⁶¹ *Ibid* 23 July 1997] Chief Buthelezi said in July 1997, in reaction to alleged hostility by the commission to three IFP amnesty applicants, that such hostility contrasted sharply with the manner in which the TRC had handled applicants from the African National Congress (ANC) (see also *Truth and Reconciliation Commission* below).⁶² [⁶² *Sowetan* 31 July 1997] In August the IFP suspended peace talks with the ANC, arguing that the TRC was a political tool of the ANC and was being used to discredit the ANC’s political opponents. This followed allegations made to the TRC by Mr Daluxolo Luthuli, who had been involved in the activities of IFP members trained by the erstwhile South African Defence Force at Caprivi in Namibia. Mr Luthuli claimed that Chief Buthelezi had been aware of ‘hit-squad’ activities,⁶³ [⁶³ *The Star* 8 August 1997] while Chief Buthelezi denied these claims.⁶⁴ [⁶⁴ *The Citizen* 7 August 1997]

In mid-August 1997 Mr Walter Felgate, a prominent member of the IFP who had been widely represented in the press as a ‘hardliner’, defected to the ANC. He said that this was in protest against a lack of internal democracy in the party. Chief Buthelezi attributed Mr Felgate’s defection to the latter’s failure to secure a cabinet post in the government of national unity.⁶⁵ [⁶⁵ *Ibid* 15 August 1997]

In October 1997 the South Western Joint Civic Association (Sowejoca), a civic movement which existed in previously ‘coloured’ areas in Johannesburg and which had organised a municipal payments boycott

earlier in the year, entered into an official alliance with the IFP. It was announced that Sowejoca branches would be incorporated into the IFP before the 1999 general elections.⁶⁶ [⁶⁶ *Sowetan* 9 October 1997]

During the period under review, Chief Buthelezi was appointed acting president on nine occasions while Mr Mandela was out of the country.⁶⁷ [⁶⁷ *The Citizen* 1 February 1997, *The Citizen* 8 January 1997, *Beeld* 4 July 1997] Political commentators regarded this as a sign of improvement in the often antagonistic relationship between the ANC and the IFP. On the occasion of his first appointment Chief Buthelezi said that it was a gesture of peace between the two parties.⁶⁸ [⁶⁸ *The Citizen* 4 February 1997]

Speculation About an ANC/IFP Merger

During the period under review there was speculation about closer links—or a possible merger—between the African National Congress (ANC) and the Inkatha Freedom Party (IFP). This perception was strengthened by the attendance of an IFP representative, Mr Lionel Mtshali, minister of arts, culture, science and technology, at the ANC's 50th conference in December 1997 and by Mr Mandela's praise for the leader of the IFP, Chief Mangosuthu Buthelezi, in his speech. Mr Mandela had also praised Chief Buthelezi in a televised interview broadcast some days previously.⁶⁹ [⁶⁹ *The Star* 15 December 1997] Earlier, in September 1997, at the unveiling of a memorial in East London (Eastern Cape) to the late Mr Steve Biko, an exponent of black consciousness, Mr Mandela had called for unity among the predominantly black parties—the ANC, the Azanian People's Organisation, the IFP, and the Pan-Africanist Congress.⁷⁰ [⁷⁰ *The Citizen* 13 September 1997, *Saturday Star* 13 September 1997]

In November 1997, a high ranking member of the IFP and minister of correctional services, Dr Sipo Mzimela, said in an article in the *Sunday Times* that he was in favour of a merger of the two parties.⁷¹ [⁷¹ *Sunday Times* 30 November 1997] Chief Buthelezi maintained, however, that a merger would not take place and stated that he was 'completely astounded' by Dr Mzimela's views.⁷² [⁷² *Business Day* 1 December 1997, *The Citizen* 18 December 1997] Dr Mzimela's position on the matter, as well as disputes with other IFP members, were discussed at a meeting of the party's national council in January 1998, and a vote of no confidence was passed in Dr Mzimela. In August 1998 Dr Mzimela was removed from his position as national chairman of the party and, thereafter, from the cabinet.

The president of the ANC, Mr Thabo Mbeki, addressed an IFP conference in Ulundi (KwaZulu-Natal) in July 1998.⁷³ [⁷³ *Business Day* 26 January 1998, *The Star* 21 July 1998] (See also *African National Congress* above.)

National Party

Leadership Changes

During the period under review, the National Party (NP) underwent changes in its leadership,

accompanied by speculation about its future.

The first of these changes arose from the transfer of Mr Roelf Meyer, in February 1997, from his position as secretary general of the party to becoming the head of a task team which would investigate the possibility of political ‘realignment’ in South Africa.⁷⁴ [⁷⁴ *Cape Times* 20 February 1998, *City Press* 23 February 1997]

The task team, however, encountered difficulties within the NP. Mr Meyer’s team suggested that a possible option for the party would be to disband and make way for the formation of a new organisation. This proposal won little support from several senior NP leaders. In particular, Mr Hernus Kriel, the premier of the Western Cape, criticised Mr Meyer for exceeding his mandate. Mr Meyer was also quoted as having said that the NP in the Western Cape might break away from the party. Mr Kriel rejected this view, although he noted that it could be a ‘very last option’.⁷⁵ [⁷⁵ *Beeld* 8, 9 May 1997, *The Star* 9 May 1997, *The Citizen* 10 May 1997] In May 1997 the task team was disbanded, and Mr F W de Klerk, the leader of the NP, said that he would personally oversee the pursuit of the mandate with which it had been charged. He said that the team had become ‘controversial’ as it was seen as ‘a mechanism that stands outside the party’.⁷⁶ [⁷⁶ *Sowetan*, *Beeld* 8 May 1997]

In May 1997, Mr Meyer resigned from the party.⁷⁷ [⁷⁷ *Beeld* 19 May 1997] A number of NP officials endorsed his views and resigned for the NP to join him (see also *United Democratic Movement* below and 1996/97 Survey, pp597–598).⁷⁸ [⁷⁸ *The Mercury* 20 May 1997, *The Citizen* 21 May 1997]

In August 1997 Mr de Klerk announced his resignation as leader of the party. Mr de Klerk stated that he was doing so to allow new leadership, appropriate to the circumstances, to take over.⁷⁹ [⁷⁹ *The Citizen* 28 August 1997] In September, Mr Marthinus van Schalkwyk, a former executive director of the party, was elected leader of the NP. Soon thereafter, Mr van Schalkwyk called for the formation of an opposition front or alliance against the ANC prior to the 1999 general election.⁸⁰ [⁸⁰ *Ibid* 16 September 1997]

Policy

In September 1997 the NP published a document entitled *Agenda 21*, which would form the basis of its campaign for the 1999 election. Its plans focused on a more restricted role for the state, a more vigorous private sector, and the devolution of power.⁸¹ [⁸¹ *Sunday Tribune* 21 September 1997]

In August 1997 the NP published a 375-page report on corruption in South Africa in which it was estimated that corruption was costing the country between R13bn and R20bn annually.⁸² [⁸² *The Citizen* 11 August, 16 September 1997] (See also chapter on *Government and Constitution*.)

In December 1997, following the ANC’s national conference, the NP accused the ANC of ‘neo-racism’.

This was in response to Mr Mandela's attack on opposition parties and his suggestion that these parties were largely motivated by racism. The NP warned that this could damage the cause of reconciliation.⁸³ [⁸³ *Beeld* 24 December 1997] In the same month, the NP reacted to a statement by Mr Parks Mankahlana, director of media liaison in the office of the president, in which he claimed that there could be a link between the NP's 'crime propaganda' and the incidence of crime. The NP dismissed this allegation as a 'desperate, pathetic and ill-considered' attempt to evade responsibility for the problem of crime.⁸⁴ [⁸⁴ *Business Day* 24 December 1997, *The Citizen* 29 December 1997]

Truth and Reconciliation Commission

(See *Truth and Reconciliation Commission* below.)

Pan-Africanist Congress

In January 1997 the newly elected leader of the Pan-Africanist Congress (PAC), the Rev Dr Stanley Mogoba, said that the PAC was 'born again' and was experiencing a resurgence of support. He said that the PAC would concentrate on five issues: unity, non-racialism, morality, economic justice, and the land question.⁸⁵ [⁸⁵ *The Citizen* 9 January 1997]

In the same month, the PAC announced that it had accepted in principle an offer from the president, Mr Nelson Mandela, to join the government of national unity (GNU), but added that further consultations would be necessary to reach an agreement.⁸⁶ [⁸⁶ *Cape Argus* 19 January 1997] Subsequently, however, in February, the PAC indicated that it would find it difficult to join the GNU while former members of its armed wing, the Azanian People's Liberation Army (Apla), and former members of the armed wing of the African National Congress (ANC), Umkhonto we Sizwe, were still incarcerated.⁸⁷ [⁸⁷ *The Citizen* 7 February 1997] According to Dr Mogoba, an official offer was never received by the PAC.⁸⁸ [⁸⁸ Personal communication from Dr Stanley Mogoba, 31 March 1998]

The PAC argued that the government should deploy the South African National Defence Force to fight crime in the country. In an interview with the *Sowetan* in July 1997, Dr Mogoba said: 'Now we face fear within the country and if an army is meant to protect the nation, I believe the time is now.'⁸⁹ [⁸⁹ *Sowetan* 31 July 1997]

During the period under review there was a spate of murders of farmers and farmworkers. The leader of the PAC in the Free State, Mr Thomas Lekotsi, indicated in November 1997 that the perpetrators could be former members of the armed wings of the PAC and ANC.⁹⁰ [⁹⁰ *Volksblad* 21 November 1997] In December 1997, press reports suggested that there was evidence of PAC involvement in the killings. Both these allegations were denied by the PAC.⁹¹ [⁹¹ *The Citizen* 19 December 1997]

In December 1997 the PAC called a meeting of all political parties to discuss the spate of rural murders.

The ANC was the only party which did not attend. The meeting called on government and the security forces to ‘take effective interim steps to halt the senseless murder of farmers and farm labourers in rural areas’.⁹² [⁹² *Business Day* 12 December 1997] (See also chapter on *Security*.)

In October 1997, Ms Patricia de Lille MP (PAC), asked for confirmation whether or not a number of senior ANC members, including Mr Peter Mokaba, deputy minister of environmental affairs and tourism, Mr Penuell Maduna, minister of minerals and energy, and Mr Mathews Phosa, the premier of Mpumalanga, had served as spies for the previous government.⁹³ [⁹³ *Ibid* 23 October 1997] This followed a dispute earlier in the year when Mr Mogoba, who had been nominated by the PAC for the parliamentary intelligence oversight committee, had been told by Mr Mandela that the security check which he would have to undergo would be ‘humiliating’ for him. Another PAC nominee, Mr Malcolm Dyani, had allegedly been ‘interrogated’ as part of his clearance.⁹⁴ [⁹⁴ *Beeld* 22 September 1997, 23 October 1997, *The Citizen* 17 October 1997] Ms de Lille consequently asked why PAC members should be subjected to such treatment while many in the ANC had served as spies. Although she withdrew the word ‘spies’, her conduct was referred to an ad hoc parliamentary committee which recommended that she be suspended from Parliament for 15 days. The African Christian Democratic Party, Democratic Party, Inkatha Freedom Party, National Party and PAC accused the ANC of being ‘judge, jury and executioner’. They believed that her apology should have been adequate.⁹⁵ [⁹⁵ *Mail and Guardian* 7 November 1997, *Beeld* 26 November 1997] Ms de Lille subsequently challenged her suspension before the Cape High Court. In May 1998, the court set aside her suspension.⁹⁶ [⁹⁶ *Beeld*, *The Citizen* 9 May 1998] (See also chapter on *Government and Constitution*.)

South African Communist Party

The representation in Parliament of the South African Communist Party—through the African National Congress (ANC)—increased from 53 in 1994 to 80 in 1998.⁹⁷ [⁹⁷ *Sunday Tribune* 17 May 1998]

During the period under review there was widespread speculation about tensions between the ANC and its alliance partners, the SACP and the Congress of South African Trade Unions (Cosatu), in particular over economic policy (see also chapter on *The Economy*).

In September 1997, at Cosatu’s national congress, prominent members of the SACP and Cosatu expressed dissatisfaction with the government’s macro-economic strategy, *Growth, Employment and Redistribution*, which was termed a ‘monster’ and rejected as being incompatible with the reconstruction and development programme.⁹⁸ [⁹⁸ *The Star* 17 September 1997, *City Press* 21 September 1997] The congress did not favour forming a new left-wing political party (as had been speculated in the press previously),⁹⁹ [⁹⁹ *The Citizen* 27 August 1997] but Cosatu resolved to foster closer relations with the SACP by providing the party with financial support.¹⁰⁰ [¹⁰⁰ *Mail and Guardian* 26 September 1997]

There was apparent discord within the alliance following the publication of discussion documents by Mr Peter Mokaba, deputy minister of environmental affairs and tourism, arguing that the SACP had a disproportionate influence over the ANC and that the ANC should promote African capitalism. (See also *African National Congress* above.) Mr Jeremy Cronin and Dr Blade Nzimande of the SACP rejected the notion of the ANC becoming an open advocate of capitalism.¹⁰¹ [¹⁰¹ Ibid 10 October 1997; *The Sunday Independent* 12 October 1997]

In June 1998 Mr Thabo Mbeki suggested that, ‘given the practical politics of the day’ there might be a need to reassess the alliance, in order to establish if there was still sufficient common ground between the alliance partners to make the relationship mutually beneficial, or whether the alliance partners were ‘dreaming dreams that reflect the past’.¹⁰² [¹⁰² *The Citizen* 24 June 1998]

United Democratic Movement

In June 1996 Mr Roelf Meyer and Major General Bantu Holomisa, formerly prominent members of the National Party (NP) and African National Congress (ANC) respectively, announced that they would jointly form a new political party. This would ‘seek to improve life for all South Africans through the pursuit of good governance and civil order’. It would involve the merging of two political structures, the New Movement Process, headed by Mr Meyer, and the National Consultative Forum, headed by Gen Holomisa.¹⁰³ [¹⁰³ *Business Day* 9 June 1997]

The party, named the United Democratic Movement (UDM), was launched at the World Trade Centre in Kempton Park (Gauteng) on 27th September 1997. Mr Meyer and Gen Holomisa would jointly lead the party until a national congress to be in June 1998.¹⁰⁴ [¹⁰⁴ Ibid 29 September 1997]

In February 1998 Mr Meyer announced that he would not contest the leadership of the UDM at the congress. He indicated that he did not believe that a party led by a white person could be successful in South Africa.¹⁰⁵ [¹⁰⁵ *The Citizen* 19 February 1998]

In June 1998 the UDM held its first national congress where it unveiled its policy. Among other things, it said that the state should promote development by removing ‘impediments to development’. Big business should co-operate with small business in order to stimulate the small business sector. Labour should be independent, and should have the right to accept ‘lower entry wages’ in order to gain employment. The UDM also proposed returning control of land to traditional authorities on the basis that traditional leaders were still held in high esteem by most South Africans. Issues of conscience, such as abortion and capital punishment, should be put to referendums. At the same congress, Gen Holomisa was elected president of the UDM.¹⁰⁶ [¹⁰⁶ *The Star* 30 June 1998, *Sunday Times* 28 June 1998]

Truth and Reconciliation Commission

Appointment, Functions and Powers

The Truth and Reconciliation Commission (TRC) was established under the Promotion of National Unity and Reconciliation Act of 1995. Its 17 commissioners were appointed by President Nelson Mandela in late 1995 and the TRC began operation on 1st December 1995. The chairman of the commission is the Most Reverend Desmond Tutu, a former archbishop of Cape Town, and its deputy chairman is Dr Alex Boraine. It has three committees—the Committee on Human Rights Violations, the Committee on Amnesty, and the Committee on Reparation and Rehabilitation (see 1996/97 Survey, p617). The commission also has an investigative unit with extensive powers.

The functions of the commission are to investigate ‘gross violations of human rights’, as well as their ‘nature, causes and extent’ and the ‘circumstances, factors and perspectives’ which led to them. ‘Gross violations of human rights’ signify ‘the killing, abduction, torture or severe ill-treatment of any person’, emanating from ‘the conflicts of the past’ and accompanied by a ‘political motive’.¹⁰⁷ [¹⁰⁷ Section 1, Promotion of National Unity and Reconciliation Act of 1995]

The commission’s further functions (see 1996/97 Survey, pp617–618) are to:

- identify those responsible for violations of this kind;
- promote the granting of amnesty in the circumstances specified (see *Committee on Amnesty* below);
- make recommendations regarding reparations for victims;
- propose institutional and other measures to prevent the recurrence of such violations; and
- prepare a comprehensive report of its activities and findings, which must be based on ‘factual and objective information and evidence’.

The commission was initially given until June 1997 to complete its work. This period was first extended to 15th December 1997,¹⁰⁸ [¹⁰⁸ 1996/97 Survey, p619] and then to 30th June 1998, while the TRC was given until 31st July to complete its report.¹⁰⁹ [¹⁰⁹ *The Citizen* 19 September 1997, 3 June 1998] In June 1998 a bill was passed by Parliament to give the TRC until 31st July 1998 to complete its investigations and until 31st October 1998 to write its report. The commission will be suspended thereafter until the amnesty committee has completed its work. The TRC will then be reconvened by the president to complete and submit its final report. The amnesty committee will continue its functions until a date to be determined by the president and will, in the interim, also exercise the powers and functions of the Committee on Human Rights Violations and the Committee on Reparation and Rehabilitation.¹¹⁰ [¹¹⁰ *Ibid* 3, 10 June 1998]

By May 1998, some R165m had been allocated the commission by the state, while the TRC had received at least R10.2m in donations from foreign countries.¹¹¹ [¹¹¹ *Sowetan* 25 April 1997]

Committee on Human Rights Violations

By the end of June 1997, the Committee on Human Rights Violations had ‘travelled the length and breadth of the country, gathering more than 11 000 statements and listening to the testimony of 800 victims over 180 days of public hearings in every province’.¹¹² [¹¹² *The Star* 16 June 1997]

The deadline for the submission of statements to the committee was 15th December 1997.¹¹³ [¹¹³ *The Citizen* 16 December 1997] Shortly before its expiry, some 5 000 statements were received from members of the Inkatha Freedom Party (IFP) in KwaZulu-Natal,¹¹⁴ [¹¹⁴ *Ibid*] bringing the total number of statements lodged with the commission to over 20 000.¹¹⁵ [¹¹⁵ *Business Day* 21 January 1998] By January 1998, the committee said it had corroborated the status, as victims of gross human right violations, of about one tenth of those who had made statements. It had thus found that the 2 300 individuals in question qualified for reparation (see *Committee on Reparation and Rehabilitation* below).¹¹⁶ [¹¹⁶ *Ibid*]

Further Hearings for Political Parties and Organisations

In August and September 1996, submissions had been made to the Committee on Human Rights Violations by various political parties and organisations. These had included the African National Congress (ANC), the Democratic Party (DP), the Freedom Front, the Inkatha Freedom Party (IFP), and the National Party (NP). (For further details, see 1996/97 Survey, pp621–626.)

Further ANC Hearing

In May 1997 the ANC, among others, was asked to appear before the commission to answer any further questions it might have. The ANC’s delegation—led by its deputy president, Mr Thabo Mbeki—was allegedly treated by members of the commission in a ‘comradely’ fashion. The ANC told the commission that the chant ‘kill the farmer, kill the boer’ was simply a ‘form of art’ and did not depict an ANC policy to kill farmers. It acknowledged that ANC units had plotted to kill the IFP president, Chief Mangosuthu Buthelezi, in the mid-1980s, but said the ANC’s leaders had refused to approve the plan as the IFP was not regarded as a legitimate military target. The violence in KwaZulu-Natal had been perpetrated by a ‘third force’, while the ANC and the United Democratic Front (UDF) had consistently sought peace. The ANC had always endeavoured to minimise civilian casualties, while the abuses that had occurred in its camps in exile had been isolated incidents. Said Mr Mathews Phosa, premier of Mpumalanga: ‘In the process of the armed struggle, we broke very few eggs to make a huge omelette.’¹¹⁷ [¹¹⁷ *Sowetan*, *The Citizen* 13 May, *The Star* 13, 16 May 1997]

Further NP Hearing

The NP's delegation, led by a former state president, Mr F W de Klerk, appeared before the TRC soon after. Mr de Klerk apologised for apartheid policies, including forced removals and the pass laws. He denied that apartheid had been a crime against humanity. He refused to seek amnesty and said he had been 'as shocked as anyone else by the disclosure of murder, kidnapping, and torture by senior police officers in applications for amnesty' (see *Committee on Amnesty* below).¹¹⁸ [¹¹⁸ *The Citizen* 17 May 1997] During his presidency, he had also made every effort to investigate such abuses by members of the security forces. 'Not a single incident was hidden, except in the case of murders of which no one was aware.'¹¹⁹ [¹¹⁹ *Rapport* 18 May 1997]

An article in the *Sunday Tribune* commented that Mr de Klerk had been 'put into the dock like a war criminal and subjected to persistent cross-questioning designed to elicit an admission that he and his government had full knowledge of a murderous campaign against its opponents'. By contrast, the atmosphere during the ANC hearing had been 'one of respect and friendliness', in which the probing was gentle and 'no real attempt was made to dissect the ANC's positions'.¹²⁰ [¹²⁰ *Sunday Tribune* 18 May 1997]

At a press conference after the NP hearing, Archbishop Tutu said he had been close to tears during the NP's testimony. He could not understand how Mr de Klerk could have denied knowledge of the atrocities being committed, or how he could have refused to apologise for 'a policy that killed people. Not by accident, deliberately. It was planned'.¹²¹ [¹²¹ *The Citizen* 16 May 1997] Dr Boraine said Mr de Klerk and the NP should have accepted political accountability for emergency regulations, which had been 'a licence to kill'.¹²² [¹²² *Ibid*, *Rapport* 18 May 1997]

In protest, the NP suspended its participation in the work of the commission. It demanded an unconditional apology from Archbishop Tutu and the resignation of Dr Boraine, otherwise it would institute legal proceedings.¹²³ [¹²³ *The Citizen* 3 June 1997] The minister of justice, Mr Dullah Omar, responded that he would revoke the commission and begin 'Nuremberg-type trials' if the NP persisted in its attacks on the TRC.¹²⁴ [¹²⁴ *Business Day* 4 June 1997]

The TRC rejected the NP's demands, and the party brought proceedings against the commission in the High Court in Cape Town. It sought the dismissal of Dr Boraine and a declaration that Archbishop Tutu had acted in a manner unbecoming his office.¹²⁵ [¹²⁵ *The Citizen* 16 August 1997, 2 September 1997] The commission responded that its founding legislation gave it 'wide latitude' in deciding how it should function.¹²⁶ [¹²⁶ *Business Day* 2 September 1997]

When the matter came to trial in early September 1997, Mr Justice Gerald Friedman requested the parties to resolve their dispute in the interests of national reconciliation.¹²⁷ [¹²⁷ *Ibid* 8 September 1997] Soon thereafter, the new leader of the NP, Mr Marthinus van Schalkwyk (see *National Party* above), reached a settlement with the TRC in terms of which Archbishop Tutu and Dr Boraine personally apologised to

the NP, the commission renewed its commitment to impartial operation, and the NP resumed its co-operation with the TRC.¹²⁸ [¹²⁸ *The Citizen* 23 September 1997]

Hearing for Former UDF Members

In May 1998 former leaders of the UDF were asked to clarify a number of outstanding issues, including the relationship between the UDF and the exiled ANC, incidents of necklacing, and the possibility that some UDF campaigns had led to human rights violations.¹²⁹ [¹²⁹ *Ibid* 30 April 1998] Mr Azhar Cachalia, now secretary for safety and security, told the TRC the UDF had disapproved of necklacing and condemned its use on several occasions. It had been able to exercise little direct control over it, however, because of 'the systematic detention and banning of UDF and other leaders' by the former government. This had 'created the space for uncontrolled acts of violence by angry mobs'. The ANC in exile had been a prominent but banned ally, which the UDF had supported in some of its campaigns but which had always remained a distinct and separate organisation. The UDF, continued Mr Cachalia, 'deeply regretted any loss of life or injury which had resulted from its quest for justice'.¹³⁰ [¹³⁰ *The Star* 7 May 1998]

Special Hearings Regarding Gross Violations of Human Rights

Part of the TRC's mandate is to investigate the context in which gross human rights violations were committed and make recommendations on how to avoid these in the future. The commission held a number of special hearings for business, the churches, the judiciary, the legal and medical professions, and the media, to ascertain the part they had played in gross violations of human rights.

Doctors and the TRC

In June 1997 the TRC held a two-day hearing into the role of the medical profession under apartheid. The Department of Health acknowledged that it had 'acted as part of the apartheid apparatus, leading to much ill health and unnecessary deaths'.¹³¹ [¹³¹ *Ibid* 19 June 1997] The Medical Association of South Africa (Masa) admitted complacency in opposing apartheid, and said it had closed ranks to protect doctors implicated in human rights abuses.¹³² [¹³² *Business Day* 18 June 1997] Masa admitted that it had also 'practised race discrimination by allowing black and white patients to be treated differently, a human rights violation for which it stood disgraced'.¹³³ [¹³³ *The Star* 19 June 1997]

Business and the TRC

In July 1997 Dr Boraine said the commission would hold a public hearing into the role of business under apartheid. 'The exploitation of workers and the private sector's collusion with the former government and its policies cannot be ignored,' he stated.¹³⁴ [¹³⁴ *Business Day* 18 July 1997] A public hearing was arranged for mid-November 1997.¹³⁵ [¹³⁵ *The Citizen* 5 September 1997]

Submissions were made by some 55 businesses and business organisations,¹³⁶ [¹³⁶ *The Star* 3 October 1997] as well as by the Congress of South African Trade Unions (Cosatu). Cosatu told the TRC that the ‘real substance’ of apartheid had been ‘the perpetuation of a super-exploitative cheap labour system’. Business had not only endorsed apartheid, but had pioneered some of its core features. It had also participated in the secretive ‘total strategy’ and had sought to repress trade unions.¹³⁷ [¹³⁷ *Business Day, The Citizen* 11 November 1997]

The ANC said business had ‘actively collaborated’ with apartheid, participated in the militarisation of South Africa, and supported state repression and aggression. Business had also been more racist than the law had required and had used ‘discrimination and oppression’ to bolster white privilege.¹³⁸ [¹³⁸ *Business Day* 13 November 1997]

Business leaders from the Anglo American Corporation of South Africa, Barlow Rand, and the South African Chamber of Business (Sacob) denied that business had benefited from apartheid and said they had opposed it in various lawful ways.¹³⁹ [¹³⁹ *Ibid* 12, 14 November 1997] Without apartheid, said Anglo, ‘nearly R8 000bn of additional wealth would have been created’.¹⁴⁰ [¹⁴⁰ *The Citizen* 14 November 1997] The Afrikaanse Handelsinstituut apologised for its failure to object to apartheid, while the South African Reserve Bank acknowledged that its efficiency had helped prolong the life of the former government.¹⁴¹ [¹⁴¹ *Business Day, The Citizen* 13 November 1997] Business disclaimers of culpability were rejected by Cosatu on the last day of the hearing as ‘outright lies’.¹⁴² [¹⁴² *The Citizen* 14 November 1997]

Judges and the Legal Profession

In October 1997 the TRC held a three-day hearing into the role of the legal system in the apartheid era. A number of judges had earlier made submissions to the commission, and the TRC hoped that they would appear in person as well. The legal profession and attorneys general were also asked to testify.

One of the written submissions to the TRC was from the five most senior judges in the country, including the chief justice, Mr Justice Ismail Mohamed, and the president of the Constitutional Court, Mr Justice Arthur Chaskalson. The five said it was important to ‘acknowledge the role of the legal system in upholding and maintaining apartheid, and the injustices associated with it’. Standards of fairness in criminal trials had not been upheld sufficiently, while detention without trial had generally been accepted. ‘On occasion justice, however, was done and was seen to be done—and in this way values central to the rule of law were not entirely lost.’¹⁴³ [¹⁴³ *Business Day* 30 October 1997]

Archbishop Tutu urged judges to appear in person before the commission, saying that this would have an ‘immense symbolic value’ that would be further enhanced by ‘apologies from members of the bench for the past’.¹⁴⁴ [¹⁴⁴ *The Citizen* 23 October 1997] No judges appeared at the hearing, however, and Archbishop Tutu said he ‘hoped that it would not be necessary for the commission to drag the judges to the TRC’.¹⁴⁵

[¹⁴⁵ *Business Day* 28 October 1997] Mr Justice Louis Harms responded that, if judges had to appear before the TRC, there was nothing to prevent the government from appointing another commission to call judges to account, and that this would erode judicial independence.¹⁴⁶ [¹⁴⁶ *The Citizen* 30 October 1997]

The Association of Law Societies (ALS) acknowledged to the commission that it could have done more to confront apartheid and apologised for its failure in this regard. The president of the ALS, Mr Ashwin Trikamjee, said the bench should not in future be allowed to escape public scrutiny. The powers of the Judicial Service Commission (established under the 1996 constitution to advise on the appointment of judges) should therefore be extended so that it ‘could consider complaints against members of the bench’.¹⁴⁷ [¹⁴⁷ *The Star* 29 October 1997] (This proposal was later echoed by Professor Kader Asmal, minister of water affairs and forestry.)¹⁴⁸ [¹⁴⁸ *Mail and Guardian* 23 January 1998] (See also chapter on *Government and Constitution*.)

On the last day of the special hearing, five attorneys general appeared before the TRC and apologised to victims of apartheid laws for the hurt and suffering these laws had caused. They added that prosecutors had been obliged to implement the laws made by Parliament, and denied that they had succumbed to political pressures in initiating criminal proceedings.¹⁴⁹ [¹⁴⁹ *The Citizen* 30 October 1997]

The Media and the TRC

In September 1997 the TRC conducted a three-day hearing on ‘collusion between the media and the previous government’ and ‘the crucial role the media had played in helping form public opinion’.¹⁵⁰ [¹⁵⁰ *Ibid* 12 September 1997]

The Media Monitoring Project submitted that the South African Broadcasting Corporation had operated ‘as the official mouthpiece of the ruling National Party from 1948 to the first democratic elections’.¹⁵¹ [¹⁵¹ *Business Day, The Citizen* 29 June 1998] A senior black journalist, Mr Jon Qwelane, said ‘newspaper bosses had colluded with the apartheid state in supporting the “total strategy”’. They had also endorsed emergency rule, he stated, and had contributed ‘directly or indirectly, to the murder of tens of thousands of black people by the apartheid army and the police’.¹⁵² [¹⁵² *The Citizen* 18 September 1997]

Times Media Limited (formerly South African Associated Newspapers) denied collusion with the government and said its editors had ‘pushed the 101 laws governing the media to the limits’.¹⁵³ [¹⁵³ *Sunday Times* 29 June 1997] Independent Newspapers, formerly the Argus Group, told the TRC that it should have done more to overcome apartheid, and sought to reassure the commission that it had changed and was now pursuing ‘transformation’ with vigour.¹⁵⁴ [¹⁵⁴ *The Star* 19 September 1997]

A former editor of the *Sunday Times*, Mr Ken Owen, said the media was being ‘charged by a lynch mob over its role in the apartheid years’.¹⁵⁵ [¹⁵⁵ *Pretoria News* 30 July 1997] An article in *Finance Week* said the

hearings had ‘completely ignored the intensive propaganda war’ fought in the apartheid years, as well as the coercion to which journalists had been subjected in the 1980s in particular.¹⁵⁶ [¹⁵⁶ *Finance Week* 25 September 1997, pp16–17]

Churches Before the Commission

In August 1997 some 40 denominations and communities responded to an open invitation from the TRC to submit statements on how apartheid had affected the life and work of churches and communities. The TRC decided that a public hearing was necessary to follow up on these submissions.¹⁵⁷ [¹⁵⁷ *The Citizen* 8 November 1997]

During the hearings, the Anglican, Congregational, Methodist, Presbyterian, Reformed Presbyterian, and Roman Catholic churches begged forgiveness for contributing to the oppression of countless blacks under apartheid rule. Bishop Michael Nuttall, representing the (Anglican) Church of the Province of Southern Africa, made a personal plea to Archbishop Tutu for forgiveness for having failed to support the latter in his call for sanctions against South Africa in the 1980s.¹⁵⁸ [¹⁵⁸ *Business Day, Sowetan, The Star* 18 November 1997] The South African Council of Churches (SACC) apologised for not having drawn more churches into the struggle against apartheid,¹⁵⁹ [¹⁵⁹ *Business Day* 18 November 1997] while Archbishop Tutu apologised for the arrogance of Christians in behaving as if theirs was the only religion.¹⁶⁰ [¹⁶⁰ *The Citizen* 19 November 1997] The Nederduitse Gereformeerde Kerk apologised for its endorsement of apartheid policies and emphasised its new commitment to the transformation of society.¹⁶¹ [¹⁶¹ *The Star* 20 November 1997]

The chief executive of the South African Institute of Race Relations, Mr John Kane-Berman, commented that priests who had given their blessing to the use of violence for political purpose were not being investigated by the commission, nor being called upon to confess to it.¹⁶² [¹⁶² *Frontiers of Freedom*, issue No 14, Fourth Quarter 1997, p1]

Committee on Amnesty

The commission’s founding legislation empowers the TRC to grant amnesty from criminal and civil liability for acts perpetrated during the period from 1st March 1960 to 10th May 1994 (see 1996/97 Survey, pp617–618, 631). To qualify for amnesty, applicants must, in broad outline:¹⁶³ [¹⁶³ *The Star* 26 January 1998]

- make full disclosure of the specific crimes committed;
- demonstrate a political objective;

- show that the act was committed on behalf of a recognised political organisation; and
- prove that the means used were proportionate to the political goal envisaged.

By late August 1997 almost 7 000 applications for amnesty had been received. Some 70 applications for amnesty had been granted, and about 1 700 refused.¹⁶⁴ [¹⁶⁴ *The Citizen* 29 August 1997] In all 7 060 applications were submitted before the deadline of 30th September 1997.¹⁶⁵ [¹⁶⁵ *Sowetan* 3 September 1997; notes of telephone interview with Ms Jackay Hiny, Truth and Reconciliation Commission, 17 June 1998] To accelerate the process, the Committee on Amnesty was increased from seven members to 19 and was authorised to establish six three-member panels, able to sit simultaneously in different parts of the country.¹⁶⁶ [¹⁶⁶ *The Citizen* 19 September 1997]

In January 1998 Dr Boraine said some 4 500 amnesty applications remained to be considered. The process, he stated, ‘could take months, it could take years’.¹⁶⁷ [¹⁶⁷ *Ibid* 28 January 1998] In terms of legislation passed by Parliament in June 1998, the amnesty committee is to be given an indefinite period to conclude its work (see *Appointment, functions and powers* above).¹⁶⁸ [¹⁶⁸ *Ibid* 3 June 1998]

Decisions on Amnesty

If the act for which amnesty is sought constitutes a gross violation of human rights (see *Appointment, functions and powers* above), the amnesty committee must hold a hearing into the matter before deciding on the grant of amnesty. Amnesty for lesser acts—such as the illegal possession of firearms—can be decided in chambers.¹⁶⁹ [¹⁶⁹ Section 19(3), Promotion of National Unity and Reconciliation Act of 1995]

Decisions on Amnesty in Chambers

Amnesty was granted in chambers to, among other people:

- a member of the Afrikaner Volksfront and Conservative Party, Mr Olof Vorster, who had been convicted on several counts of illegal possession of weapons;¹⁷⁰ [¹⁷⁰ *The Citizen* 13 February 1997]
- a former military intelligence officer, Mr Jan Nieuwoudt, who said he had participated in training Inkatha members in 1986 in the Caprivi strip in Namibia (then South West Africa) so as to empower Inkatha to ‘attack the ANC and UDF effectively inside KwaZulu-Natal’ (see *Investigation of political violence in KwaZulu-Natal* below);¹⁷¹ [¹⁷¹ *The Star* 3 October 1997] and
- an ANC member and former cadre of Umkhonto we Sizwe (Umkhonto), Ms ‘Muff’ Anderson, who was granted amnesty for the ‘storage and distribution of weaponry’ to ANC and Umkhonto structures in

several parts of the country, used for self-defence in communities ‘under attack by the state and its surrogates’.¹⁷² [¹⁷² *Eastern Province Herald* 19 September 1997]

Amnesty was also granted on this basis to 37 senior leaders of the ANC, including the deputy president, Mr Thabo Mbeki, and five cabinet members (see *The granting of amnesty to 37 ANC leaders* below). It was also thus granted to Mr Trevor Tutu, son of Archbishop Tutu, for having made a bomb threat at East London airport in 1989, allegedly as part of the ANC’s strategy of making the country ‘ungovernable’. Opposition parties responded that Mr Tutu’s act had been ‘purely criminal’, and that his relationship with the TRC chairman seemed to have facilitated the granting of amnesty to him.¹⁷³ [¹⁷³ *Sunday Tribune* 30 November 1997]

The Granting of Amnesty to 37 ANC Leaders

Shortly before the deadline of 30th September 1997, applications for amnesty were submitted by various ANC leaders, including Mr Mbeki. The applicants took ‘collective responsibility for acts and conduct committed in the course of the just war against the system of apartheid within the framework of ANC policy’.¹⁷⁴ [¹⁷⁴ *Business Day* 2 October 1997, *The Star* 3 October 1997] On 28th November 1997 the TRC announced that it had granted amnesty to 37 ANC leaders.¹⁷⁵ [¹⁷⁵ *The Citizen* 29 November 1997]

Both the NP and the DP objected to the decision, saying the TRC’s founding legislation made no provision for a blanket amnesty and instead required full disclosure of all relevant facts regarding specified offences. It also necessitated a full hearing for acts constituting gross violations of human rights.¹⁷⁶ [¹⁷⁶ *Business Day*, *The Citizen* 3 December 1997]

In early December 1997 it emerged that ‘almost half of the amnesty applications submitted by the ANC leaders to the TRC were incomplete and technically invalid’. The incomplete applications included those of Mr Mbeki and two other cabinet ministers. The executive secretary of the amnesty committee, Mr Martin Coetzee, said the amnesty committee had discretion to approve the defective applications.¹⁷⁷ [¹⁷⁷ *The Sunday Independent* 7 December 1997]

The TRC said it would seek urgent legal advice on the validity of the granting of amnesty to the ANC’s leaders.¹⁷⁸ [¹⁷⁸ *Business Day* 9 December 1997] The NP responded that this was not enough and that a full commission of inquiry was urgently required.¹⁷⁹ [¹⁷⁹ *The Citizen* 10 December 1997] As controversy mounted regarding the amnesties, Mr Nelson Mandela, addressing the ANC’s 50th national conference at Mafikeng (North West) on 16th December, said: ‘Those who challenge the amnesty decision are working for the further persecution of the very same leaders of our movement whom they imprisoned, tortured or drove into exile.’¹⁸⁰ [¹⁸⁰ Mandela N, address to the 50th national conference of the African National Congress, Mafikeng, 16 December 1997, p68]

Shortly thereafter, Mr Wim Trengove SC advised the commission that the amnesties were legally flawed and should be taken to the High Court for review.¹⁸¹ [¹⁸¹ *Business Day* 19 December 1997] In January 1998 the commission resolved to apply to the High Court for a declaratory order stating whether the amnesties complied with the TRC's founding legislation.¹⁸² [¹⁸² *Business Day, The Citizen* 14 January 1998, *Business Day* 3 February 1998]

An article in *Business Day* by Mr Thami Mazwai said many black business people and intellectuals were 'dumbfounded' at the commission's decision to refer the matter to court. This would 'belittle the sacrifices of the liberation struggle', and might in time require Mr Mbeki and other ANC leaders 'like small boys, to go through the humiliation of accounting like Gideon Nieuwoudt (see *Amnesty refused in various incidents* below) and Eugene de Kock' (see 1996/97 Survey, pp100–101).¹⁸³ [¹⁸³ *Business Day* 23 January 1998]

In mid-March 1998 the NP and a victim of the 1983 Church Street bombing in Pretoria (see 1983 Survey, p45) applied to the Cape Town High Court to review the granting of amnesty to the ANC leaders. The NP said it was concerned that the commission was dragging its heels on the matter.¹⁸⁴ [¹⁸⁴ *The Star* 13 March 1998] The commission then initiated its own court application, and Dr Boraine requested the NP to withdraw its suit. The NP declined to do so, saying it was not convinced the TRC would 'properly pursue a court case against the ANC leaders'. It added, in this regard, that one of the 37 ANC leaders granted amnesty was the TRC's own chief executive officer, Mr Biki Minyuku.¹⁸⁵ [¹⁸⁵ *The Citizen* 16 March 1998]

In mid-May 1998 the High Court in Cape Town set aside the amnesties granted to the 37 ANC leaders. It ordered that the matter be referred back to the amnesty committee to decide whether the applications were capable of being reconsidered and, if so, to reconsider them.¹⁸⁶ [¹⁸⁶ Notes of telephone interview with Mr Jacko Maree, MP (NP), 25 May 1997] It was uncertain, at the time of writing, when this review would take place. The NP said the court's decision was 'a victory for the principle of equality before the law' as well as 'another serious blow to the TRC's credibility'.¹⁸⁷ [¹⁸⁷ *The Star* 11 May 1998]

Decisions on Amnesty Following Hearings

The amnesty committee also conducted a number of hearings into gross violations of human rights. At the time of writing, however, few decisions on the granting of amnesty for such acts had yet been made.

Amnesty Granted to Mr Dirk Coetzee

In August 1997 amnesty was granted to Messrs Dirk Coetzee, Almond Nofemela and David Tshikalanga for the murder in 1981 in Umlazi (Durban) of a human rights lawyer, Mr Griffiths Mxenge. The three men had been convicted in the Durban High Court in May 1997 of Mr Mxenge's murder and were awaiting sentence. The committee found there was no direct evidence to confirm that Mr Coetzee had

acted on the orders of Brigadier Johannes van der Hoven and Captain Andy Taylor, as he had claimed. ‘However, there was no doubt that Mr Coetzee had acted on the “advice, command or order of one or more senior members of the security branch of the former South African Police”.’¹⁸⁸ [¹⁸⁸ *The Citizen* 5 August 1997] The Mxenge family said it would take the decision on review, as it believed the amnesty committee had ‘prejudged the amnesty applications’.¹⁸⁹ [¹⁸⁹ *Ibid* 5 August 1997] (See also chapter on *Security*.)

The St James Church Massacre

Eleven people were killed and 58 injured on 25th July 1993 when gunmen fired on worshippers in the St James Church (Cape Town) and threw hand grenades, coated with nails, into the congregation. An operative of the Azanian People’s Liberation Army (Apla), Mr Gcinikhaya Makoma, was convicted of murder and sentenced to 23 years’ imprisonment, while two other Apla members were awaiting trial for their role in the killings.¹⁹⁰ [¹⁹⁰ *Business Day* 10 July 1997] All three applied to the TRC for amnesty.¹⁹¹ [¹⁹¹ *The Star* 10 July 1997]

Mr Makoma told the amnesty panel that he and his commander had entered the church firing automatic rifles and throwing the nail-spiked grenades, while the other two remained outside in a stolen getaway car. During the attack, which lasted about one-and-a-half minutes, Mr Makoma said that he ‘shot indiscriminately and finished his full R4 magazine—some 31 rounds’.¹⁹² [¹⁹² *Sowetan* 11 July 1997] Mr Makoma added that Apla operated under the slogan ‘One settler, one bullet’. This meant that ‘any white person in South Africa was regarded as a settler ... and had to be killed or injured’.¹⁹³ [¹⁹³ *Business Day* 10 July 1997]

The application for amnesty was opposed by some of the survivors of the attack, one of whom said he had found discrepancies in the applicants’ description of events.¹⁹⁴ [¹⁹⁴ *The Citizen* 11 July 1997] Some of the survivors attending the hearing also criticised the proceedings, saying that ‘commissioners seemed to be answering questions on behalf of the applicants’.¹⁹⁵ [¹⁹⁵ *Sunday Times* 13 July 1997] In June 1998, amnesty was granted to the three applicants on the basis that they had satisfied the requirements for amnesty laid down in the commission’s founding legislation.¹⁹⁶ [¹⁹⁶ *The Citizen* 10, 12 June 1997]

The Murder of Ms Amy Biehl

On 25th August 1993 Ms Amy Biehl, an American exchange student, was beaten and stabbed to death in Guguletu (Cape Town). She was driving some of her friends to their homes in the township when her car was attacked by a group of youths. One stabbed her with a knife while another threw bricks at her head as she lay injured on the ground.¹⁹⁷ [¹⁹⁷ *Rapport* 13 July 1997]

Four youths, Messrs Ntobeko Peni, Mzikhona Nofomela, Vusumzi Ntambo and Mongezi Manqina, were convicted of Ms Biehl’s murder in 1995 and sentenced to 18 years’ imprisonment. The trial judge, Mr

Justice A J Lategan, found that the attack had been racist—rather than political—in its motivation.¹⁹⁸ [¹⁹⁸ Ibid] He based this finding, among other things, on testimony by the accused that the slogan ‘One settler, one bullet’ meant only that soldiers should aim carefully as ‘bullets were scarce’. It was not intended to lead to the killing of any person.¹⁹⁹ [¹⁹⁹ Ibid]

In July 1997 the four convicted prisoners, who had applied to the TRC for amnesty, told the commission that white people were oppressors and hence legitimate targets for attack. They had also been inspired to kill Ms Biehl, they stated, by the slogan ‘One settler, one bullet’.²⁰⁰ [²⁰⁰ *Business Day* 10 July 1997, *Sowetan* 14 July 1997] Amnesty was granted to the applicants in July 1998.²⁰¹ [²⁰¹ *Business Day* 29 July 1998]

The Heidelberg Tavern Massacre

On the night of 30th December 1993 six members of Apla attacked the Heidelberg Tavern in Cape Town, killing four people and injuring five others. In October 1997 three of the men responsible for the attack sought amnesty from the TRC. Mr Luyanda Gqomfa—who was serving a 27-year sentence for his part in the killings—told the commission that he had been instructed to target the tavern as it was generally frequented by security force members. The Apla cadres ‘sang songs of war’ on their way to the tavern. Their objective was to ‘shoot any living thing’, and Mr Gqomfa thus opened fire indiscriminately on the people—mainly students—who were present in the pub. ‘My aim was to kill or injure as many people as possible,’ he said.²⁰² [²⁰² *The Citizen* 28 October 1997]

In the course of the amnesty proceedings, Mr Bennett Sibaya, a gardener, was called as a witness and identified Mr Dumisa Ntsebeza, the head of the TRC’s investigative unit, as the driver of one of the getaway cars used in the Heidelberg Tavern attack.

In an affidavit to the police in early January 1994, Mr Sibaya said he had been in Guguletu on the night of 30th December 1993. Having stopped to ask for directions, he had noticed five youths transferring weapons from a darkcoloured car to a white Audi. He had seen the face of the driver of the Audi and had memorised the car’s registration number. He had immediately reported the incident to the police, who had ascertained that the vehicle belonged to Mr Ntsebeza. In a subsequent affidavit to the commission in 1997, Mr Sibaya repeated these allegations but added that he had also picked up a piece of paper that had fallen from the Audi, and had found it was a map to the Heidelberg Tavern.²⁰³ [²⁰³ Goldstone R J, ‘Final Report of the Commission of Inquiry into Certain Allegations against Mr Dumisa Ntsebeza and Related Matters’, 1 December 1997, pp12–16]

Mr Ntsebeza confirmed owning the vehicle in question and said he had been on holiday in Cape Town at the time of the attack. He denied the allegations of involvement in the massacre and said he was the victim of a conspiracy. ‘The campaign by the police to present me as a warlord is not new,’ he stated.²⁰⁴ [²⁰⁴ *The Citizen* 3 November 1997]

Soon thereafter, Mr Sibaya approached Archbishop Tutu and withdrew his allegations against Mr

Ntsebeza. He said he had been tortured by the police in January 1994 and forced to memorise the number plate in question. He had also been shown a photograph of Mr Ntsebeza and then compelled to make a statement implicating Mr Ntsebeza in the massacre.²⁰⁵ [²⁰⁵ *Rapport* 12 November 1997]

The police denied having tortured Mr Sibaya, and said they had had no motive for implicating Mr Ntsebeza. Mr Ntsebeza was not well known at the time and no one could have foreseen that he would become the head of the TRC's investigative unit in due course.²⁰⁶ [²⁰⁶ *Ibid*] An article in *Rapport* added that the newspaper had recently obtained possession of a secret police report written in April 1992. According to this report, 'thorough investigation had revealed that Mr Ntsebeza's house in Cala, Transkei, was one of the places where Apla members received training in preparation for attacks on civilian and other targets'.²⁰⁷ [²⁰⁷ *Ibid* 2 November 1997]

President Nelson Mandela appointed Mr Justice Richard Goldstone, a Constitutional Court judge and the former chairman of a Commission of Inquiry Regarding Public Violence and Intimidation (see 1991/92 *Survey*, p466), to investigate, among other things, whether Mr Sibaya's allegations against Mr Ntsebeza were true, or part of a conspiracy to discredit the commission.²⁰⁸ [²⁰⁸ *The Star* 12 November 1997]

Judge Goldstone found Mr Sibaya to be 'an untruthful witness' and recommended that he be prosecuted. He exonerated Mr Ntsebeza from any involvement in the massacre, and criticised the police investigation into Mr Sibaya's allegations. Discrepancies in the statements made by Mr Sibaya at different times should have been enough to cast doubt on the veracity of his evidence. Captain J Lubbe had ignored these, however, because he had pre-judged Mr Ntsebeza's guilt and had also been influenced by 'racial predispositions'.²⁰⁹ [²⁰⁹ Goldstone, 'Final report', pp57, 69, 63, 75] The 1992 police report alleging Mr Ntsebeza's involvement in training Apla cadres in the early 1990s was not placed before Judge Goldstone, it seems.²¹⁰ [²¹⁰ See *ibid*]

The amnesty application, which had been postponed pending Judge Goldstone's inquiry, resumed in January 1998. Amnesty was granted to the applicants in July 1998.²¹¹ [²¹¹ *Business Day* 13 January 1998, *The Star* 17 July 1998]

Amnesty Refused in Various Instances

Amnesty was also refused on various occasions, including to an IFP member, Mr Vusi Hlengwa and a former security policeman, Mr Gideon Nieuwoudt. In October 1997, amnesty was refused to an IFP member, Mr Vusi Hlengwa, who had been convicted of murdering a UDF supporter, Mr Mahluleli Makhanya, in revenge for an attack on Mr Hlengwa's home. The amnesty panel said Mr Hlengwa had been driven by 'anger and the desire for revenge', rather than a political motive, and did not qualify for amnesty.²¹² [²¹² *The Star* 3 October 1997]

In November 1997 amnesty was denied a former security policeman, Mr Gideon Nieuwoudt, for having

assaulted a UDF activist, Mr Mkhuseleli Jack, in Port Elizabeth (Eastern Cape) in 1985. The amnesty panel said Mr Nieuwoudt had failed to make ‘full disclosure’ of the circumstances surrounding the assault. While Mr Jack stated that he had been subjected to prolonged torture while in detention, all that Mr Nieuwoudt had acknowledged was that he had struck Mr Jack several times on his body and legs with a plastic sjambok.²¹³ [²¹³ *The Citizen* 22 November 1997]

Amnesty Applications Still to Be Decided

Various amnesty hearings—the outcome of which remained undecided at the time of writing—canvassed the involvement in gross human rights violations of the former security forces; of the Azanian People’s Liberation Army (Apla) and Umkhonto, the armed wings of the PAC and the ANC, respectively; and of white resistance movements.

The Role of Former Security Force Members

The Killing of Mr Steve Biko

On 12th September 1977 Mr Steve Bantu Biko, a prominent leader of the Black Consciousness Movement, died in detention of a fatal head injury (see 1977 *Survey*, p632). In 1997 Captain Daantjie Siebert and three former security policemen sought amnesty from the TRC for Mr Biko’s death. Capt Siebert told the amnesty committee in September 1997 that Mr Biko had sustained his fatal head injury ‘in a scuffle with the four-man interrogation team’. Capt Siebert said that he and his colleagues had been trying to restrain ‘an aggressive and contemptuous’ Mr Biko when they had ‘fallen over one another’s feet’ and Mr Biko had struck his head against the wall of the interrogation room.²¹⁴ [²¹⁴ *Ibid* 12 September 1997]

The application was opposed by the Biko family, whose counsel, Mr George Bizos SC, accused the policemen of lying to hide the fact that they had ‘punched Biko to death’. Full disclosure required, he said, that the applicants identify who had delivered the fatal blow.²¹⁵ [²¹⁵ *Business Day* 12 December 1997]

Torture of ANC Activists in the Western Cape

In July 1997 Inspector Jeff Benzien of the South African Police Service (SAPS) applied for amnesty for, among other things, the torture in the 1980s of senior ANC members, including Mr Tony Yengeni (now an ANC MP) and Mr Gary Kruser (now the head of the VIP protection unit of the SAPS).²¹⁶ [²¹⁶ *Ibid* 14 July 1997] Insp Benzien told the TRC that he had forced Mr Yengeni and other Umkhonto cadres to talk by using the ‘wet bag’ method of torture. This involved placing a wet bag over the victim’s face to disorientate him and induce a feeling of suffocation. Insp Benzien demonstrated, at Mr Yengeni’s request, how the wet bag method had worked, and acknowledged that he had used various other methods of torture as well, including electric shocks, sleep deprivation, and physical assaults.²¹⁷ [²¹⁷ *The Citizen* 15 July 1997]

The Death of Mr Stanza Bopape

In February 1998 ten former policemen, including a former commissioner of the South African Police, General Johan van der Merwe, applied to the TRC for amnesty for the death in detention in June 1988 of Mr Stanza Bopape, a former general secretary of the Mamelodi Civic Association, a UDF affiliate. A former police sergeant, Mr Johann du Preez, said he had used electric shock treatment on Mr Bopape. On the third or fourth occasion, Mr Bopape had collapsed and died—apparently from a heart attack.²¹⁸ [218 *The Star* 27 February 1998] To conceal Mr Bopape's death, his body had been thrown into a crocodile-infested river in Mpumalanga, while a mock escape from police custody had been arranged.²¹⁹ [219 *Mail and Guardian* 27 February 1998] The Bopape family opposed the application on the basis that full disclosure had not been made regarding, among other things, the extent of the torture inflicted on the UDF leader.²²⁰ [220 *Ibid* 20 February 1998]

The Killing of the 'Pebco Three'

In March 1998 an amnesty hearing was conducted into the deaths in 1985 of the 'Pebco Three'—Messrs Siphon Hashe, Champion Galela and Qaqawuli Godolozzi—all of whom had been members of the UDF-affiliated Port Elizabeth Black Civic Organisation (Pebco). Testifying at the hearing in Port Elizabeth, Mr Joe Mamasela, a former askari (or turned ANC guerrilla), said eight former policemen, including Colonel Gideon Nieuwoudt (who had been convicted in 1997 of murder for the 1989 Motherwell car bomb, see 1996/97 Survey, pp611–612), had abducted the three from Port Elizabeth airport and driven them to a derelict police station near Cradock (Eastern Cape). The three were brought out one at a time and 'systematically beaten to death while the police-men had drinks and ate from a braaiivleis'.²²¹ [221 *Business Day* 10 March 1998]

The policemen admitted having killed the Pebco Three, but said the activists had been killed with a single shot to the head after being given drugged coffee. They denied that the three had been interrogated or tortured,²²² [222 *The Star* 13 March 1998] and said the killings had been committed 'at a time when there was a bitter battle between Pebco and the security police'.²²³ [223 *The Citizen* 19 May 1998]

The Killing of the 'Cradock Four'

Seven former security policemen applied to the TRC for amnesty for the killing in June 1985 of the 'Cradock Four'—Messrs Mathew Goniwe, Sparrow Mkhonto, Fort Calata and Sicelo Mhlauli (see 1996/97 Survey, p632). At a hearing in February 1998, one of the amnesty applicants, Mr Martin van Zyl, a former security police captain, said the police had been desperate to stabilise black townships in the eastern Cape, which were under the control of UDF structures. Mr Goniwe had been identified as the most effective activist in the area, and it was decided to eliminate him and his close associates on the basis that this would 'chop off the head of the destabilising forces in the area'.²²⁴ [224 *Sowetan* 24 February

1998] General Nic Janse van Rensburg, who was a colonel at the time, told the commission that final approval for the assassination had come from the head of the security police in the Eastern Cape, Colonel Harold Snyman. (Col Snyman did not attend the amnesty hearing, owing to ill health.)²²⁵ [²²⁵ *The Star* 26 February 1998]

The Role of Umkhonto and Other ANC Members

The Bombing of Wimpy Bar Restaurants

In October 1997 it was reported that various ANC members were seeking amnesty for a series of bomb attacks on Wimpy Bar restaurants in the 1980s. The ANC, in its submissions to the TRC in August 1996 and May 1997, had described these attacks as ‘false flag operations’ by the security forces to discredit the ANC. Mr Mac Maharaj, the minister of transport, reiterated that the ANC had information that the attacks had been the work of the former government itself. If amnesty applications for such bombings were put forward by people claiming to have been ANC members following ANC orders, the ANC would be prepared to check whether the individuals concerned had indeed been members of Umkhonto and operating under instructions.²²⁶ [²²⁶ *Naweek-Beeld* 11 October 1997]

The Church Street Car Bomb in 1983

In May 1998 the TRC heard an amnesty application from Mr Aboobaker Ismail, a former head of Umkhonto’s special operations unit, for the Church Street car bomb in Pretoria in 1983 in which 19 people had been killed and more than 200 injured.²²⁷ [²²⁷ *The Star* 4 May 1998] Mr Ismail said the bomb blast had been aimed at military personnel leaving the headquarters of the South African Air Force. ‘Our intention,’ he stated, ‘was to show the government that their military forces were not invincible and could also be subjected to attack.’ This kind of ‘armed propaganda’, he continued, ‘was also aimed at showing the oppressed that the enemy was not invincible and that the ANC had the ability to strike at the heart of the apartheid war machine.’ Mr Ismail added that the ANC had never sought to kill civilians and regretted those civilian deaths that had occurred.²²⁸ [²²⁸ *The Citizen* 5 May 1998] However, the ANC’s policy was also that ‘it should not be deterred from striking at the apartheid state for the sake of a few civilian lives’.²²⁹ [²²⁹ *Ibid* 7 May 1998]

The application for amnesty was opposed by a number of the victims of the attack, on the basis that full disclosure had not been made and that a political motive had not adequately been demonstrated.²³⁰ [²³⁰ *Ibid* 5 May 1998] Those opposing the application said it was difficult to understand how administrative staff working in the air force building, such as telephonists, could have been regarded as military targets.²³¹ [²³¹ *The Star* 7 May 1998] Moreover, the air force building was surrounded by other buildings in which it was clear that only civilians worked.²³² [²³² *Business Day* 15 May 1998]

Other Bomb Attacks in the 1980s

Mr Ismail, together with other Umkhonto commanders and operatives, also sought amnesty for 12 other bomb attacks in the 1980s.²³³ [²³³ *The Star* 28 April 1998] These included:²³⁴ [²³⁴ *Ibid* 4 May 1998]

- the 1980 attacks on oil refineries in Sasolburg (Free State) and Secunda (Mpumalanga);
- the 1981 rocket attack on the Voortrekkerhoogte military base near Pretoria, in which five 122mm Russian rockets were fired and two people were injured;
- the 1983 limpet-mine explosion at the offices of the Department of Foreign Affairs in Johannesburg, in which seven people were injured;
- the 1984 limpet-mine explosion at the Medical Command of the SADF in Hillbrow in which 17 people were injured;
- the 1987 car-bomb explosion at the SADF's Witwatersrand Command in Johannesburg, in which one soldier died and 68 people were injured; and
- the 1988 bombing of the magistrate's court in Krugersdorp (Gauteng), in which three people were killed and 20 injured.

Mr Mohammed ('Mo') Iqbal Shaik, in applying for amnesty for six incidents in which various people had been injured, told the TRC that he had carried out a total of 31 bombings over a period of six years. He had been the commander of a unit, operating under Mr Ismail, which had remained in South Africa during the struggle and had 'targeted military and police facilities and government infrastructure, while studiously avoiding civilian targets'. Its instructions had been to 'reconnoitre and attack government buildings, economic installations such as railway lines and substations, homeland government structures, and police or security force personnel or buildings'. Targets had included the Ciskei Consulate in Johannesburg, a Railway Police radio room in Johannesburg, the offices of the police district commissioner in Roodepoort (Gauteng),²³⁵ [²³⁵ *Ibid* 7 May 1998] judges' chambers in Johannesburg, the Temple Israel synagogue in Hillbrow, and the offices of AECCI, the Anglo American Corporation of South Africa, and the Chamber of Mines of South Africa.²³⁶ [²³⁶ *Business Day* 8 May 1998]

The Role of White Resistance Organisations

The Assassination of Mr Chris Hani

Mr Chris Hani, general secretary of the South African Communist Party (SACP), was shot dead outside his home in Boksburg (east Rand) on 10th April 1993 by Mr Janusz Walus, a Polish immigrant. Mr Walus and Mr Clive Derby-Lewis, a prominent member of the Conservative Party (CP), were convicted

of the murder in 1994 and sentenced to death. Their sentences were later commuted to life imprisonment and in August 1996 they applied for amnesty to the TRC.²³⁷ [²³⁷ *The Star* 31 October 1996]

The ANC said it would resist the amnesty application, as the commission's founding legislation 'did not envisage the granting of amnesty to individuals such as these'.²³⁸ [²³⁸ *The Citizen* 2 November 1996] It urged the amnesty committee to delay consideration of the application while further investigation was mounted into the wider conspiracy which, in the ANC's view, lay behind the assassination. Various ANC leaders emphasised that amnesty could not be granted unless full disclosure had been made, while Mr Steve Tshwete, the minister of sport, said in a radio interview in April 1997 that 'these murderers [Messrs Derby-Lewis and Walus] must rot in jail for ever and ever'.²³⁹ [²³⁹ *The Citizen* 11, 12 April 1997, *The Star* 10 July 1997]

When the amnesty hearing commenced in August 1997, Mr Derby-Lewis told the commission that Mr Hanani had been assassinated to spark an uprising among ANC supporters. This would allow white right-wing forces to mount a coup and take control of the country, so preventing the final transfer of power to the ANC and its communist allies. Afrikaners had resorted to a liberation struggle in the same way as had the ANC, and Mr Hanani had been a casualty of the war that had ensued.²⁴⁰ [²⁴⁰ *The Citizen* 13 August 1997] The CP, moreover, had been calling on its supporters at the time to mobilise for war.²⁴¹ [²⁴¹ *Business Day* 14 August 1997]

The application was opposed by the Hanani family and the SACP. Mr Derby-Lewis was cross-examined for three days on the basis, among other things, that he had failed to make full disclosure and had also acted on his own, rather than on behalf of the CP. The cross-examination, stated an article in *The Star*, 'revealed a number of contradictions in Mr Derby-Lewis's testimony but failed to unearth any hard evidence of a wider conspiracy'.²⁴² [²⁴² *The Star* 20 August 1997]

Mr Walus took the stand thereafter. His evidence was broadly similar to that of Mr Derby Lewis but differed, among other things, on the date envisaged for the assassination.²⁴³ [²⁴³ *Ibid* 22 August 1997] Dr Ferdi Hartzenberg, the leader of the CP, later testified that 'militant talk by CP leaders [at the time] could have been interpreted as a sanction to use violence to promote the CP's aims'. The party had regarded Mr Hanani as particularly dangerous and, though it would not have sanctioned his assassination if so requested, it accepted 'unconditionally that Mr Derby-Lewis had acted purely for political reasons'.²⁴⁴ [²⁴⁴ *Business Day* 5 December 1997]

The Role of the Investigative Unit

Various individuals were subpoenaed by the commission, at the instance of the investigative unit, to give evidence to the TRC behind closed doors. Little information was published regarding evidence gathered in this way.

Investigation into the Former State Security Council

In October 1997 four former leaders of the National Party (NP) gave evidence to a special panel of the TRC on the role of the State Security Council (SSC) in the former government's 'total strategy' against the African National Congress (ANC) and its allies. Mr Roelof ('Pik') Botha, a former minister of foreign affairs, apologised for failing to turn the tide of apartheid and for his reluctance to investigate the killing and torture of political opponents by the security forces. 'Not one of us in the former government,' he stated, 'can say today that there were no suspicions on our part that members of the police were engaged in irregular actions.' The cabinet had never approved the killing of individual political opponents, but should have done more to ensure that this did not occur.²⁴⁵ [²⁴⁵ *The Star* 15 October 1997]

Mr Roelf Meyer, who had been deputy minister of law and order from 1986 to 1988 with responsibility for the National Security Management System (see 1987/88 *Survey*, pp543–544), said everyone in the NP government at the time 'shared the blame for contributing to a climate in which atrocities had been committed'. He denied the SSC had given instructions for unlawful actions against anti-apartheid activists, but admitted that 'the state had failed to exercise proper control over the security forces'.²⁴⁶ [²⁴⁶ *Ibid* 16 October 1997]

Mr Leon Wessels, who succeeded Mr Meyer as deputy minister of law and order in 1988, said the government had communicated to the police that 'the highest law of the land was the security of the country'. Emotions had also been whipped up and it should have been foreseen that, in such circumstances, activists would be detained and tortured. He could not say he had not known about these abuses, he continued, because 'in many respects he had not wanted to know'.²⁴⁷ [²⁴⁷ *Ibid*]

Mr Adriaan Vlok, a minister of law and order in the 1980s, apologised for the 'misunderstanding' which led to security policemen killing anti-apartheid activists in the belief that they had been ordered to do so by the government. He acknowledged that words like 'eliminate' and 'neutralise' had commonly been used in SSC discussions, but denied that they connoted instructions to kill. They were, however, open to such misinterpretation and he apologised for this mistake. 'Things went awry,' he stated. He added that he had been kept in the dark by senior police officers, who had lied to him about illegal actions perpetrated against activists.²⁴⁸ [²⁴⁸ *The Citizen* 17 October 1997]

The ANC responded that the four former cabinet ministers had 'spat on the process of finding out the truth about apartheid' in refusing to make full disclosure about the activities of the SSC 'in all its manifestations, including the Civil Co-operation Bureau and the Vlakplaas units'. Their denials in this regard were empty and unacceptable. The operations of these units, including 'cross-border raids, train and taxi violence, and intercommunal violence, could not have taken place without the knowledge of key officials of the SSC'. What should have been provided to the TRC were the details of 'how security and/or third force networks functioned, how extensive they were, what happened to them, and what capacity these networks had to destabilise the country's democracy'. Instead, the four had sought to 'whitewash the real facts' surrounding the SSC.²⁴⁹ [²⁴⁹ *Ibid* 18 October 1997]

The Subpoenaing and Trial of Mr P W Botha

In October 1996, a former state president, Mr P W Botha, was implicated, among other things, in the 1988 bombing of Khotso House, the headquarters of the South African Council of Churches (see 1996/97 Survey, pp629–630). In November 1996 Archbishop Tutu held discussions with Mr Botha at the latter's home near George (Western Cape) to discuss these and other issues.²⁵⁰ [²⁵⁰ *The Star* 22 November 1996] Mr Botha said he was willing to co-operate with the TRC and would answer its queries in writing.²⁵¹ [²⁵¹ *Ibid*]

A list of questions was drawn up by the TRC and submitted to Mr Botha for answer. In October 1997, the commission subpoenaed him to appear before it in Johannesburg for a hearing on the role of the SSC, of which Mr Botha—in his capacity as state president—had been chairman. Mr Botha had recently undergone hip replacement surgery, however, and his failure to appear before the commission was condoned on medical grounds.²⁵² [²⁵² *Ibid* 18 November 1997]

In November 1997 the commission arranged a special hearing in George to facilitate Mr Botha's attendance before it. The former state president refused, however, to appear before the TRC, saying that he did not 'perform in circuses'. He added that his written answers to the commission's questions would be ready 'within weeks' and that he was willing to answer any further questions in writing as well.²⁵³ [²⁵³ *Rapport* 16 November 1997]

In late November 1997 a subpoena was served on Mr Botha to appear before the commission on 5th December. He failed to do so, but no further action was taken as the subpoena was legally defective. A further subpoena was immediately served on him, ordering him to appear before the commission on 19th December 1997.²⁵⁴ [²⁵⁴ *Saturday Star* 6 December 1997]

In early December 1997 Mr Botha, in answer to the commission's questions, submitted to the TRC a document running to some 1 700 pages. In this, he stated that he had made it clear that, in countering the 'total onslaught' against the country, every effort should be made to limit violence and to maintain the loyalty of the general population.²⁵⁵ [²⁵⁵ *Beeld* 6 December 1997] He denied having ordered the bombing of Khotso House.²⁵⁶ [²⁵⁶ *The Citizen* 6 December 1997]

Mr Botha failed to appear before the TRC as required by the second subpoena and Archbishop Tutu and Dr Borraine laid charges against him for contempt of the commission. Mr Frank Kahn, attorney general of the Western Cape, declined to arrest Mr Botha, saying the former state president, aged 81, had undertaken to respond to any court summons served on him.²⁵⁷ [²⁵⁷ *Ibid* 20 December 1997]

In early January 1998, Mr Botha was charged with contempt in the George Regional Court, and summonsed to appear on 23rd January 1998.²⁵⁸ [²⁵⁸ *Ibid* 8 January 1998] The state attorney's office also

announced that it had thus far paid some R500 000 in legal fees for Mr Botha, but would be unable to pay anything further because of Mr Botha's 'obstructive attitude'.²⁵⁹ [²⁵⁹ Ibid]

Mr Botha appeared briefly in court on 23rd January, and the case was remanded for trial in April 1998.²⁶⁰ [²⁶⁰ Ibid 24 January 1998] Mr Botha subpoenaed Archbishop Tutu to give evidence before the court and to make available to it various TRC documents, including transcriptions of the evidence provided by various former NP leaders. An article in *Rapport* said the prosecution of Mr Botha could become a 'nightmare' for the TRC, because it would shift the focus of public attention to the activities and bona fides of the commission itself.²⁶¹ [²⁶¹ *Rapport* 25 January 1998]

The trial of Mr Botha commenced in April and was postponed after a single day for further hearing in June 1998.²⁶² [²⁶² *The Star* 16 April 1998] It remained in progress at the time of writing.

Investigation of Mrs Winnie Madikizela-Mandela

In 1991 Mrs Winnie Madikizela-Mandela, a former wife of the president, Mr Nelson Mandela, had been convicted of kidnapping four youths, including a 14-year-old activist, Stompie Seipei, from the Methodist Church manse in Soweto in late 1988 (see 1991/92 *Survey*, p485). Stompie was killed thereafter and Mr Jerry Richardson, the coach of Mrs Madikizela-Mandela's soccer team, the Mandela United Football Club (MUFC), was subsequently convicted of his murder.²⁶³ [²⁶³ 1991/92 *Survey*, pxxxix] The trial court accepted Mrs Madikizela-Mandela's alibi that she had gone to Brandfort (Free State) at the time of Stompie's death and was not responsible for his death.²⁶⁴ [²⁶⁴ *The Citizen* 24 November 1997] (See also 1991/92 *Survey*, pxxxix.)

Mrs Madikizela-Mandela was subpoenaed to appear before the TRC for a two-day closed hearing at the end of September 1997 to investigate Stompie's murder and the disappearance of two other youths, Lolo Sono and Sibusiso Tshabalala.²⁶⁵ [²⁶⁵ *Business Day* 4 September 1997]

Renewed allegations were also made that Mrs Madikizela-Mandela had been involved in the death in January 1989 of a Soweto doctor, Dr Abu Baker Asvat. (Dr Asvat had examined Stompie shortly before his death, noted the extent of his injuries from sustained assaults, and advised that he be taken to hospital immediately for treatment. Instead, Stompie had apparently been killed by Mr Richardson, who allegedly took the view that the young activist would die in any event.)²⁶⁶ [²⁶⁶ *The Citizen* 6 September, 4 December 1997]

In October 1997 Mrs Madikizela-Mandela was subpoenaed by the TRC to appear at a public hearing at the end of the following month. The subpoena advised her that she would be questioned regarding the abduction, assault, torture, or murder of some 20 people, including Stompie, Mr Sono, Mr Tshabalala, and Dr Asvat. She would also be asked about the formation and purpose of the MUFC.²⁶⁷ [²⁶⁷ *Business Day* 14 October 1997]

Numerous witnesses gave evidence to the commission, depicting Mrs Madikizela-Mandela as a 'vengeful, violent woman, prone to jealous rages and deeply involved in the assault and murder of several young activists'.²⁶⁸ [²⁶⁸ *The Citizen* 25 November 1997] The witnesses included a former MUFC member, Mr Katiza Cebekhulu, who had been a co-accused in Mrs Madikizela-Mandela's trial and who alleged that he had, on the instructions of senior ANC leaders, been abducted from South Africa and imprisoned in Zambia shortly before the trial was due to begin.²⁶⁹ [²⁶⁹ *Sunday Times* 26 October 1997, *Business Day* 26 November 1997, *The Citizen* 3 December 1997] Mr Cebekhulu, who had been released from a Zambian jail through the intervention of a British MP, returned briefly to South Africa to tell the TRC that he had witnessed Mrs Madikizela-Mandela stabbing Stompie twice with something that 'shone in her hand'.²⁷⁰ [²⁷⁰ *Business Day* 26 November 1997]

Much of the testimony provided the commission was contradicted either by the accounts of other witnesses or by other evidence. As the hearing drew to a close, Dr Boraine said 'a range of lies and half-truths had been told to the commission'.²⁷¹ [²⁷¹ *Ibid* 2 December 1997] A non-governmental organisation called the Media Monitoring Project accused the media of having 'already tried and found guilty' Mrs Madikizela-Mandela through its 'unbalanced reporting' of the commission's hearings.²⁷² [²⁷² *Sowetan* 5 December 1997]

At the end of the testimony against her, Mrs Madikizela-Mandela took the witness stand. She denied complicity in any crime, describing the allegations made in this regard as 'ludicrous', 'ridiculous', 'lunatic', and 'fabricated'.²⁷³ [²⁷³ *Business Day*, *The Star* 5 December 1997] She accused a 'cabal' within the ANC of seeking to prevent her being elected deputy president of the ANC at the organisation's 50th national conference, to be held in Mafikeng later in the month.²⁷⁴ [²⁷⁴ *The Star* 5 December 1997]

At the conclusion of the hearing, Archbishop Tutu exhorted Mrs Madikizela-Mandela to acknowledge that 'things had gone wrong'. Paying tribute to her as a 'great person', he said she would enhance her standing immeasurably if she would only make this acknowledgement. Mrs Madikizela-Mandela finally said: 'I am sorry it all went wrong',²⁷⁵ [²⁷⁵ *Sunday Times* 7 December 1997] and apologised to Stompie's mother and the family of Dr Asvat. She was hugged by Archbishop Tutu while the audience broke into applause.²⁷⁶ [²⁷⁶ *The Sunday Independent* 7 December 1997]

An editorial in the *Sunday Times* commented that the hearings had revealed the 'essential weakness' of the TRC process. 'It was a litany of wild allegations, untested claims, defamations, theatre, and score-settling.'²⁷⁷ [²⁷⁷ *Sunday Times* 7 December 1997] An editorial in *The Citizen* said Archbishop Tutu's conduct had been a 'disgraceful display of bias', while Mrs Madikizela-Mandela's acknowledgement that 'things had gone wrong' was a 'classic piece of evasion'.²⁷⁸ [²⁷⁸ *The Citizen* 6 December 1997]

The attorney general for the area of the Greater Johannesburg Transitional Metropolitan Council, Mr Andre de Vries SC, said that a renewed investigation would be initiated into the activities of Mrs

Madikizela-Mandela and the MUFC.²⁷⁹ [²⁷⁹ *Rapport* 21 December 1997] In January 1998 the TRC convened a further three-day public hearing on the activities of the MUFC,²⁸⁰ [²⁸⁰ *Business Day* 13 January 1998] and investigations continued at the time of writing.

Investigation of Political Violence in Kwazulu-Natal

The TRC also investigated the alleged role in ‘hit-squad’ activities of some 200 supporters of the IFP who had been trained in 1986 by the former South African Defence Force (SADF) in the Caprivi Strip in Namibia (then South West Africa).

In 1996 a former minister of defence, General Magnus Malan, 14 senior SADF officers, and five Caprivi trainees had been acquitted on charges of murder and conspiracy to murder arising from the Caprivi training. The court dismissed evidence that the accused had been involved in the 1987 massacre of 13 people in KwaMakhutha (south of Durban), and that Inkatha members had been trained in the Caprivi to act as ‘hit squads’ against the ANC and the United Democratic Front (UDF) in KwaZulu-Natal (see 1996/97 *Survey*, p102). Archbishop Tutu and Dr Boraine responded that the commission might conduct its own investigation into the matter, as the TRC provided a better vehicle for revealing the truth about the past than did the courts.²⁸¹ [²⁸¹ *Rapport* 25 May 1997]

In March 1997 the TRC was presented with a report on the Caprivi training compiled by Mr Howard Varney. (Mr Varney had been the chairman of the civilian board responsible for the investigation task unit, a special police unit that had gathered the evidence against the accused in the Malan trial.) Mr Varney alleged that the prosecution had mismanaged the Malan case, while the trial judge, Mr Justice Jan Hugo, had failed ‘to get to grips with the documentary evidence’ regarding Operation Marion—the code name for the Caprivi training.²⁸² [²⁸² *Sunday Times* 30 March 1997]

The report indicated that in the mid-1980s, the State Security Council (SSC) had discussed, among other things, the development of an offensive paramilitary unit for Inkatha. It argued that members of the SSC must have known that, if Inkatha were given such a capacity, it would use it to launch attacks on its political opponents. Hence, all who had participated in the SSC discussions were ‘accountable for the acts of murder and mayhem that flowed from the creation of the project’.²⁸³ [²⁸³ *Ibid*]

Mr Ntsebeza, the head of the TRC’s investigative unit, said the commission would study the report to see if the TRC supported the verdict reached in the Malan trial.²⁸⁴ [²⁸⁴ *Business Day* 10 April 1997] In May 1997, one of the commissioners, Mr Richard Lyster, said three Caprivi trainees would shortly give evidence—none of which had been considered in the Malan trial—that ‘hundreds of people had been killed by the Caprivi trainees’ in different parts of the province.²⁸⁵ [²⁸⁵ *Rapport* 25 May 1997]

Chief Mangosuthu Buthelezi, minister of home affairs and president of the IFP, responded that the commission was effectively trying to re-open the Malan case. Judge Hugo had found the training legal

and, if individual trainees had committed crimes since then, this could not be attributed to Chief Buthelezi or to the IFP. Mr Lyster, he added, had been a member of the UDF for many years, while Archbishop Tutu had been a UDF patron. The commission was biased towards the ANC, and was making no real endeavour to probe the murder of some 400 IFP leaders in the province.²⁸⁶ [286 Ibid]

In July 1997 six individuals were subpoenaed to give evidence regarding the Caprivi training to the TRC behind closed doors. Those subpoenaed included Dr Niel Barnard, a former head of the National Intelligence Service (NIS); General Basie Smit, a former senior officer in the South African Police, implicated by the Goldstone commission in alleged 'third-force' activities (see Jeffery A J, *The Natal Story: 16 years of conflict*, South African Institute of Race Relations, Johannesburg, 1997, p429); and General Jac Buchner, a former commissioner of the KwaZulu Police (KZP), who had been similarly implicated.²⁸⁷ [287 Ibid 29 June 1997]

Dr Barnard told the commission that he had always opposed the creation of a paramilitary unit in KwaZulu-Natal in the 1980s. At that stage, secret planning was already under way to begin negotiations with the ANC. A paramilitary unit in the Natal region would escalate conflict, result in further deaths, and delay the quest for a peaceful constitutional solution.²⁸⁸ [288 *Business Day* 16 July 1997]

The commission arranged a special two-week hearing in Durban in August 1997 to canvass the activities of the Caprivi trainees. The TRC served notice on 114 people—including Chief Buthelezi, Mr F W de Klerk, Gen Malan, various cabinet ministers, and 33 IFP leaders—that they could be detrimentally implicated by the former Caprivi trainees and SADF members who would give evidence at the hearing.²⁸⁹ [289 *Rapport* 29 June 1997]

Mr Varney told the TRC that the Caprivi trainees had acted 'at the behest of the most powerful individuals within the apartheid state and its surrogate homeland structures'. Chief Buthelezi had deliberately sought and been given an offensive capacity for Inkatha by the SADF.²⁹⁰ [290 *Cape Times* 7 August 1997] Judge Hugo had erred in his interpretation of the relevant documents, which made it clear the training had aimed at building up 'an offensive capacity to carry out attacks against enemy agents'.²⁹¹ [291 *Business Day* 7 August 1997]

Mr Daluxolo Luthuli, who said he was the leader of the Caprivi trainees, described the part played by himself and Mr M Z Khumalo—then personal assistant to Chief Buthelezi—in training and deploying the Caprivi group. Addressing the media after the hearing, he said that Chief Buthelezi 'must have known' about hit-squad activities,²⁹² [292 *Business Day*, *Cape Times* 7 August 1997] and should be subpoenaed by the TRC. 'Chief Buthelezi must have known what his personal assistant, his senior KZP officers, fellow IFP leaders and IFP foot soldiers were up to,' he said.²⁹³ [293 *Business Day* 15 August 1997]

The former SADF generals told the TRC that they could not be held responsible for any illegal conduct in which the Caprivi trainees might later have engaged. They described Mr Varney's evidence as 'biased

and unfactual’ and said it contained ‘lies and deliberate distortions’. The training had been for a lawful purpose and had taken place in the context of frequent attacks on Inkatha by the ANC and UDF.²⁹⁴ [²⁹⁴ *The Citizen* 16 August 1997]

As the hearing proceeded, the IFP withdrew from peace talks with the ANC (see chapter on *Security*) in protest against the TRC’s alleged bias.²⁹⁵ [²⁹⁵ *Business Day* 11 August 1997] Chief Buthelezi called for the commission to be abolished because ‘it was doing nothing to either reveal the truth or to reconcile people’.²⁹⁶ [²⁹⁶ *Ibid* 15 August 1997] In October 1997 the IFP asked the public protector to investigate the TRC’s anti-IFP bias and its apparent intent to discredit political parties in opposition to the ANC.²⁹⁷ [²⁹⁷ *The Citizen* 9 October 1997] At the time of writing, the public protector’s inquiry was proceeding (see chapter on *Government and Constitution*).

In April 1998 Mr Luthuli and six former KZP officers—mostly Caprivi trainees—applied to the TRC for amnesty and gave evidence that they had been involved in ‘numerous killings and massacres, such as the one in Kwa-Makhutha’ in 1987. In all, the seven applied for amnesty for 56 incidents in which more than 100 people had been murdered.²⁹⁸ [²⁹⁸ *Sowetan* 7 April 1998]

Committee on Reparation and Rehabilitation

In October 1997 the TRC unveiled proposals put forward by the Committee on Reparation and Rehabilitation. The commission suggested, firstly, the payment of interim relief—to a maximum amount of R2 000—to people in immediate need of assistance. It also recommended a longer-term plan of reparation and rehabilitation, involving:²⁹⁹ [²⁹⁹ *The Star* 23, 24 October 1997]

- payments to individual victims of gross violations of human rights, who would be entitled, for a period of six years, to annual grants ranging from R17 029 a year to R23 023 a year;
- symbolic reparation in the form of monuments and memorials, and a national day of remembrance;
- community rehabilitation through the upgrading of services and facilities; and
- institutional reform, including ‘legal, administrative, and institutional measures designed to prevent a recurrence of human rights violations’.

Individual payments to some 22 000 victims would cost some R500m a year, or R3bn over six years. The commission said that most of the money needed would come from government, while donations from within and outside the country would also be sought.³⁰⁰ [³⁰⁰ *The Star* 23 October 1997, *The Citizen* 24 October 1997]

Measures aimed at rehabilitation, it said, should include:³⁰¹ [³⁰¹ *The Star* 24 October 1997]

- the demobilisation of township youths exposed to political violence for many years;
- a rehabilitation programme for the perpetrators of human rights violations;
- the expunging from criminal records of convictions for political activities; and
- appropriate relief for ‘internal refugees’—the thousands of people driven from their homes by political conflict.

In early May 1998 the first 700 people officially declared victims of human rights violations were sent notices by the commission, informing them that they were eligible to apply for reparation. The TRC planned to send out some 2 000 official findings and reparation application forms each week, and the completed application forms would then be considered by the reparations committee. Notices would also be sent to people who had been found, in a minority of cases, not to have been victims of gross violations of human rights. These individuals would be entitled to appeal against this determination.³⁰² [³⁰² *Ibid* 7 May 1998]

Proposals to Continue the Work of the TRC

In February 1998 it was reported that Archbishop Tutu had agreed to be the patron of a planned institute for change, memory and reconciliation. This organisation would commence work after the TRC had closed. The new institute was proposed by the commission’s research director, Professor Charles Villa-Vicencio, who said there was a vital need for such a body to continue to promote the ideal of reconciliation and to ensure that the TRC’s authoritative account of the country’s ‘ignoble past was not forgotten or rewritten’.³⁰³ [³⁰³ *Sowetan* 20 March 1998] It would also seek to promote democracy and human rights.³⁰⁴ [³⁰⁴ *Ibid* 24 March 1998]

A number of commissioners—including Dr Boraine, Mr Ntsebeza and Ms Yasmin Sooka—would become members of the board of the new institute, as would Judge Goldstone, the Anglican Archbishop of Cape Town, the Rev Njongonkulu Ndungane, and a former NP leader, Mr Leon Wessels. Funding, in the amount of R17m, was being sought for the new body from the European Union and the Finnish government.³⁰⁵ [³⁰⁵ *Business Day* 12 February 1998] Proposals to establish this new body were criticised by organisations already active in the human rights field, and further fundraising and other preparations for its establishment have been postponed until after the TRC has concluded its report on its findings.³⁰⁶ [³⁰⁶ *Ibid*]

Foreign Affairs

Speaking in Parliament in April 1997, the minister of foreign affairs, Mr Alfred Nzo, indicated that priority areas in South Africa's foreign affairs were the development of Africa, the expansion of global trade links, and the promotion of human rights around the world.³⁰⁷ [³⁰⁷ *Hansard* (NA) 6 cols 1855–1865, 24 April 1997]

In a discussion document prepared for the 50th ANC conference, it was argued that trade and diplomacy could not always override moral considerations.³⁰⁸ [³⁰⁸ *Business Day* 28 July 1997]

Arms Policy and Human Rights

During the period under review human rights, democratisation, and the arms trade were a prominent feature in South Africa's foreign affairs, as were criticisms made about the way in which the government conducted these.

In early 1997 it was revealed that minutes from a cabinet meeting in December 1996 suggested that South Africa was to sell a 'tank firing control system' to Syria.³⁰⁹ [³⁰⁹ *Ibid* 15 January 1997] The Department of Foreign Affairs noted, however, that no definite decision had been taken.³¹⁰ [³¹⁰ *The Citizen* 15 January 1997] The United States, which regards Syria as a country that sponsors terrorism, termed the proposed sale a 'very bad idea', and threatened to cut off aid to South Africa if the sale were made.³¹¹ [³¹¹ *Ibid* 15, 16 January 1997] In March, the minister of defence, Mr Joe Modise, said that although a marketing permit, which was part of the process involved in the export of arms, had been issued in accordance with South African law, 'we did not tender, as no documentation was received from Syria'. He added that South Africa was committed to peace in the Middle East and hoped that 'the Syria question can be laid to rest'.³¹² [³¹² *The Star* 19 March 1997]

During the period under review, various further controversies arose from reports of forthcoming arms sales to Saudi Arabia, Kuwait, and the People's Republic of China.³¹³ [³¹³ *The Citizen* 3 February 1998, 2 September 1997] The president, Mr Nelson Mandela, also encountered some criticism after stating that South Africa would be prepared to sell arms for external defence, to Indonesia, (which illegally occupies East Timor, considered by the United Nations to be under Portuguese administration).³¹⁴ [³¹⁴ *The Star* 16 July 1997]

In the wake of the controversy surrounding the possible sale of arms to Syria, an editorial in *The Sunday Independent* in April 1997 said that while South Africa had at times displayed some 'refreshing independence' in respect of actions against human rights abusers, 'if we observed our own admirable criteria for arms sales we would be in a far stronger moral position to pursue our diplomatic and trade interests with countries whose records on human rights leave much to be desired'.³¹⁵ [³¹⁵ *The Sunday*

Independent 27 April 1997]

In March 1997 the Congress of South African Trade Unions blockaded border posts between Swaziland and South Africa in support of demands for political reforms regarding the treatment of trade unions in Swaziland. Mr Nzo defended Cosatu's right to engage in such activities and denied that it amounted to interference in Swaziland's internal affairs.³¹⁶ [³¹⁶ *The Citizen* 4 March 1997] In September 1997 Mr Mandela criticised the political systems of some members of the Southern African Development Community at the organisation's summit in Malawi. Members of Parliament in Swaziland subsequently accused Mr Mandela of interfering in their country's internal affairs.³¹⁷ [³¹⁷ *Business Day* 9 September 1997, *The Citizen* 13 September 1997]

In October 1997 Mr Mandela conferred South Africa's highest state honour, the Order of Good Hope, on the Libyan leader, Colonel Muammar Gaddafi, and in November, on President Mohamed Suharto of Indonesia.³¹⁸ [³¹⁸ *Business Day* 30 October 1997, *The Sunday Independent* 23 November 1997] These awards were condemned by the National Party and Democratic Party because of those countries' poor human rights records. The director of media liaison in the office of the president, Mr Parks Mankahlana, stated that Mr Mandela believed that such attacks were motivated by racism.³¹⁹ [³¹⁹ *The Citizen* 26 November 1997]

Diplomatic Recognition of the People's Republic of China

On 1st January 1998 South Africa transferred diplomatic recognition from the Republic of China on Taiwan to the People's Republic of China (PRC), in accordance with a decision taken by the government in late 1996. Mr Mandela stated at a news conference in late December 1997 that ties between the PRC and South Africa would be mutually beneficial. He added that South Africa accepted the position of the PRC that 'there is only one China'.³²⁰ [³²⁰ *Business Day*, *The Citizen* 30 December 1997] Taiwan would, however, maintain a mission in South Africa, the Taipei Liaison Office. This office would perform all the functions of an embassy, although it would not be allowed to fly Taiwan's flag.³²¹ [³²¹ *The Citizen* 24 December 1998]

APPENDIX: LEGISLATION

National Legislation

Abolition of Corporal Punishment Act of 1997

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Basic Conditions of Employment Act of 1997

225, 228, 231, 234, 262, 288, 357, 362, 371, 468

Correctional Services Amendment Act of 1997

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Council of Traditional Leaders Act of 1997

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Criminal Law Amendment Act of 1997

25

Criminal Procedure Amendment Act of 1997

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Criminal Procedure Second Amendment Act of 1997

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Dental Technicians Amendment Act of 1997

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Education Laws Amendment Act of 1997

115, 176, 178

Extension of Security of Tenure Act of 1997

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Financial and Fiscal Commission Act of 1997

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Higher Education Act of 1997

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Identification Act of 1997

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Intergovernmental Fiscal Relations Act of 1997

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Land Restitution and Reform Laws Amendment Act of 1997

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Legal Deposit Act of 1997

341, 342, 344–345

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