sash

SPECIAL ECONOMIC FOCUS

VOLUME 31 NO 3 DECEMBER 1988

contents

Cover Note

Our cover illustration speaks to the historical and human dimensions of economic development in South Africa. It is based on Gavin Younge's 'Koperberg' sculptures, related to South Africa's first commercial mining venture at O'Okiep in Namaqualand. The Koperberg series juxtaposes the imagery of mining machinery (shown on the front cover) and of the original metal workers (shown on the back cover) whose richly ornamented dress, manners and industry, are described by Jan van Riebeeck's diarist.

SASH magazine

SASH magazine is the official organ of the Black Sash. While editorials and editorial policy adhere broadly to the policies of the Black Sash, the views and opinions expressed in other material do not necessarily reflect the opinions of the Black Sash.

The contents of this magazine have been restricted in terms of the Emergency regulations.

All political comment in this issue, except where otherwise stated, is by H Zille, 5 Long Street, Mowbray 7700.

Published by the Black Sash, 5 Long Street, Mowbray 7700.
Printed by Blackshaws. Desktop Publishing by Roger Milligan.

SA ISSN 0030-4843

Subscriptions

5 Long Street, Mowbray 7700

Local subscriptions per year (postage included):
South Africa: R15,00
Botswana, Malawi, Zambia and Zimbabwe: R30,00
Overseas subscriptions per year (airmail postage):
UK and Europe: R37,00
United States and Canada: R45,00
Australia and New Zealand: R50,00
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John Tenniel

editorial

When Lewis Carroll's Rabbit looked at his watch and said, 'Oh dear! I shall be too late', his reasons for haste and his destination were unclear. But Alice's curiosity was aroused by his air of purpose so she followed where he led, and continued to explore after the Rabbit disappeared.

With this issue of SASH the editorial committee intends that an important exploration will be set in train. Economic issues and options may seem labyrinthine and, to many, arcane but the urgency of addressing them scarcely needs to be explained. Whether one is more concerned to conceptualise the process of transition to a future South Africa, or to understand the linkages between economic pressures and political change, or to cope 'on the ground' with problems of joblessness and poverty (the list is endless), the question requires a grasp of economics. We are grateful to our guides - the numerous contributors to this magazine who have been at pains to present complex issues in accessible terms.

The exploration begins with a discussion of alternative economic systems. No 'destination' is prescribed, but critical considerations are outlined and the 'acid test' of any system is defined as 'Will it fly?' Economists, historians and political theorists debate, or simply share their perceptions of long-term trends, recent turbulence and what the future holds. The sanctions question has the potential to divide the Black Sash, as it has done in the wider society. Mary Burton describes the way in which the organisation strives to 'encompass diversity'. It is also noted that 1989 will be the 200th anniversary of the French Revolution. The comic side of similarities between that 'revolutionary' situation and our own cannot conceal the tragic repetition of doomed patterns from the past.

A focus on a vast subject such as economics can be introductory at best. Though the 'Rabbit' bows out, the road to further exploration is marked, for example, by reading lists which point the way for independent quests.

Candy Malherbe

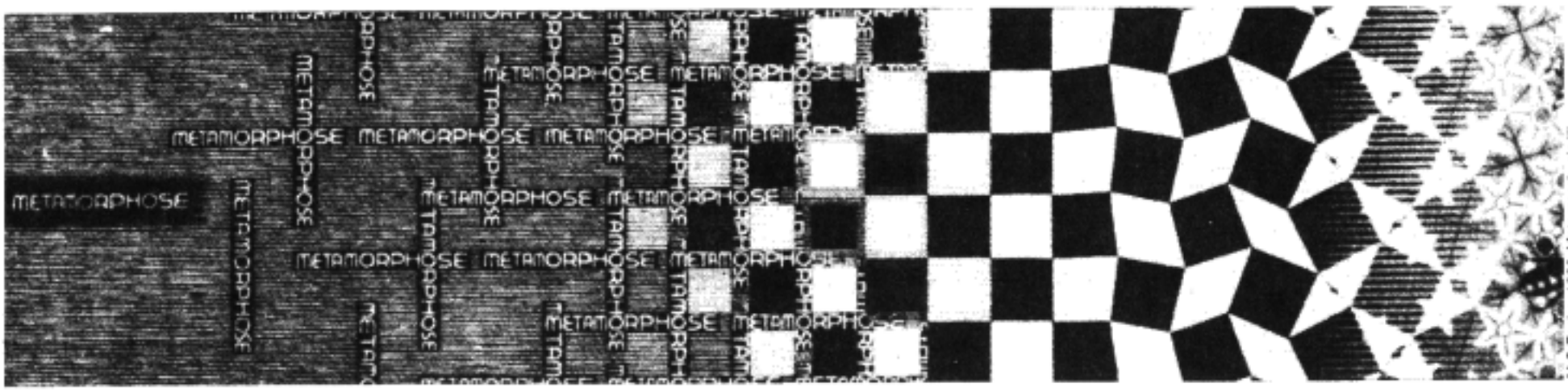
'the best of all possible worlds'

debating alternative economic systems in south africa

sean archer

Pangloss: *'Tis demonstrated ... that things cannot be otherwise;*
for since everything is made for an end,
everything is necessarily for the best end.'
Candide: *'If this is the best of all possible worlds,*
what are the others?' *(Voltaire)*

Most of us have lived all our lives in one kind of socio-economic system. Unless we are unusually reflective and critical, we are likely to assume it is the only workable system. From there the step to the belief that it has evolved 'naturally' over a long time, and is therefore the best, is short. The discovery that many people do not share this view, indeed reject it on perfectly respectable intellectual grounds, can come as revelation or shock. The following discussion may assist in understanding why fundamental changes in our existing system are being debated.



The role of the state in the classic capitalist model has been likened to that of a night watchman.

The goals of any economic system, whether capitalist, socialist, or hybrid like the welfare state, include the following:

- poverty elimination;
- efficiency of functioning;
- growth in gross national product;
- adequate consumption levels of the population;
- equity in the distribution of income;
- resilience, adaptability and autonomy in the face of adverse change.

This list is not a ranking and neither is it exhaustive, but these objectives are without doubt amongst the most important. Some interrelationships should be noted, indeed, a little reflection will show that all the listed goals are related in one way or another. For instance, per capita consumption in South Africa, when viewed as a simple average, is at a reasonable level by international standards yet, because equity in the distribution of income (which governs consumption) is so low, poverty remains a major problem.

Another illustration is furnished by the large group of Third World economies that rely heavily on a single or small range of commodity exports for growth and international exchange; copper in Zambia, oil in Nigeria, sugar in Cuba are cases in point. Under favourable demand conditions in the world economy most of their goals can be met and the potential created for development. Yet their position is that of the proverbial tail of the dog, extremely volatile and dependent, so their economies are short on resilience and autonomy in the face of adversity.

These goals may also mutually conflict rather than complement each other. Equity, for example, entails decision-taking that is democratic and therefore slow; collective responsibility which carries the danger of buck-passing; solidarity and economic security that generate complacency and a weak commitment to work. Thus a single-minded pursuit of equity can jeopardise the other goals. In practice, compromises - 'trade-offs' - characterise the functioning of any economic system.

What is capitalism?

It denotes a system characterised by private property in the resources (natural and man-made) used in production and exchange. That is, the 'instruments' or means of production are held by individual owners, singly or corporately, for profit. Note that property is not a thing; it is a *right* to a revenue or income.

Wage labour is the second defining feature. That is, the worker is employed by a boss or company who owns the land, buildings, machines and tools and pays for labour services at regular intervals on a time or piece-rate basis. Other characteristics are monetary exchange through the market - of means of production and means of consumption - and free enterprise in the sense of unfettered scope, or legitimacy in law, to pursue profit as the maximum surplus over production costs.

The role of the state in the classic capitalist model has been likened to that of a night watchman. Its functions are to guard property rights, to maintain the law of contract, and to hold the arena for capital and labour, as free and equal parties, to enter into mutually beneficial exchange.

What is the merit of this system? Historically speaking it has generated high rates of accumulation*, in some countries at certain times. By the mid-nineteenth century, two political economists destined to be capitalism's severest critics could write:

> The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together ... [that class] by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbaric nations, into civilisation.
> *(Marx and Engels)*

* 'Accumulation' means the way in which, within a given structure of ownership of resources, the surplus of output over the consumption needs of those working is extracted, mobilised through financial channels, and invested for replacement and new productive capacity, like farms, factories and infrastructure - roads, powerlines - including schools, hospitals and the like.

Within capitalist societies - markedly so in the one we all know best - gross inequities abound.

Capitalism has liberated the creative potential of humanity on a large scale. Our globe has been transformed by industrialisation, urbanisation, and advances in applied science. The resultant material prosperity of *some* of its inhabitants is without historical precedent.

Problems with capitalism

The original and still-enduring criticism of capitalism points to the contradiction - an 'incompatibility increasing over time' - between the *private* ownership of resources by capitalists, for the generation of profit that is individually appropriated, and the *social* nature of production. Concentration of economic power conflicts with growing interdependency in the division of labour. It is held that the sequence from individual capitalist enterprise, to corporate forms of ever-greater complexity, to the rising economic role of the state, is a law, a historical regularity, not simply a trend amongst a set of possibilities open to capitalism. This metamorphosis will lead to a system some call socialism. So runs the prediction.

Secondly, some critics contend that capitalism is inherently incapable of stability. Development of the forces of production in the form of modern technology has so altered economic choices that the market cannot handle them. Co-ordinated action *beyond* the market mechanism is essential to deal effectively with problems posed by:

- length of time horizons;
- scale of risks;
- cost of information dispersal;
- increasing impact of externalities (effects outside private responsibility and the market) like pollution, and the depletion of common property resources in the oceans and atmosphere;
- degradation of the work environment;
- social responsibility for welfare;
- equality of opportunity.

At best the markets necessary to handle these phenomena function imperfectly; at worst they do not - some say, cannot - exist.

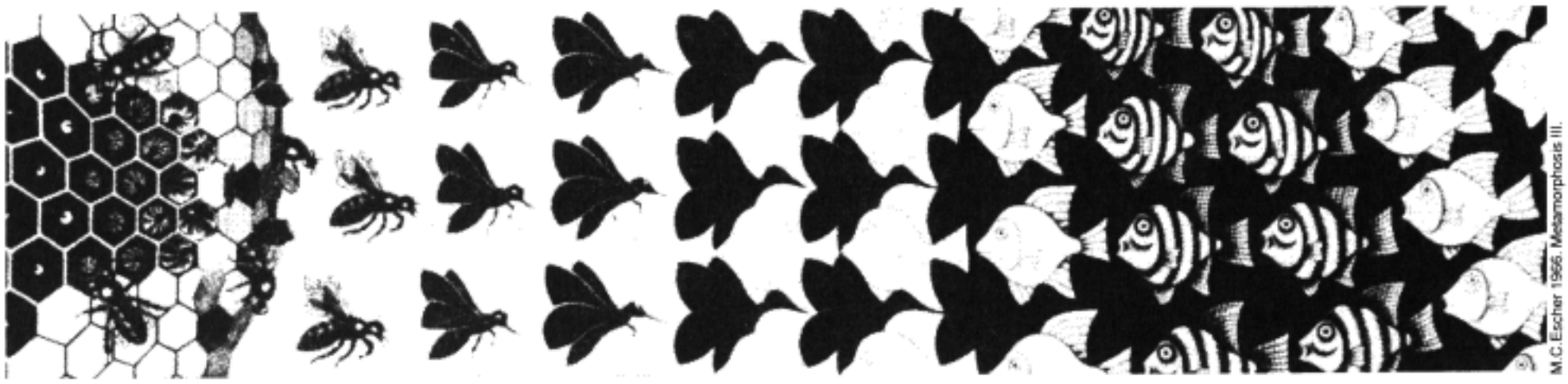
Current events remind us that the 'primary instability' in the system, its propensity to boom and slump, remains pervasive in modern capitalism. Once upon a time it seemed that the state could 'fine tune' the economy by judicious monetary and fiscal policies (taxation and public expenditure). This seems much less evident today. In peripheral economies like South Africa these fluctuations are accentuated: when the developed centre of the world economy sneezes, we have a seizure.

Thirdly, it is not a world system. Capitalism exists fully fledged in only a small minority of nation states. Some of these are growing, some are stagnating. Brazil and the small 'miracle economies' of South-East Asia - Hong Kong, Singapore, Taiwan, South Korea - are examples of the former; Britain and, arguably, certain other West European countries are instances of the latter.

There is a joke in which Reagan, on becoming president and surveying the world, asks his advisors anxiously: 'Can we have capitalism in only one country?' So, the relevant question is not 'Will capitalism become a world system?' but rather 'Could it do so?' There is an answer of wide currency in the Third World, notably in Latin America, which is emphatically negative. To think otherwise is to misconceive the history and nature of capitalism: some nations are wealthy and powerful *because* others are poor.

Thus, to postulate global capitalism is to postulate a contradiction. Exploitation is not a reciprocal relationship: I cannot exploit you, and you me, and we both get rich in the process. In this view the material standards achieved in developed capitalist countries do not constitute a mirror of the future for the vast population of the earth because they are impossible to emulate.

Finally, capitalism is an unjust system. Within capitalist societies - markedly so in the one we all know best - gross inequities abound. These negate common notions of distributive justice. The pertinent issue, however, is whether they can be overcome *within* the system. This is to be doubted, some assert, in that the ultimate causes are systemic, built in, rather than contingent. Economic agents enter the market place not on a basis of equality but with differences in power. At root such differences stem from


M.C.Escher 1966. Metamorphosis III.

The proponent of socialism should be perceived neither as a bogeyman (or woman) nor as a purveyor of indisputable propositions

property relationships, in the sense that in production labour is structurally subordinate to capital. Profit is thus unearned income stemming from resource ownership. Such inequalities are deepened by the accumulation process which concentrates wealth and power in fewer hands. Why? The short answer is that the logical end of competition is monopoly. In Orwell's pithy phrase, 'The trouble with competitions is that somebody wins them.'

In the richest countries the free supply of education, albeit meritocratically in the upper reaches, the acquisition of skills, the spread of health care and social security, the growth of trade unions, in short: the paraphernalia of late capitalism that we associate with Keynesian thinking and the Scandinavian model of the welfare state, have been highly effective in raising levels of living for the bulk of their populations. No serious anti-capitalist critic will deny this.

But the circumstance often overlooked by advocates of the welfare state for other societies is that prior accumulation on a vast scale appears to be an absolute precondition. You cannot pay a worker more simply because he is poor: he must be more productive. The logic of the market and the law of value require either that he be more skilled, or have available more capital equipment, or work harder, or all of these in combination. Extensive recourse to the tax-transfer mechanism is not possible unless there is fat in the system. To be egalitarian under capitalism, you must be rich first.

A last thought in this connection concerns the role of economic growth. Maintenance of the capitalist economy has been likened to bicycle riding: stability requires forward motion. Expansion of the system helps to defuse social conflict within. Low growth rates undermine the ability of the capitalist state to redistribute income just when the need to do so becomes greater, a dilemma which South Africa's rulers are having to contemplate.

What about socialism?

To introduce the socialist alternative adequately would take another paper. We must be content instead with a few observations calling into question those preconceptions, usually negative, and misconceptions, usually positive, which abound in South Africa on both sides of the political and social divide. Not only does prejudice have to be combated, but blind advocacy has also to be purged of illusions and wishful thinking. The proponent of socialism should be perceived neither as a bogeyman (or woman) nor as a purveyor of indisputable propositions: both stereotypes do progressive ideas a disservice.

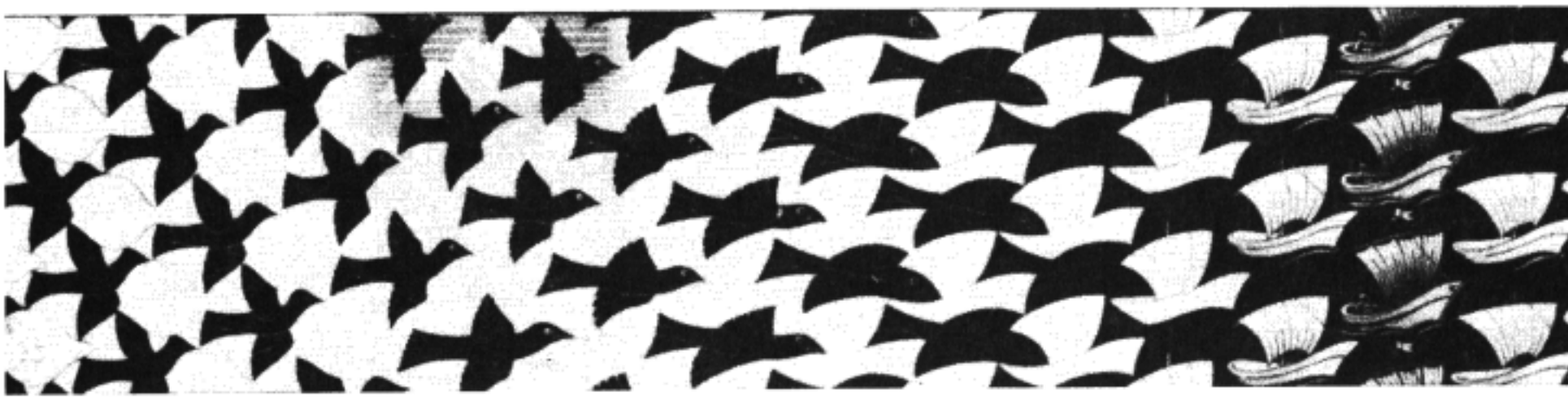
For the sake of discussion, a working distinction between socialist thought (the principles of socialism) and socialist practice ('realised' or 'actually existing' socialism) is useful. Unlike the legitimating philosophy of capitalism, socialist theory is a less unified body of thought. There are many strands, some rival, some complementary. Anarchism (or anarcho-socialism), for instance, is hostile both to private property and centralised power. And how do we situate Eurocommunism within the many variants of social democracy?

Socialist theory

To distil a common set of principles, or system rules, for socialism is no easy task. But we begin by asking: what is predicted to happen when ownership of productive resources passes from a private to a social basis? Take note that 'social' does not mean 'public'. The German terms '*gesellschaftlich*' (belonging to society) and '*öffentlich*' (belonging to an open or public institution) bring out the distinction better. In South Africa, ISCOR, SASOL, the Industrial Development and Armaments Corporations and their other counterparts are public, not social bodies. As agencies of the capitalist state they represent sectional interests, and many inhabitants would see their activities as less than benign.

What are the anticipated consequences of the transformation from private to social ownership?

- **The human factor.** Labour changes from hired labour, working for someone else, into associated labour working consciously for



... capitalism might be even worse than it is if there were no socialists who thought that the world could be made better.

oneself. Men and women become self-managing, no longer exploited or alienated.

- **Co-operative participation.** Released from subordination, i.e. from the compulsion to work for owners of the means of production, association between producers becomes freely chosen and co-operative. Technical progress, being in the social interest, is fostered, and 'best-practice' methods of production are adopted because there is no vested concern for the retention of knowledge in private hands.
- **Social scale rationality.** What appear to be 'external' effects and interests from the vantage point of a capitalist would fall away. In production and exchange the stimulus for micro-level action by individuals along with their co-ordination through macro-level planning would be undertaken on a social not a private scale.
- **Distributive justice.** A more just system will come about via three key changes: the abolition of wage labour; the disappearance of unearned income stemming from the private ownership of natural assets, capital and intellectual property; and the community will freely determine the principles of distribution. This does not mean immediate equality, nor does it presume new socialist men and women imbued with idealism and altruism. The effects will come by change in social conditions, not from the internal moral transformation of individuals.

This smacks of utopianism; agreed, but not in a pejorative sense. These ideas have emerged from an historical tradition that has actively sought the analytical and ethical basis of a system now labelled *socialism*, but pre-dating this term (1827) by many generations of ideas. 'An association in which the free development of each is the condition for the free development of all' remains an abstract ideal. Yet the endeavours of many have made it a motor for major events this century, and continue to do so in our own lifetimes.

Indeed, capitalism might be even worse than it is if there were no socialists who thought that the world could be made better.

Problems with socialism

Coming to realised socialism, by which we mean the thirteen countries currently following non-capitalist or, more narrowly, Marxian precepts, what are the distinguishing features of these systems? In combination and varying proportions they are claimed to comprise: economic planning and central co-ordination; state or public ownership; conscious striving for equality; and wide participation in decision-making. The deficiencies of these systems at the political and bureaucratic levels - repression, cultural stagnation, repudiation of individual rights and civil liberties - are well known, so discussion here will concentrate upon the economic sphere; although, as we shall see, the two dimensions are intimately linked.

Central planning coupled to the other institutional features has been highly successful viewed in a long-term perspective. Countries economically and socially amongst the most backward have been industrialised rapidly; education, health, science and certain arts raised to levels comparable with developed capitalist countries; and full employment of labour maintained with the price level held constant. The list of achievements is long. In its speed - 30 to 60 years, taking China and the USSR as examples - it is unique.

Two conclusions can be drawn. First, where the set of output targets are few in number, are homogeneous (limited in variety), and require a relatively uniform technology with economies of large-scale output, an important historical lesson is that central planning can be highly productive. Examples of such outputs range through fuel and power, housing, medical care, transportation, schooling and basic consumer goods like clothing. Secondly, when sacrifices from the population are needed, a planned economy can impose demands and deliver rewards on a scale incompatible with the market mechanism.

Why are these systems today rather less attractive to poor countries than they were twenty years ago?

- On a technical level their vaunted growth

The level of politicisation of the population in a planned economy ... must be higher than that of other economies ...'

performance, while still positive, is markedly lower since the early seventies;
- they now appear more not less dependent upon capitalism for technology and food imports, and as outlets for exports;
- consumption, both of goods and services purchased privately and of education, health care and other items supplied collectively, has levelled off;
- agriculture supports a sizeable fraction of the population and yet remains the Cinderella sector despite the diversion of huge investments to it.

In sum, the picture is of deteriorating economic performance, despite the high rates of saving built into the system: a quarter to a third of the income flow is reinvested annually to boost production capacity. The economic model of 'centralised socialism' has been likened to a car locked into low gear: large quantities of fuel (accumulation) pass through but only low speeds can be attained.

It is important to realise that many trained and gifted minds - advisers, intellectuals, technocrats, leaders at many levels - are acutely aware of their system's inadequacies. Why then is there no reform and why do attempts in the past appear so half-hearted and ineffectual?

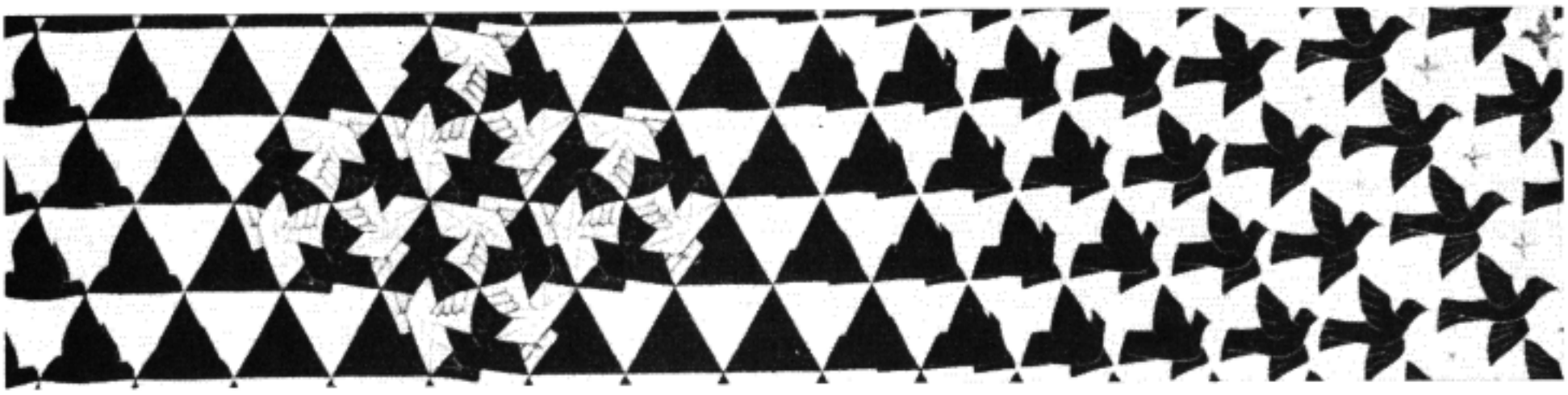
One answer is that technical problems of co-ordination are now much more formidable. The growing and unavoidable complexity in production (that is, in variety, technical choices, intermediate linkages, scale of operation) generates a demand for information in geometric ratio. The existing apparatus of planning cannot meet this demand. Nor is it solvable by adding more and more hardware like computers. What is needed is decentralisation of authority, devolution of decision-making, use of incentives and space for enterprising activity, and recourse to indirect methods of reconciling competing claims through the market mechanism. This is obviously controversial.

Here we see that the major obstacle is, in fact, political. Centralisation of power is a fundamental precept in the interpretation of socialism that is orthodox in these systems. It is upon this rock that attempted reforms have come to grief, and continue to do so. In the post-Stalin era this concentrated power is less malevolent than ambiguously benevolent in its effects, except for dissidents. This dimension of the state's role in the Soviet Union and the 'people's democracies' is exemplified in the joke from Hungary which has a boy scout coming home and saying, 'Phew, what a job I had doing my good deed today!' His mother asks, 'What was it?' 'I helped a blind man across the road.' 'But why was that so difficult?' 'Because he did not want to go.'

The level of politicisation of the population in a planned economy, it is argued, must be higher than that of other economies, because economically relevant information is highly dispersed and its free flow is absolutely essential for economic calculation by the central planners. For this flow to occur democratisation and participation of a high order are required so that people actively identify with the goals of the system; in addition, there has to be *social* not elitist control over accumulation and growth. There is historical irony in the fact that as long as this does *not* happen, i.e. that power is not dispersed to create a feed-back mechanism, then by default capitalism draws strength and adherents from the negative example of these socialist dictatorships.

The best system?

Some mixed economic formation, some amalgam and compromise between the mechanisms of plan and market seems to be inescapable for a workable embodiment of the socialist idea. Direct producers - whether on the factory floor, or working the land, or providing services - know best what input-output combination maximises surplus or minimises cost. Consumers again can more effectively signal their preferences - whether, what and when to buy - by revealing them in buying behaviour rather than by confronting a shopping list which the planners have based on hypotheses about demand. 'Menu' construction - deciding what will be produced - requires a two-way information flow in which consumers (including intermediate producers) play an active not reactive role. This



'You whites have dominated us blacks politically for three centuries ... you exercised this power to ensure that you were first at the starting line.'

presupposes market instruments and scope for bargaining on the shop and factory floors.

Similarly, a major economic role for the state appears to be an essential precondition for 'capitalism with a human face'. This emerged during the 30 years after 1945 in which the late capitalist countries experienced the most rapid burst of economic growth in their history. The visible hand of the state (to invert Adam Smith's metaphor for the market) manifested itself in measures of planned co-ordination and steering, price and wage interventions, and income redistribution. Notwithstanding the resurgence of *laissez faire* rhetoric this past decade, there is little evidence of regression to the 19th century model of competitive capitalism.

A second area of compromise and reconciliation must be that of incentives. What motives, in addition to self-advancement, can realistically be expected to spur action in the economic sphere? And under what conditions are private and social interests perceived by individuals to compete with as well as complement each other? Wishful thinking about altruism and the community-identification of ordinary people can be painful and disillusioning to those who subscribe to socialist goals. Tanzania since the late sixties and Hungary under the New Economic Mechanism, to cite intentionally disparate examples, are national experiences that have demonstrated the complexity of devising incentive structures which reconcile the goal of productive efficiency with that of equity in distributing its fruits.

We need to talk less about systems and to talk more about mechanisms. Yet we have also to beware of the 'supermarket fallacy'. System construction does not resemble pushing a trolley past the shelves of system components - economic instruments, policies, value systems, institutions - in order to put together that composite hybrid which we rank most highly by a set of criteria like those already discussed. The acid test has always to be posed in the light of empirical precedent and current circumstances: 'But will it fly?'

A South African Perspective

How do we draw together this discussion into a form that will throw light on the choice of a 'best' system for South Africa? Suppose yourself to be a defender of the existing order if liberalised in some degree. You meet a black political activist here or, more likely, abroad. You agree together on the necessity for economic reform in the post-apartheid period. In response to your arguments extolling the virtues of a market system (allocative efficiency, growth, dispersion of economic power), he says:

> You whites have dominated us blacks politically for three centuries. In all that time you exercised this power to ensure that you were first at the starting line. You accumulated capital; you acquired education and skills; you took title to exploitable land and natural resources; you constructed a legal and administrative framework for these processes; and the government you elected guided the market in ways declared to be in the 'national' interest.

He continues,

> Where does this put us today? In the economic sphere, along with more political democracy, you advocate the freeing up of market institutions and the greatest feasible scope for individual advancement. I translate that into the slogan: 'Equal starts for all.' That is, we blacks shed our handicaps and everyone is at the starting line together.
>
> What is going to happen? Here your predictions and mine diverge fundamentally. History will have left us with an economy oriented towards satisfying your consumption demands, while the educational system will still favour those who already have the major share of skills and material goods. Similarly with the infrastructure, the spatial location of productive activity, and the legal and regulatory apparatus: of contract, right to strike, factory acts, industrial health, taxation and subsidies. These, along with social welfare policies operating outside the market as safety nets, were instituted in response to the needs of pressure groups

'What we need is directive intervention in the economy by a democratic state.'

now forming part of the elite.

You say: treat all these features inherited from our economic past as by-gones, as given, and let the free market run. This way you will generate positive incentives, high rates of saving, entrepreneurial activity, innovation and growth, because the most potent solvent of bottlenecks and vested interests is the pursuit of self-interest by free individuals.

I say: this will entrench the existing disposition of economic power. The growth process will be neither impartial nor equitable; to that extent it is of dubious value because it will be disrupted by frustration and unrest. My people can be forgiven for seeing this as a ploy by the capitalist elite and the labour aristocracy for holding on to what they got through skewing the system their way in the past.

The philosophy of *laissez faire* and equal life chances will condemn the bulk of South Africans, now and in the coming generations, to poverty and deprivation at unacceptable levels. What trickles down will barely suffice to employ the increase in the working age population, let alone the vast numbers now permanently without proper jobs. And the rich will grow ever richer.

What we need is directive intervention in the economy by a democratic state. A restructuring of property rights or endowments, as you term them, is inevitable. Those self-regulating mechanisms of the market that are compatible with our redistributive objectives will be retained. Thus we shall use the price system, but as an instrument, a servant of our political and social endeavours, not as our sovereign.

M.C.Escher 1955. Liberation.

This statement will ring with greater or lesser authenticity to different readers. But it can hardly be denied that the obscene disproportions in the wealth and income shares of our society generate much hostility amongst black leaders and intellectuals not to the regime alone but also to the system.

This implies a sobering consideration for reflective South Africans. There is a substantial segment of our population for whom even authoritarian socialism promises to confer large and tangible benefits within their own lifetimes. To them it appears to mean, at worst, the same degree of regimentation and interference with personal freedom that exists now. Set against that cost is the promise of significant gains in material living standards, since such a regime would directly address basic needs: shelter, nutrition, health, education.

Why might these be forthcoming? Because, whatever its faults, that is a fundamental objective of such a system, and it would consolidate political support. Why could they attempt to do so? Because the accumulation process has provided sizeable means. There is a large infrastructure, plant and buildings, a labour force with industrial skills and work discipline, sophisticated educational system, administrative framework and so on.

One has to tread here with great care. But it will surely be conceded that the negative consequences of a system of centralised power with socialist aims, initially will be remote for many in the population. Is there another way of satisfying their needs and aspirations? If you doubt that capitalism will deliver the goods within an acceptable time horizon and still remain extant, then the real challenge to be faced is clear. This is what the choice of a socio-economic system for the future South Africa is all about. □

Condensed version of *Economics Learning Resource No. 12*, University of Cape Town 1987; the assistance of Candy Malherbe and Sarah-Anne Raynham is gratefully acknowledged.

Further Reading

The following items should be accessible to the interested reader:

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Dobb, M. 1970
Socialist Planning: Some Problems; London: Lawrence & Wishart

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The Socialist Idea; London: Weidenfeld & Nicholson

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Hungary's Reform: Halfway to the Market; *Challenge (New York),* May/June, pp. 22 - 31

Lane, D. 1985
Soviet Economy and Society; Oxford: Blackwell

Leatt, J., T. Kneifel and K. Nürnberger 1986
Contending Ideologies in South Africa; Cape Town: David Philip Publisher

Lekachman, R. and B. van Loon 1981
Capitalism for Beginners; London: Writers and Readers Publishing Cooperative

Macpherson, C. B. 1966
The Real World of Democracy; Oxford: Clarendon Press

the true believers' prayer

(to be chanted in the Anglican or Gregorian mode)

keith gottschalk

Matins: Congregation of the Articulate Faithful

Our Hegemonic Power Bloc
Who art in conjuncture
Hallowed be Thy contradictions.
Thy Social Formation come,
Thy Mode of Production be done
In Praxis as it already is in Theory.
Give us this day our daily base
And forgive us our superstructure
As we never forgive those who deviate against us.
Lead us not into petty bourgeois utopianism,
But deliver us from false consciousness,
For Thou art the thesis, antithesis and synthesis,
Until classlessness.
Amen.

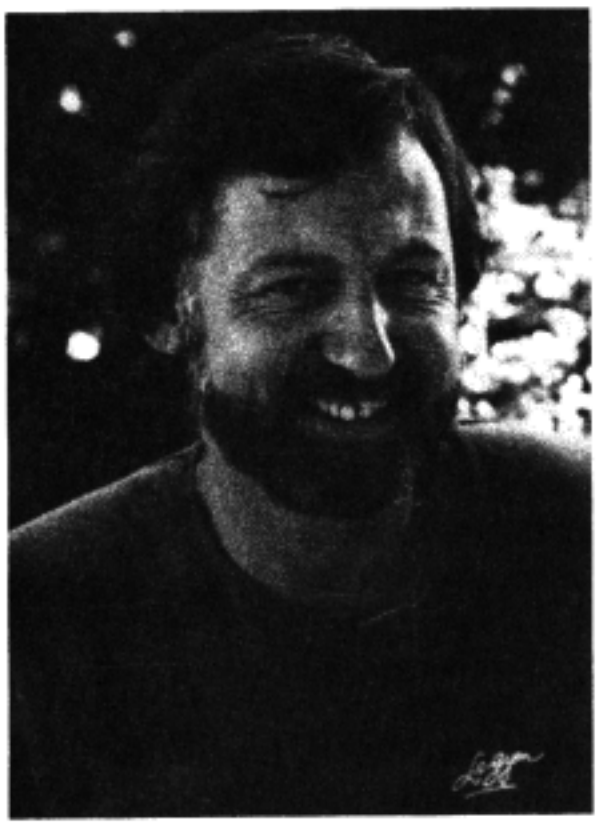
Vespers: Congregation of the Chicago Evangelicals

Our Money Supply
Who art in circulation
Hallowed be Thy equilibrium.
Thy deregulation come,
Thy floating exchange rate be done on earth
As it is in the Stock Exchange.
Give us this day our daily margin
And forgive us our overdraft
As we forgive taxpayers who bail out bankrupt corporations.
Lead us not into price control
But deliver us from minimum wages,
For Thou art the market, the brokerage and the dividend,
For ever and ever - at interest.
Amen.

'Religious people going to Heaven'
(Apologies to B.Kliban)

Keith Gottschalk is a political science lecturer at the University of the Western Cape

Gradually economists of widely divergent persuasions are managing to agree on something: an economy that works for the society in which it operates should draw on elements from differing 'systems'. But there is still much room for disagreement on the nature of the blend. ***Duncan Innes*** *and* ***Clem Sunter*** *debated the issue recently.*



Duncan Innes

Clem Sunter

A lively debate was held at the University of the Witwatersrand in October on the topic *'With capitalism and socialism as alternatives for a future South Africa, which is the most beneficial to all of the country's people?'* The speakers were Professor Duncan Innes of the university's sociology department and Mr Clem Sunter, a director of Anglo American.

The most interesting facet was that neither speaker argued for the implementation of a pure economic ideology but drew on various systems to sketch a vision of an appropriate political economy for South Africa. Nevertheless significant differences remained.

Sunter, author of *The World and South Africa in the 1990s*, argued for a 'pragmatic blend' of both the capitalist and socialist ideologies.

All over the world, he said, people had moved away from ideological extremes to a realisation that there were good points in both capitalism and socialism. In the Soviet Union, for example, Mr Mikhail Gorbachev was trying, with his policy of *perestroika*, to infuse a certain element of free enterprise in order to promote economic growth.

There was no doubt that the 'freedom of spirit' given to entrepreneurs in a capitalist system to produce new wealth had delivered the economic goods, he said. Socialism on the other hand usually killed incentive.

However, said Sunter, societies could not be run on greed alone; they had to have a moral dimension as well.

Consequently, there were two aspects of socialism which were also required. The first was a social conscience about the community and the second, which was very relevant to South Africa, was participation in the economic and political process.

Sunter said the 'paradigm of mass ranks of capitalism vs mass ranks of labour' was becoming less and less relevant, particularly in developed countries.

Modern technology, noted Sunter, 'was changing the game considerably' by dispersing people into smaller production units. In countries such as Britain and the United States, this was resulting in a marked decline in trade union membership.

'So people are looking for new visions from capitalism and socialism.' This could be seen in England, where those on the left were now talking about democratic or progressive individualism.

Innes, author of *Anglo American and the Rise of Modern South Africa* and the co-author of *Beyond Apartheid*, said he would crudely identify South Africa's most pressing needs as being to establish an economic and social system which would ensure both long term economic growth and a major redistribution of that wealth.

The capitalist system had served well in providing the first of these goals, but had done 'precious little' in terms of redistributing wealth.

the demise of extremism

zenaide vendeiro

Capitalists argued that the failure to redistribute wealth was the fault of apartheid and not capitalism, but apartheid was a relatively recent phenomenon in South Africa's long history, he said.

'We had racial exploitation and racial discrimination long before we had apartheid. Not only did the capitalists benefit from that exploitation and discrimination, but they helped to create it.'

Innes said the capitalist theory was that wealth would gradually trickle down to the rest of the population but this process, if indeed it did occur, would take many decades. 'In South Africa today, with mass poverty and mass unemployment, we do not have decades or centuries with which to play.'

Socialism, he said, did not rely on a haphazard process - a profit-driven market - to redistribute wealth. Socialism was the conscious direction of human and material resources to build up an economy which would generate the wealth to overcome social ills.

This did not mean, qualified Innes, that there was no place for a market under a socialist system. However, no socialist society could tolerate a completely free market because it was that kind of market which allowed inequality and blatant excess.

'Markets can only respond to demand, but in the rural backwaters of South Africa and among the ranks of the urban unemployed, there is no money to create any demand. Consequently the market cannot, by definition, provide for the needs of these people.'

Innes said he believed that a socialist system could generate sufficient wealth and economic growth to meet the needs of the people.

If the people were given a stake in the country, through nationalisation of key resources and worker participation in the running of establishments, and they saw that the wealth they were creating was going into improving their living conditions and uplifting them then they would 'work to make this country great.'

Both speakers stressed the importance of education in the process of the redistribution of wealth.

Said Innes:'One of the first tasks in a socialist South Africa must be to undertake a massive investment programme in education so that productivity increases and the people's capacity to generate wealth is dramatically expanded.'

Sunter said education, for which the government was responsible, would ensure greater participation in the economic system. 'The most successful countries have very good education systems.'

He added: 'If you give everybody in this country a decent education, they will express their individual worth, contribute to society and in so doing will be able to make whatever wage the market will allow them. If there are injustices, then, through the power of a trade union, you can negotiate with employers over wages.'

Innes rejected Sunter's assertion that money would 'cascade' down to the people through a strong trade union movement and said that last year, when the National Union of Mineworkers tried to win wage increases, its members were dismissed.

During questioning, the speakers expanded on their visions for a future South Africa.

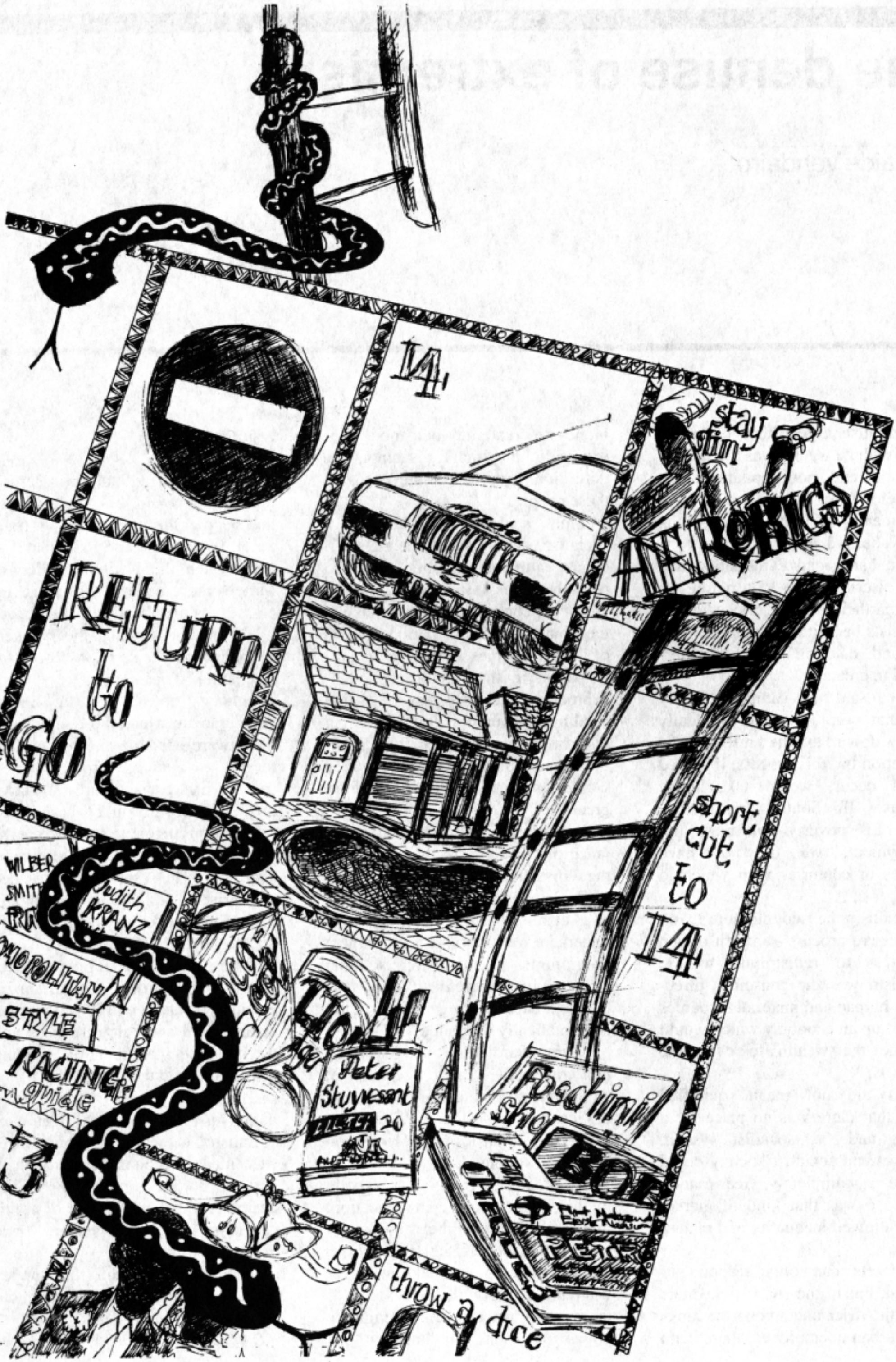
Sunter opted for a plural democracy in which those in government were accountable to the electorate, a strong trade union movement, participatory management, the correction of past injustices and giving people a stake in the country through wider share ownership. He said state-owned enterprises had a poor record and had not delivered the economic goods.

Innes saw a transition period in which there would be a mixed economy, state control of key industries and strategic resources and worker participation in the running of factories and the state.

Hopefully, South Africa could then move to 'some form of socialism' in which the government was made accountable through a system of recall and where it was desirable to have a number of political parties and independent trade unions.

Both speakers said they hoped there would be a wide debate about the future of South Africa. □

(The Star, 25 October 1988)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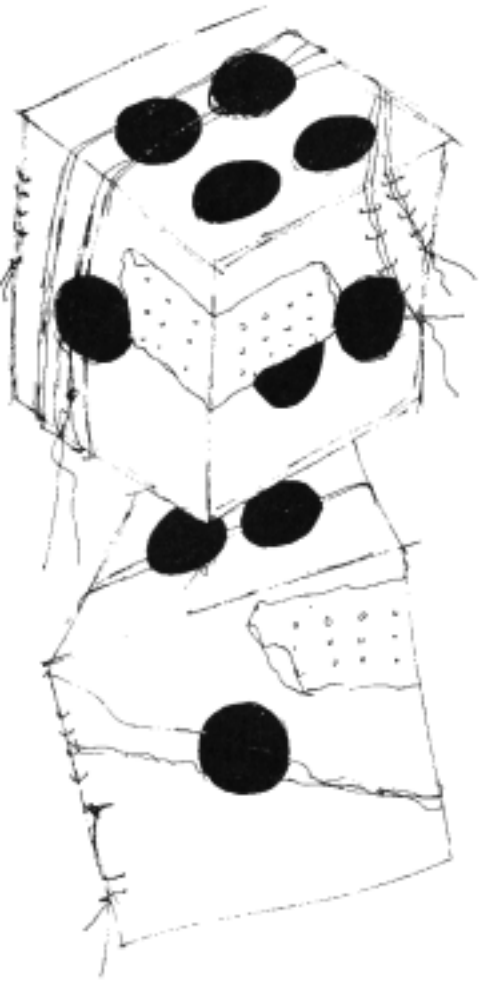
'Liberty leading the people'
Eugène Delacroix

two hundred years on...

Our visual counterpoint to de Tocqueville's insights was prompted by correspondences noted by economist **Charles Simkins***. In 1982 he wrote: 'One of the classic works from which a theory of the relation between economic structural factors and political forces might be distilled is Alexis de Tocqueville's *L'ancien regime*. Dealing, as it does, with social and economic conditions in pre-revolutionary France, it would be of particular relevance if one believed that South Africa is now either in a pre-revolutionary situation or in a situation where substantial constitutional change will have to be negotiated with forces "from below". Initially I thought the book might produce a useful general orientation, but on reading it I was astonished to find passage after passage could be applied either directly or with very little amendment to contemporary conditions [in South Africa].' Illustrated here are several of the passages which Simkins found relevant. The accompanying commentary closely follows Simkins' words.



The consequences of economic growth

Merging life-styles, separate privileges

> *At the end of the eighteenth century it was no doubt still possible to perceive a difference between the manners of the nobility and those of the middle class; for there is nothing which becomes the same more slowly than that surface of behaviour which we call 'manners'. But fundamentally all men of rank above the common people were alike; they had the same ideas, the same habits, they followed the same tastes, they indulged in the same pleasures, they read the same books, they spoke the same language. They only differed in their rights.*

There can be no doubt about common tastes in South Africa - for Gough Cooper houses, Bradlow's furniture and Mazda 323s - among men of 'rank above the common people'. There is emerging among these strata a common South African culture affected by an increasingly self-confident business culture. What prevents this from issuing in a common set of political opinions is differences in rights.

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* Dr Charles Simkins is Associate Professor in the School of Economics, University of Cape Town. The extracts are from his chapter titled 'Economic Factors and Constitutional Change' in WHB Dean & Dirk van Zyl Smit, *Constitutional Change in South Africa - The Next Five Years* (Cape Town, Juta, 1983).

Background factors

Administrative usurpation of judicial functions

> *We have, it is true, driven justice from the administrative sphere into which it had been allowed unduly to encroach under the 'old order'; but at the same time...government constantly encroached on the proper sphere of justice, and we have allowed it so to continue, as if the confusion of powers was not as dangerous on this side as on the other and even worse, for the interference of justice in administration is only harmful to the conduct of affairs, whilst the intervention of government in the sphere of justice depraves human beings and tends to make them at once revolutionary and servile.*

The final point that de Tocqueville makes about the production of a mentality 'at once revolutionary and servile' is the important one: if absence of democracy and decentralization deny opportunities for ordinary people to participate in continuous evolutionary change then this mentality removes the desire of people for such participation.

Sham democracy

> *Almost all the princes who have destroyed liberty have tried at first to preserve its forms; that has been the case from Augustus right down to our own days; they flattered themselves that they would thus unite to the moral force, always created by popular consent, the advantages which absolute power can alone bestow. Almost all have failed in this attempt and have very soon discovered that it was impossible to give long life to these lying appearances, when the reality no longer existed.*

Sham democratic institutions have pervaded the South African political scene over the last twenty years, elements having been present for much longer. The result has been, as predicted in the passage above, popular withdrawal from participation to a greater or lesser extent. Such popular alienation renders a whole set of institutions unviable either as political agencies for resolution of conflicts arising from economic structural change or as development agencies.

Responses of the political system

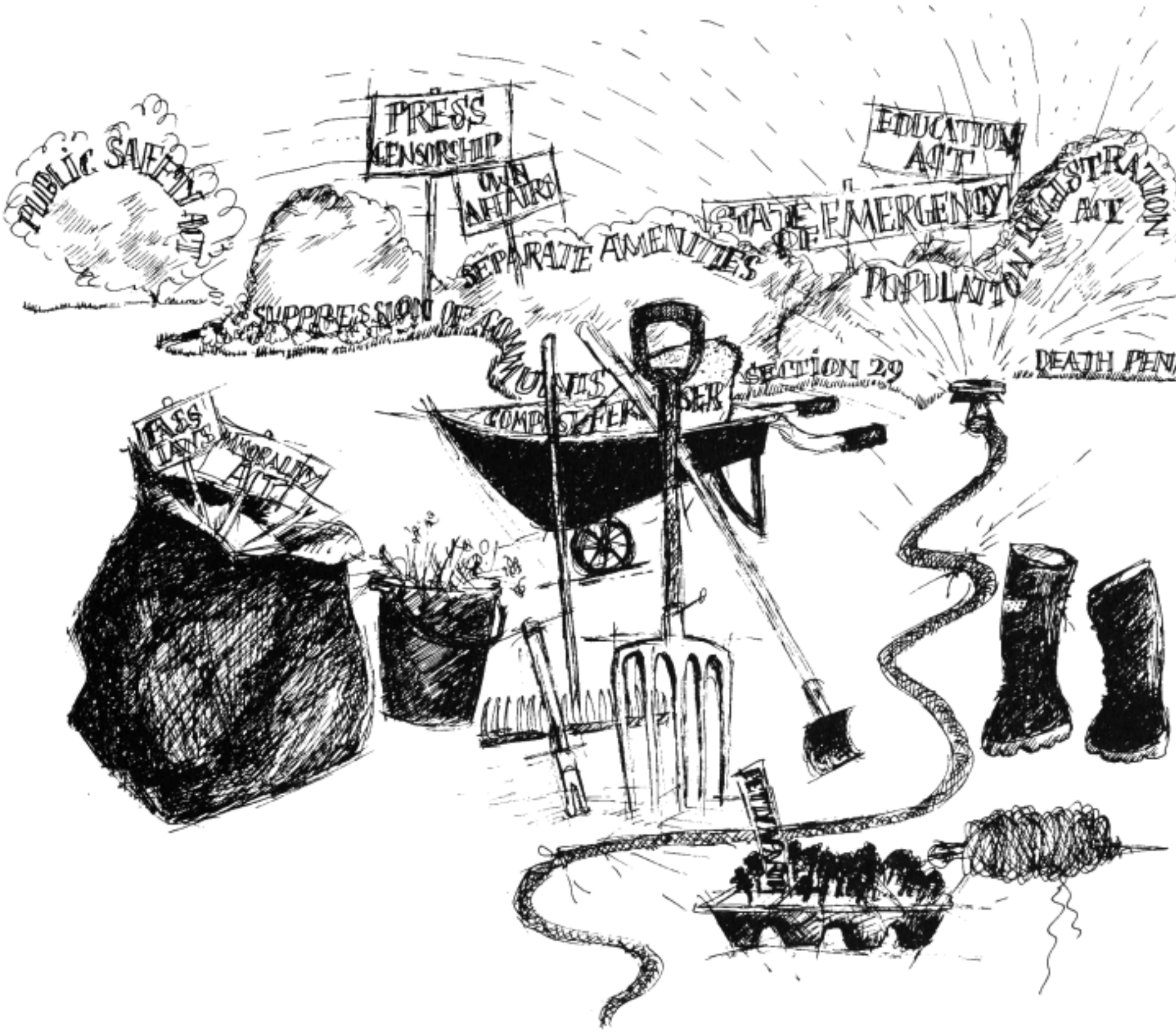
Talk of reform

> *Louis XVI during the whole course of his reign did nothing but speak of reforms to be carried out. There were few institutions of which he did not make the approaching ruin foreseen before the Revolution came in fact to ruin them all. After removing from the code of laws some of the worst he presently replaced them; it looked as though he only wished to loosen the roots and leave to others the task of felling them.*

Stalled and confused reform is familiar to us as well. One effect of such confusion is a set of unrealistic attempts to change social practices deeply rooted in custom; this in turn provokes resistance and immobility as de Tocqueville saw:

> *Legislation, so contrary to all that had preceded, which changed so completely not merely the order of business but the relative position of individuals, had to be applied everywhere at once and everywhere almost in the same manner without any regard to the previous usages or to the particular position of each province; so completely had the unifying spirit of the Revolution already possessed the old government, which the Revolution was to destroy.*

Simkins draws attention to the fact that a major concern of de Tocqueville was 'to account for particular features of the constitutions of early nineteenth century France. The roots of these features he traced not just to the Revolution but to the pre-revolutionary era. By analogy we can expect that the shape of our post-apartheid institutions is being determined even now'. The importance which progressive organisations attach to the creation of democratic structures, some (non-government sponsored) discussions around the concept of a Bill of Rights, and the recent elaboration of the Freedom Charter reflect a broad awareness of the truth of this argument. □



uprooting poverty

'Uprooting Poverty: The South African Challenge' *is co-authored by* ***Francis Wilson*** *and* ***Mamphela Ramphele****. Due for release in January, it is the main report of the Second Carnegie Inquiry into Poverty and Development in Southern Africa, which first came to public attention during a conference in 1984. The book draws together all the basic information about poverty that came out of the Inquiry and devotes several chapters to causes of poverty and strategies against it. In the absence of Dr Ramphele (who is on sabbatical leave),* ***SASH*** *interviewed Professor Wilson, director of the Southern African Labour Development Research Unit (Saldru) at the University of Cape Town, who outlined some of the issues raised in the book.*

The photograph on the right, taken by Guy Tillim in Crossroads this year, appears on the cover of the book.

SASH: How would you define poverty?

FW: I think what emerged from the Carnegie Inquiry, which involved at least 450 people from all over southern Africa, was that poverty could not be reduced to a single number any more than illness to a temperature. A number gives you some information but doesn't really help you to diagnose what is wrong.

If you know, as we know in South Africa today, that two-thirds of families are living below the minimum level, it's a very serious fact but it doesn't help you in terms of strategies. However, if you know that two-thirds of families don't have access to electricity and yet it is one of the cheapest forms of energy **and** South Africa carries excess capacity because we're putting some of our power stations into mothballs, that tells you some very serious things about strategies and the whole political economy in the country.

So the first part of the book and one of the major thrusts of the Inquiry itself with the 300 papers that came from the highways and byways of South Africa was to tell in real detail what poverty meant to people.

Could you describe the extent of poverty in southern Africa?

One can divide the economy into four parts.

First there are the major metropolitan areas, then there are the reserves and we hear a great deal about both of those. Then there is also the platteland which is that 80 per cent of South Africa about which few people do much thinking. Yet it is the area where one-fifth of black South Africans live under very acute poverty.

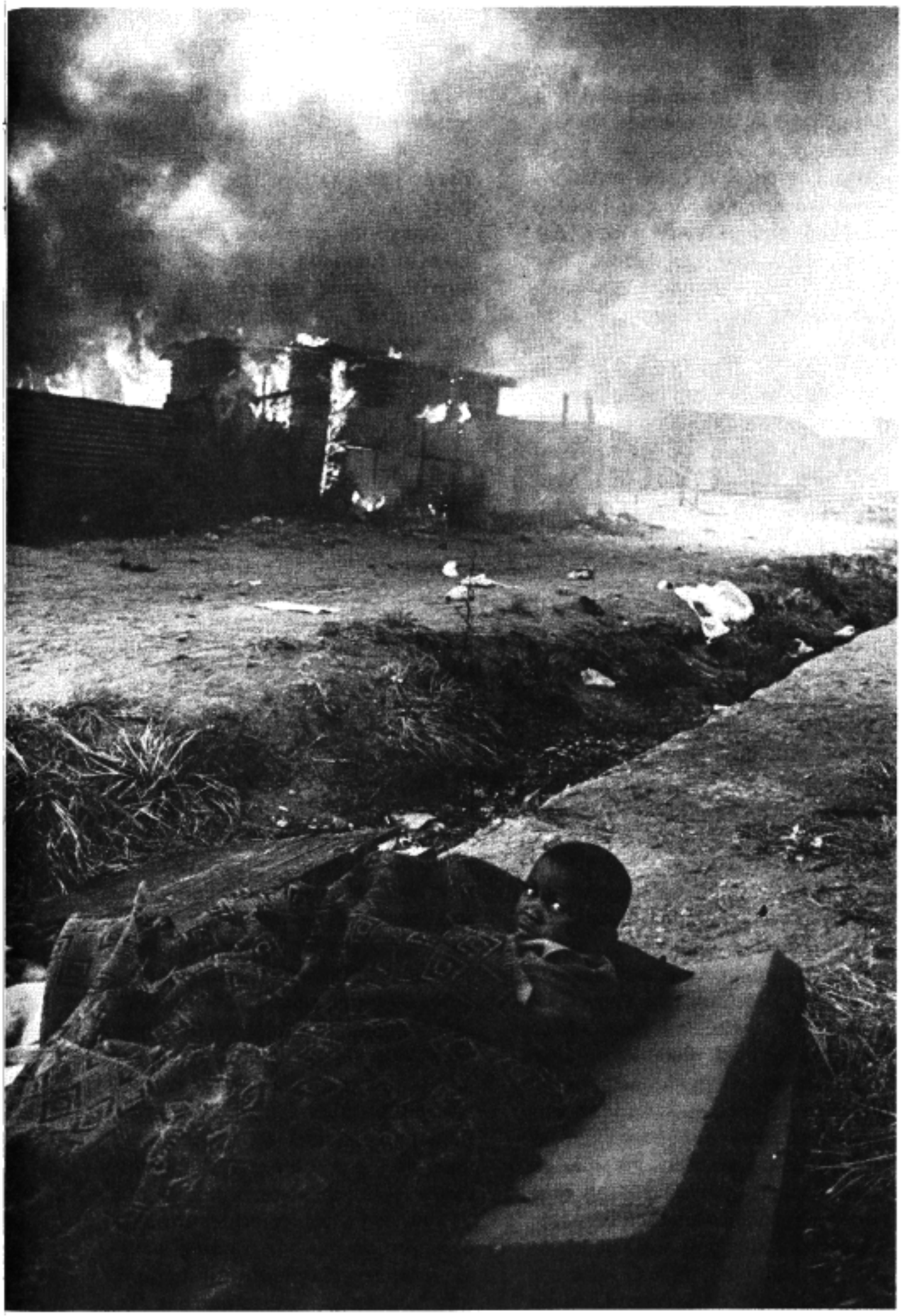
The fourth area is those countries around the edge which are, in international terms, different countries but very tied to South Africa. Lesotho and Mozambique are key examples.

If we look at the metropolitan areas, where there is much more money around, perhaps the major manifestation of poverty is overcrowding and appalling housing.

When you go to the reserves you find a lack of basic needs such as clean drinking water or fuel although, paradoxically, shelter is quite good.

One surprising aspect of the reserves is the extent of inequality between rich and poor not because the rich are particularly rich but because the poor are so desperately poor and have no cattle, land, pensions, or money coming in from anywhere.

Another aspect of the reserves is the sheer population density. If you look at the rural platteland, the average density is about six people per square km. In rural reserves it is about 57 which is ten times as many. And that varies widely. The Free State has 11 people per square km. Ciskei, which is certainly no better agriculturally, has 82 people per square km. The population of Qwa-Qwa, which was about 6 000 in



1916, and 23 000 in 1970, stood at between 300 000 and 500 000 in 1985!

Those people are not there because of population growth but because of the whole process of conquest - the Land Act of 1913 and the Bantustan policy which has forced people off farms and out of the cities through resettlement and the anti-urbanisation policy of this government.

What emerged from the Carnegie Inquiry is the appalling poverty in the platteland. Don't forget about the platteland. People thrown off farms are really trapped in small towns with no jobs and very little income particularly if they're African.

In places like Lesotho and Mozambique there is the fear of being cut off from an industrial economy which, through migrant labour, people have helped to build.

And, of course, unemployment pervades all these areas. One of the most haunting things of the inquiry was the verbatim accounts of men and women talking about what it meant to be unemployed. It is not so much the hunger, although that is very real, but the sense of uselessness that really bites people.

How have you described the history and origins of poverty in the region?

We've tried to tackle the question of causes in three ways starting with the kind of things economists worry about - inflation, recession, the slowing down of the economy, lack of economic growth, population growth - the macro-economic forces.

The second set of causes we need to understand is how apartheid has influenced poverty. Looking at aspects of state policy since 1948 we find the anti-urbanisation policy, resettlement, Bantu education, the smashing of organisations and destabilisation have clearly had a devastating effect on the very poor of this society.

The third aspect is to go pre-1948 to deal with 300 years of colonial history since 1652. We say you need to understand that conquest was a fact and remains with us in the form of the Land Act, that slavery was a fact and remained with us for centuries in the form of the pass laws whose consequences are still with us because that's what made the migrant-labour system possible.

We've tried to trace those parts of our history which are impinging on the present. Clearly the distribution of land has got everything to do with who is rich and who is poor which is not quite the same thing as saying that a redistribution would put everything right.

The migrant-labour system effectively impoverished the rural areas over the century which, again, is not to say that to end the migrant-labour system would make the rural areas rich. It won't.

The Group Areas Act we describe as a piece of scaffolding

which was put into place in order to help build the apartheid edifice, to keep the centre of the city white and blacks on the edges. Once that's in place for 30 or 40 years, you have set a particular pattern to your city.

So much of what's happened in South African history has to do with scaffolding of this kind. You take away the scaffolding but the building remains intact. That is the problem we are going to face in the new South Africa.

Have the poor benefited at all from the process of technological development in South Africa?

Technological development, with its capacity to produce goods at lower costs, has resulted in the diffusion of material goods, such as clothing, throughout the society and this has also reached poor people, although the very poor rarely have access to the benefits deriving from technological progress.

It is, however, important to note that during the 1970s, real wages rose for a substantial portion of black South Africans and there was a shift in the distribution of income from whites to blacks. The one employment category for which we have statistics in which the opposite trend has occurred is domestic service. Real wages of domestic workers fell by 16 per cent during the same period.

What about South Africa in the context of sub-Saharan Africa? Is there any point in such comparisons?

One of the things we've tried to do in this book is to situate South Africa as part of sub-Saharan Africa. In the first instance South Africa's wealth has got everything to do with labour that came in from Mozambique or Lesotho; Malawi, Botswana, Zambia, or Tanzania.

Also, South Africa has been industrialising since 1867 and a large proportion of our population lives in urban areas compared to most of the rest of Africa which is still rural, although places like Zambia are urbanising very fast.

The per capita income in South Africa on average is very much higher than the rest of sub-Saharan Africa until you start looking at African income inside South Africa particularly in the reserves. If you look at other indicators like infant mortality you find huge variations between black and white and within the black part of South Africa. But when you look at places like Transkei, infant mortality is considerably worse than, for example, Zimbabwe.

There's a tremendous amount we have to learn from the history of the last 15 to 20 years in Africa both from what has been achieved and from the mistakes that have been made. We've tried to point to some of those issues towards the end of the book.

Has a stronger union movement altered the situation in any way?

We argue that the unions are fundamental to any strategies for change and for dealing with poverty in our society.

The best way to explain this is to sketch very briefly how one needs to look at strategies. First of all, fundamental political change has to happen if you're serious about tackling poverty in South Africa.

But we focus on two other issues which we also think are important. One is what can be done under present political conditions that will make a difference to the lives of the poor, keeping long-term objectives in mind.

Secondly, if it were possible to wave a magic wand and move to a non-racial democratic South Africa, what economic policies would be able to deal with poverty given a history that one can't change?

Land reform, nationalisation and all those issues need to be thought through now. There needs to be an interaction between the short-run strategies within non-governmental organisations and long-run strategies looking at what a non-racial, democratic government would be doing to counter poverty.

It's in this context that we talk about the unions and say that the rise of the unions in the 70s and 80s has without doubt brought about a major shift in the balance of power inside South Africa.

Where does that leave the unemployed?

That's an extremely important question.

One of the questions the unions have to focus on is whether their activities are exacerbating the situation of the unemployed. Our assessment at this stage is no. The unions are working to break down barriers rather than build them.

The danger of the unions becoming a kind of elitist group is always there, as it is with any power group in a society, but this particular power structure is fundamentally necessary to the process of political change without which nothing is going to happen as far as the poor are concerned in this country.

What about immediate action?

In the immediate term the heart of the strategy to overcome poverty lies in establishing and building non-governmental organisations such as trade unions, co-operatives, and rural and urban projects of various kinds. These are the kinds of organisations that can make a difference to people's lives and build a base for transforming our society.

Non-governmental organisations are not peripheral to the struggle, they are essential to it and they must be thought through as part of the long-term process.

One of the top priorities for any organisation must be finding ways of enabling people to find more jobs because unemployment is right at the heart of our problem - particularly for women.

It might be interesting for an organisation like the Black Sash to look very carefully at the experience of Latin America and Asia regarding the role of different types of credit organisations in providing credit to very poor women in a way that doesn't burden them with debt but enables them to release their own energies to create jobs and income for themselves. □

why cosatu has supported sanctions

How has it come about that many trade unionists support sanctions and disinvestment, strategies which could weaken the economy, worsen unemployment and, in so doing, undermine the unions' powerbase? ***Alec Erwin****, Education Secretary of the National Union of Metalworkers of South Africa (NUMSA), gives the reply.*

In this brief article it is not possible to deal with all the issues that have been discussed within the unions. What will be attempted is to outline the broad strategic role that the COSATU (Congress of South African Trade Unions) group of unions see sanctions as potentially fulfilling and the main reasons why COSATU adopted a resolution supporting sanctions at its 1987 Congress.

Economic pressures and policy

The increasing support for disinvestment and then sanctions over the last decade or so has largely coincided with the re-emergence of a non-racial and independent union movement. Another factor that has coincided with the growth of the unions is the persistent increase in unemployment.

A situation has therefore existed where unions - clearly dependent on employed workers - have had to formulate policies in response to rising unemployment and, simultaneously, increasing advocacy for disinvestment and sanctions which threaten further unemployment. This is clearly a situation with an inherent degree of tension.

For most of the opponents of disinvestment and sanctions these circumstances have provided powerful propaganda material. They have argued that in these circumstances only radical agitators acting on political instructions could encourage unions to call for disinvestment or sanctions. While the general public environment has on the face of it been very unfavourable to union support for sanctions it is important to understand the development of the sanctions debate. The present policy position adopted by COSATU has developed over a number of years in response to a worsening political and economic situation.

Disinvestment

Following the limited success of Codes of Conduct such the EEC Code and the Sullivan Codes there emerged increasing discussion on disinvestment. This became much more intense when legislation to stop new investment in South Africa was implemented by Sweden. (In fact, very little new foreign capital has come into the country since 1976.) Nevertheless, looking at the size of foreign investment in South Africa and the wealth of its natural resources, unionists remained somewhat sceptical about the likelihood of actual significant disinvestment.

Overseas lobbying for disinvestment increased its pressure. Alongside this, but largely unrelated to it, the rate of retrenchments in South Africa increased rapidly from 1982. As a result, for union leadership and increasingly for rank and file membership, the questions being addressed related to the overall economic crisis. Unemployment that might result from disinvestment was only a component of this and a relatively small component.

On the ground, hostility to the

performance of the economy increasingly developed into a critique of the South African political economy. Although no concrete programme emerged there was no doubt that socialism was firmly on the agenda and there has been a growing belief in the need for worker control of production.

This generalised attitude has intruded into disinvestment policy. It seemed unacceptable that foreign multi-national corporations (MNCs), having benefitted from the labour of South African workers for so long, should simply withdraw with their productive assets. This was a waste of social resources and might impede reconstruction.

This position essentially sees disinvestment as a form of political pressure that would not denude the economy of productive assets. It made sense to many unionists who are sceptical that all foreign capital would withdraw from an economy as potentially wealthy as South Africa.

To a wider public, the position always seemed a little contradictory and to contain a component of self-interest on the employment front. There is no doubt that the unions have always moved carefully on the question of employment.

Faced by a barrage of anti-disinvestment propaganda the unions embarked on their own awareness campaign. Meetings, discussions and many seminars were held. An important component of this was more careful studies of foreign investment as a whole. These studies very largely confirmed the views that unionists had gained in their negotiating experience.

- Firstly, the workers' view that it was their labour that had been largely responsible for developing the productive assets of the foreign MNCs was confirmed.
- Secondly, it became clear that significant disinvestment was being carried out by South African MNCs. The outflow of capital had been increasing rapidly for some years whilst investment in job creation was virtually static.
- Thirdly, the state, through its heavy foreign borrowing, stood to be most hurt by disinvestment moves as these were likely to include lending to the South African state.
- Fourthly, it was clear that unemployment was a structural problem and had been rising for some time. Disinvestment had not been a cause of this nor, on its own, is disinvestment likely to be decisive in the future.

There was a sharp divergence between what was actually happening and what the pro-investment lobby claimed: It was, in fact, the state that feared disinvestment both in its effect on borrowing (this being before the debt moratorium) and for its political effect. Once this divergence was brought to light, shop steward leadership was quick to see through the expediency of the pro-investment lobby. This was important in dealing with rank and file questions. Similarly, in Natal Inkatha's propaganda campaign had limited success. An important reason for this was conditions at many growth points where most new investment was being placed. The poor conditions served to discredit the claims made for foreign investment.

Sanctions and the disinvestment debacle

Two new developments rapidly inserted themselves onto COSATU's policy agenda in 1986. These were the real possibility of certain sanctions being imposed and the discovery that disinvestments could be everything but disinvestment.

The escalation of foreign pressure followed the intensification of the crisis in South Africa after the November 1984 stayaways, which also had a major impact on union membership and leadership. Economic conditions had continued to worsen. On all fronts the unions became directly involved in the struggle against a repressive regime. The Living Wage Campaign, launched in 1987, was an example of this.

It was widely believed that the Botha government was an obstacle to any significant political and economic reform. Unemployment, violence and repression would continue for as long as this government remained in power. The strategy had changed from one of pressuring the government to one of ensuring its removal as a matter of priority. Its removal would require many forms of pressure and sanctions were seen as an important component of that pressure. A perception grew that sanctions, rather than causing unemployment, were a step in eliminating unemployment in the long term since they would contribute to removing the Botha government.

Exposure of the way in which disinvestment was being carried out had the general effect of hardening views. Exactly what disinvestment might mean in practice had not been given detailed attention by the unions. Now they were faced with a situation where foreign assets were clearly being held in a warehouse, where local companies were benefitting and where unions were not being consulted about this transfer of ownership. Disinvestment withdrawals were becoming a slightly more complex variant of the endless retrenchment battles unions had to fight.

Disinvestment calls may have continued to exert political pressure but as views hardened people were prepared to turn to harsher and more effective pressure in the form of sanctions.

Evaluating sanctions

If sanctions were going to be implemented then there was a very real threat of job losses. This had to be carefully evaluated and discussed amongst our membership. Once again as part of this process COSATU commissioned a number of studies, which are now nearing completion.

From the initial findings of these studies we have begun to draw a number of conclusions.

- Firstly, it seems clear that the unemployment effects of sanctions that were being bandied about as propaganda were exaggerated.

- Secondly, there needs to be a careful evaluation of piecemeal or selective sanctions. Sanctions on a narrow front would not affect monopoly capital and would not place any serious pressure on state economic policy. Given the internal political processes in Western countries and the economic interests at play it is likely that certain commodities would be targeted first. In identifying the most likely targets it is clear that they would have distinctly regional employment effects. Such selective sanctions and their effects need careful consideration. In the resolution at the second COSATU congress other areas of selective sanctions were identified as pressure points that could be effective in COSATU's view.
- Thirdly, the implementation of comprehensive and mandatory sanctions could not be easily circumvented and the much lauded internal growth path or 'Rhodesian example' would not apply in South Africa.

The COSATU congress resolution attempts to bring together these strands of thinking.

What are the likely effects of sanctions?

The reason for tracing policy development is to provide a basis for understanding the union approach to sanctions and what they are likely to achieve. Hopefully it also indicates that policy has resulted from an interplay of the experience of workers, growing foreign pressure and the process of dealing with massive anti-sanctions propaganda.

Because employment is at stake there has been an ongoing discussion and debate within COSATU and this is reflected in the committees that shape the policy resolutions. Over time certain basic agreements have been reached and then elaborated on as new pressures emerge.

The base line from which all positions start is that this regime is an obstacle to change and must go. Achieving this requires a combination of pressures, and sanctions are one of those. Sanctions are unlikely to be decisive in themselves. Even if they threaten certain hardships, this is preferable to prolonging the life of this regime. If organised labour were to be opposed to sanctions this would weaken international pressure and provide the regime a great deal of political breathing space.

The political analysis made at national committee level is broadly as follows. At present the regime feels confident that Western governments are not likely to force it to go too far and too fast on reform. These governments are acting to secure their long-term economic interests.

The regime also feels that it has capital firmly painted into a political corner. Capital may not be wholly supportive of the regime but it is unwilling to push it too far because it fears the consequences of rapid change. Without decisive pressure from influential and powerful forces, the government can rely on overt repression to perpetuate itself.

A weakened opposition will allow for the insertion of more politically compliant allies. Such a situation will allow present interests to dictate the pace and content of any reforms and to set the parameters of any negotiations.

Such a strategy can in COSATU's view only be defeated by a well organised united front capable of mass action. Sanctions if applied comprehensively will complement such a strategy since they will impact upon the imperial link between Western powers, capital and the present regime. Such sanctions will force capital in South Africa to act decisively against the regime. A successful implementation of sanctions would also reflect a change in the balance of forces in Western countries away from the conservatism and open protection of imperialist interests characterised by Reagan, Thatcher, and Kohl to a more liberal approach to democracy in the developing world.

Since sanctions are now also a component of the struggle between liberal and conservative forces in Western countries they are a political possibility. In attempting to achieve sanctions we are building links with more democratic forces in these countries and such allies are preferable in our future to those forces that are anti-sanctions.

International pressure and solidarity in winning union recognition at a foreign MNC, and the imposition of sanctions in assisting the struggle for democracy, are far apart in the spectrum of issues at stake. However, they may not be that far apart in the quality of their strategic implications. The unions have understood this process and see sanctions as a complement to the strength of organisation and not a replacement for it. Sanctions open political space by destabilising a powerful and determined alliance of interests.

A short struggle against this regime will be less costly than a long struggle and for that reason the former will be preferable. A combination of strategies that shorten the struggle without sacrificing our cause is what must guide our actions.

These are the reasons for suggesting sanctions. If our analysis is wrong then we will have to evaluate it and change if necessary. At present we can see no need to change our analysis. The anti-sanctions lobby is effectively propping up an undemocratic, repressive and violent regime. □

This article is extracted from *Sanctions Against Apartheid*, edited for the Community Agency for Social Enquiry (CASE) by Mark Orkin. The book will appear in January 1989 and is published by David Philip, P.O. Box 408, Claremont 7735. Telephone: (021) 64 4136. The book contains analyses of the moral, legal, political, economic and international implications of sanctions against apartheid.

THE SANCTIONS QUESTION

refining the debate

candy malherbe

Millions of South Africans yearn to replace the apartheid state with a just, unified, non-racial and democratic government. Friends in 'the outside world' promote a range of strategies to bring this transformation about. The strategy of economic sanctions has been fiercely defended and as fiercely denounced. Beyond the heat which has enveloped the sanctions debate, can we at last detect some light? Here we look at two recent attempts to clarify the issues and refine the debate.

Some of us are overwhelmed by questions about sanctions and how they actually work. Others have strong opinions - too strong to budge, perhaps. Whichever the case, most will be curious and/or grateful to find out what leading analysts can tell us on the basis of hard thinking and careful research.

Sanctions and South Africa: The Dynamics of Economic Isolation is an Economist Intelligence Unit Special Report, prepared by Merle Lipton, which appeared in January 1988. *Sanctions*, a recent Leadership publication, gives space to plain-speaking pro- and anti-sanctioneers along with contributors who hold their cards much closer to their chests.

The Lipton book is strong on the history of sanctions as a policy instrument. Its tone is dispassionate. It sets this country in the context of international trade and finance and looks at, e.g. 'The Changing Costs and Benefits of Doing Business with South Africa'. It examines the impact of sanctions to date and asks, 'What Next?' It carries the reader forward through a wealth of useful detail, until the final page is reached where the author spells out the view that sanctions are producing almost wholly negative results.

Lipton argues thus: 'There seems to be a threshold beyond which the initially often helpful effects of external pressures become counter-productive.' While sanctions are unlikely to unseat the government, they are likely to impede reform (deracialisation) and strengthen government authoritarianism.

Among the counter-productive effects of sanctions is the fact that they have encouraged the internal opposition to overestimate its strength, while reinforcing verkrampte demands for a clampdown on the press (whose reporting on political repression and resistance is seen to stimulate international pressure). Sanctions, she thinks, have contributed to curbs on political activity, resulting in the destruction of limited but valuable political space. They have encouraged the government to retreat further into a siege mode while, increasingly, anti-apartheid activists have been driven underground. Meanwhile the ranks of the disaffected are being swelled by the growing numbers of the unemployed.

Thus, far from ensuring rapid and peaceful transition, sanctions can be seen to escalate revolutionary and counter-revolutionary violence. In short, sanctions reduce the chances of evolutionary change towards a post-apartheid South Africa.

The Leadership publication is differently organised in the sense that topics may be plainly featured or they may be buried in the texts; they may recur, that is, be dealt with by different authors from different viewpoints, or be sketchily addressed. But the result is powerful and readable, and an appealing human element is introduced by means of interviews and photographs. The editor acknowledges that stringent security measures prevent a 'full and open discussion' around the sanctions debate since 'those who call for sanctions risk heavy penalties'. Readers will decide for themselves to what extent this accounts for the fact that, here too, sanctions emerge in sum as an unsatisfactory instrument.

Having said that much, let us treat these publications as a resource for answers to important questions in the sanctions debate:

What are the attitudes of blacks in whose name sanctions are advocated?

Leadership's contributions include: 'Head Counts' in which Patrick Laurence analyses six major opinion surveys carried out since 1984; 'A Lesser Evil': Kenneth Kaunda, president of Zambia and chairman of the frontline states, strongly supports sanctions; 'Queuing for Bread': Mangosuthu Buthelezi, chief minister of KwaZulu, firmly opposes them; 'Blowing Hot, Catching Cold': Riaan de Villiers explores the policy stance of largely black labour unions. Stephen Gelb's 'Out of Tune', which looks at changing attitudes and strategies, demonstrates the fact that readers must browse widely to glean what is relevant.

Lipton's brief treatment of this question is titled 'Black Politics and Sanctions'. Here, as elsewhere, she draws attention to the unintentional ('perverse') effects which force sanctions advocates to re-evaluate this strategy from time to time. In this context, Lipton refers to the policies

of the black businessmen of Nafcoc (National African Federated Chambers of Commerce), trade unions and political groups, especially the ANC. Much-quoted has been her assertion that 'frequently the public utterances of participants in this debate differ from their private, off-the-record assessments, because many people feel constrained from saying publicly what they think'.

How are sanctions meant to impact on politics? How have they affected the South African economy until now, and can we calculate their future impact?

These questions permeate the Lipton book. In Chapter 6 ('Politics, Propaganda and the Aims of Isolation') she examines the claims of pro-sanctions authors, for example, that sanctions will 'reinforce black bargaining power': like other claims by special pleaders on both sides, this one is 'neither absurd nor self-evident'. Discussion is complicated, she points out, not only by the extravagance of propagandists but also by the conflicting assessments of sober analysts. In two more chapters she looks at the economic and then the political impact, ending with the verdict already mentioned (see above).

Readers should consult a number of the articles in Leadership but the big gun is Ronald Bethlehem's 'High Stakes'. His theme is that 'hope' for 'South Africa's Third World population', which is largely black, lies in 'continued economic growth' and this 'depends on capital accumulation', i.e. precisely what is threatened by the sanctioneers. A host of other questions may bewilder readers who still need to be convinced that substantial investment will empower blacks, encourage redistributive trends, and so forth. Read also here: 'The Art of Empowerment' by John Kane-Berman; 'Hackles Rising' by Robert Schrire; Raymond Parsons' 'A Rising Tide' - articles which also help in answering the next question.

Could 'business' do more to influence government policy, promote reform, and stem the sanctions tide?

Lipton briefly explores 'The Attitudes and Power of Business', concluding that 'capitalists have less influence than is assumed'. Referring to the disinvestment side of sanctions, she alludes to the fact that loss of confidence has prompted sizable investment outflows [NB: Erwin, p.24]. In an interesting aside she cites a business leader's view that the tendency of nervous investors to avoid the risks which 'entrepreneurship and job creating activities' generally involve means that 'Internal disinvestment poses a greater danger at present [1986] than external disinvestment'.

In Leadership, the Parsons, Schrire and Kane-Berman articles apply. See also 'Seizing the Moment', an interview with Gavin Relly, chairman of the Anglo American Corporation - although what enlightened business needs and wants comes out more clearly than any advice as to what this sector can and ought to do. In 'Pack up your Troubles' Duncan Innes provides an interesting evaluation of the way in which the disinvestors have actually behaved. 'Although the local white business sector has undoubtedly been the major beneficiary of disinvestment so far, it could turn out to be something of a pyrrhic victory over the longer term', he says. 'Drifting down to Zero' by Sheryl Raine details the winding down of corporate social responsibility programmes since sanctions and disinvestment began to bite.

Is there a gap between the theory and practice of sanctions in effecting change? Whatever the answer to this and other pertinent questions may be, have sanctions a momentum of their own?

Some answers may be found in Lipton and Leadership. Lipton names additional sources for readers with the stomach for more. □

The Sanctions Debate and the Black Sash

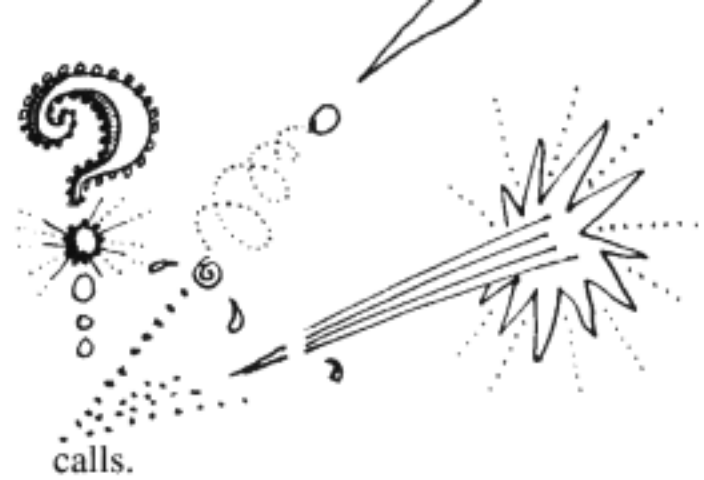
Ordinary South Africans cannot travel overseas without being questioned about their views on sanctions and disinvestment. For ***Sheena Duncan,*** *who is a Vice-president of the South African Council of Churches and widely identified as a former National President of the Black Sash, it has been imperative to present a reasoned and consistent response. Abbreviated (and sometimes inaccurate) accounts of her views have caused some debate at home and so we publish them here. She makes the following points:*

1. The South African Council of Churches has called for comprehensive sanctions.

2. The Black Sash has not made any statement on sanctions because we have no common mind on the issue which is an indication of how difficult the subject is.

3. I personally would support the call for comprehensive mandatory sanctions if I thought they were politically possible in the foreseeable future. If South Africa were to be totally isolated by every country in the world simultaneously, apartheid would probably not last a fortnight but I do not think that this is possible. I am not thinking of the West here. We have all kinds of trading partners outside the Commonwealth, the European Community, and the United States.

THE SANCTIONS QUESTION



4. Because I do not think comprehensive mandatory sanctions are immediately possible I have urged people to think strategically about the sanctions they can apply. I believe they must be carefully chosen to have the maximum and most rapid impact on the South African government in the first place and on the white electorate in the second place. After a sanction is imposed it must be carefully monitored to see if it is achieving the desired effect.

5. I believe the disinvestment campaign has not achieved any perceivable political effect and I have used the Coca Cola example to point out that the really effective sanction would have been if Coke was withdrawn from the South African market. I have said that the withdrawal of the company had no more than a one night news effect and I think it a pity if people expend resources of energy on such campaigns when there is so much else they could focus on.

6. Financial sanctions seem to produce the most rapid and long term results. When the banks refused to roll over the South African loans in 1985 it was only a matter of ten days before the State President announced that the pass laws would be repealed and that citizenship would be restored to those from whom it had been taken. The first has been done and the second has been partially done, and the process is still ongoing. I believe that the South African withdrawal from Angola and our apparent sincerity in letting the Namibian 435 process go ahead is caused by our severe balance of payments problems. In other words, the transfer of foreign money to South Africa should be a major focus.

7. I think the sports boycott has been one hundred percent successful in that it has changed white attitudes in a way which makes thousands of white South Africans more receptive to political change and that it is now beginning to have political effects in the travels of Danie Craven and others. However I have doubts about the cultural and academic boycotts because they seem to me to be messy, and to cut us off from new thoughts which could open our minds while they allow in the dregs of 'western civilisation', such as Frank Sinatra et al coming to Sun City.

8. I have been against the coal embargo because of the Mozambique mineworkers who are the first to be laid off when the old labour intensive mines are closed and who, because they are foreign migrants, have no

Plantu in *Human Rights:Questions and Answers* © UNESCO 1981.

right of residence in South Africa, however long they have worked here, so they are deported back into that hopeless situation in Mozambique and do not even have the very limited Unemployment Insurance Fund benefits because they are foreign migrants who are excluded from the UIF Act.

However, after a good conversation with Eddie Funde, the ANC representative in Australia, I acknowledge the point that coal is one of our major earners of foreign currency and that the embargo is consistent with the attempt to reduce foreign earnings. This is an example of the dilemma in which we find ourselves when we are convinced of the efficacy of sanctions as a non-violent weapon for forcing change but have to face our responsibility for those who will really suffer, immediately and personally, because of our calls.

In this regard, when someone challenged me about a mythical black mother whose fourteen-year-old is in detention, asking if her suffering could be made worse by sanctions, I said it could be if her three-year-old were to die of a malnutrition-related disease because the breadwinner had lost his job. Suffering cannot be quantified. It is absolute in the loss of a child whether through detention or through hunger and only people who have not experienced it can talk about its degree.

9. I challenge the right of South African businessmen to go around the world opposing sanctions because they will cause black unemployment. They were the ones who caused our structural unemployment in the first place which had reached a level of 25% before sanctions were imposed. In the last century mine-owners devised the homelands policy when they created the reserves in order to deprive black people of their land and force them to work on the mines by the imposition of taxes. If they are now so concerned about black unemployment, why are they investing their money in other countries all over the world? I suggest that this is a worthwhile focus wherever South African businesses are establishing themselves in other places. It should be prevented, and this also implies the necessary element of sacrifice for the country refusing their investment, which ought to be a part of all non-violent commitment.

10. However it is not true that all the opponents of sanctions are pro-apartheid. Some of those who most vehemently oppose sanctions have also opposed apartheid in a committed and sacrificial way for years and years.

11. I think the ban on landing rights for airways is excellent and I think the people's sanctions such as the boycotts of South African fruit are very good. They do not have

much financial effect because they are easily avoided by sanctions busting techniques but they are invaluable as vehicles for raising the level of awareness and information in the electorates of other countries.

12. I am opposed to the withdrawal of diplomatic representation because those services are invaluable in getting sound information out of this country but such withdrawal could be of immense importance at the end when we have reached the point where a dramatic thrust could push the whole thing over. I am in favour of the kind of specifically targetted sanctions such as threats by Europe in response to the fund raising legislation earlier this year.

13. As for the findings of different surveys of black opinion on sanctions, I use the Schlemmer and Orkin ones as examples. Professor Schlemmer and Mark Orkin hold very different views on sanctions. Both of them conducted surveys of opinion in black urban communities countrywide. Both surveys came out with remarkably similar results, within a percentage or two. The results showed 24% entirely in favour of sanctions, 25% against and 51% in the middle in favour of sanctions provided they do not cause a loss of jobs. That just highlights how difficult the subject is. □

A CORRESPONDENCE ON SANCTIONS

The author of the following letter addressed to Mary Burton, National President, has asked to remain anonymous.

I have resigned regretfully from the Black Sash. An inactive supporter, I'll not be missed but I am reluctant to leave without giving reason.

For about six years I have been disenchanted by the lack of protest by Sash against sanctions and the disinvestment campaign. It will be said that Sash has no policy in this matter. In fact some years ago when Sheena Duncan was overseas, she gave tacit approval of the campaign.

Not being an ivory tower academic nor up too close to black hardship like the clergy but, as the wife of an entrepreneur, close to the harsh realities of keeping a business viable, I cannot go along with Sash's attitude. To create and maintain job opportunities for unskilled black people in today's uncertain economic climate is a difficult task. I consider it criminal, indeed, un-Christian for prominent people to call for sanctions or merely to stand by and assist by omission in the destruction of the South African economy. Once destroyed it will take decades to rekindle and will thus deprive (particularly black) people of employment and the power and dignity which that labour could give them.

Sash's stalwart stand against apartheid and all its attendant horrors is undeniable. But this wonderful work is rather like treating the symptoms and not the cause. The bottom line is a viable economy to absorb our unskilled labour; this is the real machinery to bring about change and upliftment. I had hoped that a strong statement to this effect might be made by Sash; none has been forthcoming and thus it seems that Sash agrees with the campaign.

Please do not trouble to reply to this letter. As far as I am concerned, I had to try to make this point before resigning and do not wish to take it further.

Mary Burton's response:

Thank you for your letter of 1 August giving me your reasons for resigning from the Black Sash. I discussed it with other members of the National Executive and we think it is important to reply.

The questions which you raise are serious ones which have often been considered by the Black Sash. There are many complex issues we face, of which sanctions is only one, and we discuss them often. Sometimes we can reach agreement only on the fact that there are powerful arguments and strongly held views which are valid even when they conflict with one another.

There are those, like you, who wish to see an end to apartheid and believe this could be achieved by a process of evolutionary change which would not destroy the economy but would lead to greater employment and prosperity for all. There are others who believe that unless the South African government is forced by economic and political pressures to reverse its policies there will be such war and devastation that irreparable harm would be done not only to the economy but to the whole fabric of South African society.

We know that these views are honestly held, and that even while they are at variance they come from a common determination to see apartheid and injustice brought to an end.

Those of us who serve as representatives of the Black Sash do our best to reflect the complexity of such views. We know that we are more fortunate than many other South Africans in that we have the space and the freedom to debate them. Our primary goal remains unchanged: to work for a society in which all will have equal rights to participate in government, in decision-making, and in generating and sharing the wealth that South Africa has to offer.

We are not seeking to persuade you to withdraw your resignation which was clearly prompted by serious thought, but we should like you to know that we do not dismiss your views nor regard these issues lightly. We believe that it is part of our strength to encompass diversity of opinion within our organisation, and that other sections of our society would benefit if they were to encourage similar debate.

Thank you once again for writing to me. □

mourning song

wendy woodward

We are publishing Wendy Woodward's poem to mark the Federation of South African Women's focus on the plight of women prisoners. 'Mourning Song' was prompted by two newspaper reports of injustices meted out to women.

In May 1987 the ***Weekly Mail*** *reported that a young girl, Emily Patel, had been stabbed to death in the back of a police van. Unable to pay a R20 admission of guilt fine for disturbing the peace in the squatter camp near Bredasdorp where she lived, Emily had been placed in the van with what the* ***Weekly Mail*** *called 'hardened criminals' - one of whom stabbed her repeatedly with a scissors. This man had already killed his girlfriend and had sworn to kill the next woman whom he saw.*
In February 1988 the ***Cape Times*** *told of the many women murdered in Kashmir by their new husbands when they failed to receive the promised dowry from the bride's family. Often the woman is burnt and the death is blamed on a stove that was knocked over.*

Emily Patel,
your dowry was contracted
in the back of those vans
to Caledon and Kashmir

Found to be lacking
you were beaten
by primus stoves
that cooked the evening dal
stewed the potjiekos
and boiled milk for the baby
you didn't have time to conceive

But your aunts and mothers
noted the stain you left (so
domestically careless)
as you splayed / unthinkingly
against
the sunbright yellow of the
prison van,
as you bled / unceasingly
into the blackening floor
into the dirt of Akbar's palace
into the wheat of citadelled
farms
into the fountains of Shalimar's
gardens

Pithed and gutted
your scissoring body
pressed, like last season's
leaf
veined,
on the yellow wire

And you died -
a fish out of its lake
gills bloodied
in the paraffined air
on the floor of those vans

We remember you -

We mourn your deaths
From Bredasdorp to Srinigar.

We have noted the stains.

Wendy Woodward is an English lecturer at the University of the Western Cape

south africa's growing 'informal sector'

wolfgang h. thomas

'Informal sector' is probably the most prevalent economic buzz-phrase of the moment. What does the term mean? How significant is the informal sector in our day-to-day economic life and for South Africa's transformation from a dualistic 'First World vs Third World' economic model to an integrated semi-developed economy?

Cedric Nunn / South Africa. The cordoned heart.

Isithebe Industrial Park 1983. (Isithebe was established as a 'growth point' 100 km North of Durban in Kwa Zulu.) The scene illustrates the formal / informal-sector interface described in the article.

Like all buzz-words, 'informal sector' means different things to different people. Television viewers may visualise street hawkers or flea markets; established dealers think of the 'unfair competition' of sidewalk traders. Many people consider the informal sector somehow 'illegal' - shebeens, unlicensed taxis, and back-yard panelbeaters operating without municipal permission. Many whites equate the informal sector with black business in general or, more narrowly, African economic enterprise in or around the townships.

All these examples - and a lot more - fall within the broad spectrum of the informal sector. All activities which fall **outside** the formal net of registered, taxed, licensed, statistically documented and appropriately zoned business enterprises comprise the informal sector.

One can distinguish two broad components of the informal sector: activities within the 'Third World' segment of our society - amongst township dwellers and in the rural areas - and those within the 'First World' (middle- and upper-income) segment.

a closer look at the hundreds of black • entrepreneurs reveals that most of them started 'small'

In the 'Third World'

'Third World' informal-sector activities comprise two inter-related groups: the so-called 'survival entrepreneurs', and proper embryonic entrepreneurs. The former encompass the unemployed who are looking for regular employment, but are meanwhile dependent on making a living through 'self-employment'. This class of 'entrepreneurs' covers a wide range, from pickpockets, drug pedlars, pimps and money dealers to private taxi-drivers, hawkers, shebeen owners, shack builders, second-hand clothing vendors, etc.

While the 'survival entrepreneurs' are trying to earn a minimum income for mere existence, the other group is taking an initial business step en route to a larger, more lucrative and (if necessary) formalised (taxed, licensed, properly accommodated, statistically registered) business. An example is the person who starts selling a few groceries from the homeshack to next-door neighbours, hoping to open a small general dealer 'outlet' and eventually own or run a 'proper shop' in a shopping centre.

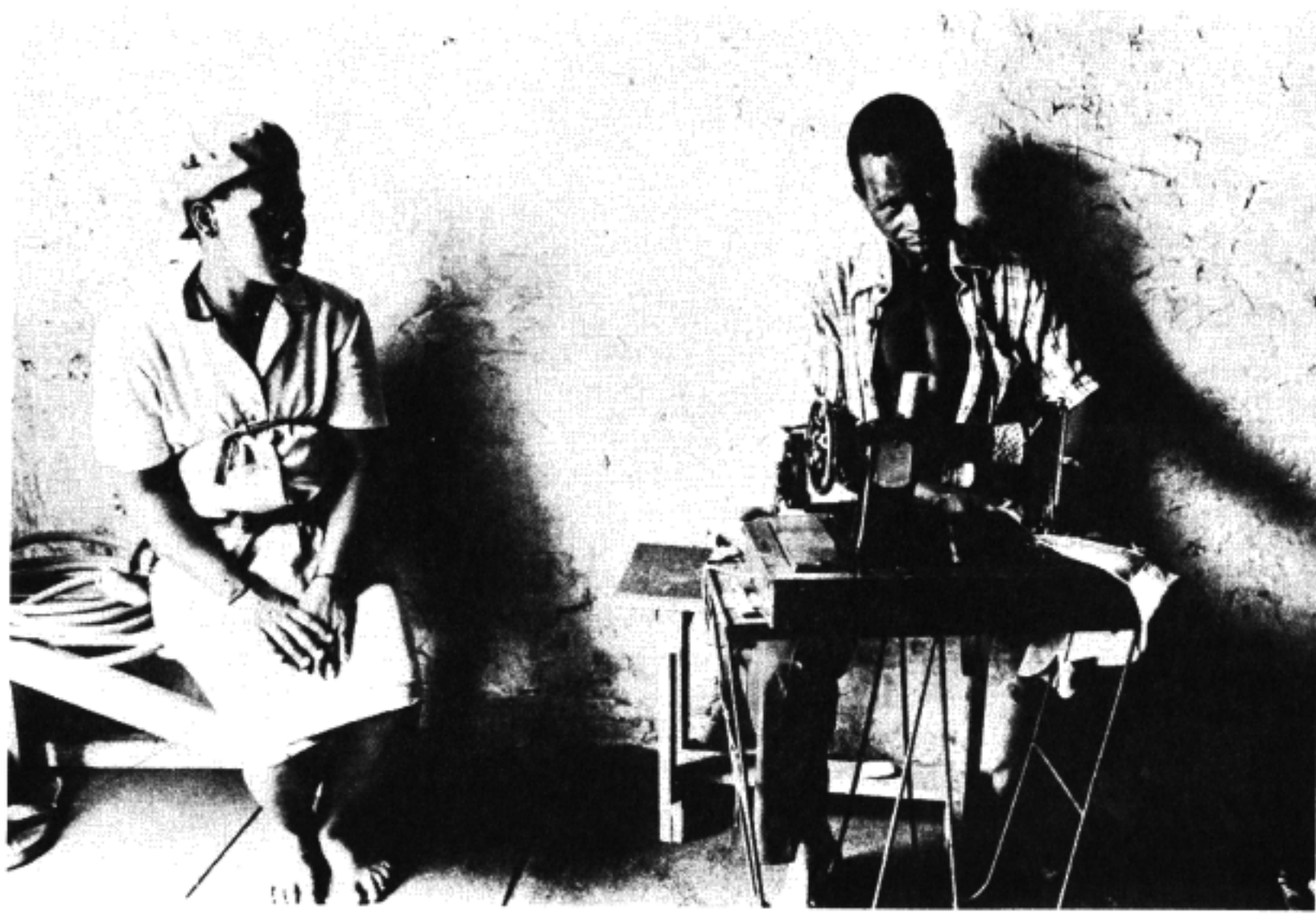
Empirical evidence shows that very few of the survival entrepreneurs start proper businesses or make sufficient net profit to be regarded as successful entrepreneurs. Yet, a closer look at the hundreds of black entrepreneurs reveals that most of them started 'small', i.e. indistinguishable from the first category.

In a country where formal-sector, capital-intensive employment opportunities grow slowly, it is essential that an increasing share of new jobs is created and maintained in the informal sector. This raises a most important question: how can informal-sector job creation be encouraged and stimulated through appropriate public- and private-sector support? Some experience has been gained in recent years - e.g. through the mini-loan scheme of the Small Business Development Corporation, training programmes offered by business institutions, assistance to co-operative ventures and marketing support for informal-sector operators. But a huge task still lies ahead.

In the 'First World'

It is also important to consider informal-sector activities in the 'First World' segment of our race-class stratified society. Here again we can distinguish two categories: part-time, moonlighting and hobby-related activities (which are often untaxed, unlicensed, and home-based) and embryonic entrepreneurial activities aimed eventually at establishing a 'proper' business.

Close observation of this range of informal-sector activities reveals an equally astonishing diversity. It includes a multitude of recreational, sport-related, training/tuition-orientated, artistic, home-care, retail, catering and professional services or activities. Quite often people doubt that these informal activities are significant in number or economic contribution - until one asks them to list and estimate the income value of **all** such activities known to them within their own circle of relatives and close friends.



Omar Badsha

Tailor with wife. Amouti, Inanda

...it seems reasonable to assume that at least about four million people... are involved in... informal-sector activities.

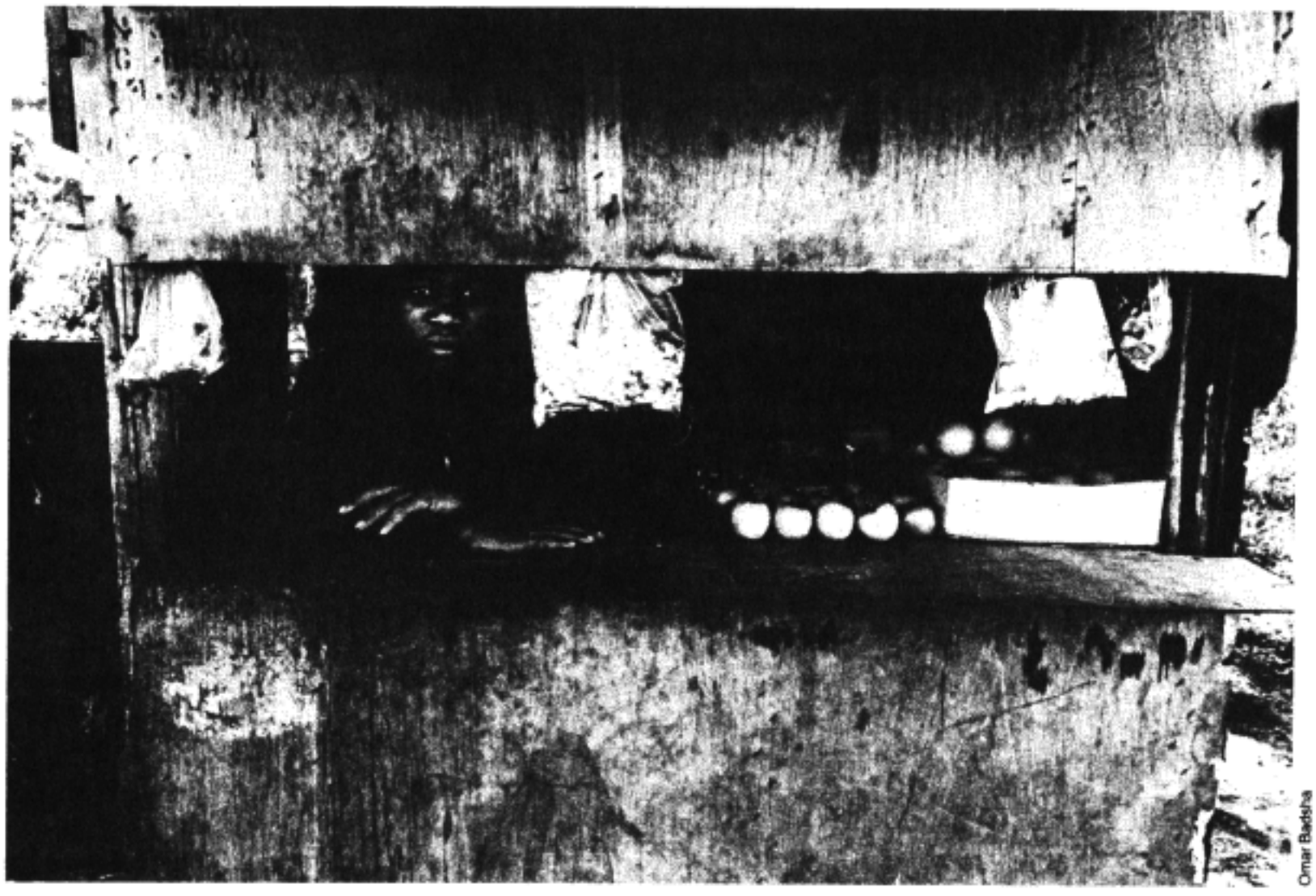
Deregulation and informal-sector growth

From the above, it should be clear why 'deregulation' - another economic buzz-word - is so important. Rigid enforcement of municipal, tax, licensing and other regulations and controls dampens the development and expansion of this complex pattern of self-initiated, informal activities. Municipal prohibitions on business activities on residential premises, for example, are not motivated by the need for job creation. Similarly, organised, established businesses that complain about the 'unfair' competition of hawkers in front of their shops are either selfish or ill-informed about the interaction between formal and informal businesses. (In some towns, vegetable and grocery dealers have learned that hawkers in front of their shops actually attract customers and constitute lucrative wholesale clients.)

Because of the difficulty of accurately conceptualising 'informal sector' activities and due to the understandable elusiveness of these operators when it comes to the documentation of their turnover, costs, or profits, estimates of the informal sector's overall contribution to South Africa's Gross Domestic Product (or National Income, both concepts measuring aggregate economic activity) range from Free Market Foundation director Leon Louw's wild guess of 60% **on top of** measured GDP to no provision at all by the prestigious S.A. Reserve Bank in its 'official' GDP statistics (without even a footnote conceding the possibility that these figures might exclude 'informal sector' production).

To get a feel for the relative size of the informal sector we should look at a number of measurements, none of which reveals the full picture.

- In terms of **contribution to the GDP** it seems safe to argue that about eight per cent should be added to the official GDP figures to account fully for 'First World' informal-sector activities (some of which undoubtedly are included in the official figures) and another 12% for 'Third World' informal-sector activities. Percentages twice as high have been mentioned, but it is likely that these refer to the understatement of the GDP (which also relates to formal-sector activities) rather than the informal sector only. Nevertheless the 20% is most certainly a conservative estimate.
- With respect to **employment** it seems reasonable to assume that at least about four million of the six million people unaccounted for in formal employment statistics, but part of the labour force, are involved in part-time, temporary, after-hour or even full-time informal-sector activities. In addition, probably another one or two million of the eight million employed are more or less regularly engaged in some non-formal sideline activity or supplementary earnings. Thus, out of a total adult population (15 years and older) of 21 million, about six million are likely to be 'involved' in this sector.
- It is often forgotten that informal-sector activities can also contribute significantly to



Omar Badsha

A township food stall: living through self employment.

...due to informal-sector growth, it is most probably not true that per capita GDP declined in South Africa during the 1980s.

the **capital formation** process. For example, shack building in urban and rural 'squatter' areas comprises an average per shack of at least R1 000 in capital, none of which is supplied by either the state or formal-sector financial institutions. Thus, the 100 000-odd squatter shacks erected in greater Cape Town during the past seven years constitute a capital investment of at least R100 million (excluding later upgrading as well as furniture and other more durable consumer goods).

- In some subsectors of the economy - like shebeens, taxis, hawkers, and township money-lending - informal-sector enterprises constitute the bulk of establishments.

A further crucial point about the relative significance of the informal sector challenges much of the conventional wisdom about South Africa's alleged near-zero economic growth rate. With the rapid increase in African urbanisation (de facto urbanisation has reached 55% amongst Africans, notwithstanding census figures of less than 40%), and the 'deepening' of urban economic growth amongst all races, the informal sector actually increased disproportionately fast during the past five years. Since little of this sector's contribution to the GDP is measured in official statistics, the higher total share implies a significantly higher annual growth rate in the GDP - as much as one or two per cent higher. Thus, due to informal-sector growth, it is most probably not true that per capita GDP declined in South Africa during the 1980s.

The formal / informal-sector interface

There are two seemingly contradictory views of the role and significance of the informal sector.

Critics on the progressive left have for a long time regarded the black ('Third World') informal sector as little more than a 'parasitic' way in which the unemployed (or those living below subsistence levels because of the inequity of the capitalist system) keep alive. It is argued that these marginalised pseudo-entrepreneurs have neither the capital, know-how, contacts or business experience to grow beyond mere 'survival' income generation. On the other hand, capitalists are seen to 'use' this sector to produce goods at lower prices, absorb second-rate goods from the formal sector and maintain a stock of surplus labour. Thus, the informal sector is regarded as highly dependent on the formal sector and powerless vis-à-vis the latter - a relationship of capitalist exploitation.

Free marketeers hold a sharply contrasting view of the informal sector. They marvel at what they see as the highly competitive and dynamic training field for more formal enterprises. Besides, through the resourcefulness and adaptability of these operators, unemployment is reduced if not eliminated altogether. Thus, people still without a job are assumed to be 'voluntarily unemployed'.

The informal sector is also often seen as a useful counter to the wage-pressure from trade unions, to monopolistic tendencies by larger enterprises and to inflationary pressures caused by rising costs of business premises, rigid regulations and high business overheads. In short, some proponents see the informal sector as **the** factor that could transform South Africa's stagnant post-colonial economy into a vibrant Taiwan- or South Korea-type developing economy.

These two schools, even if not quite so extreme, seem difficult to reconcile. Nevertheless, it is possible to do so if we take account of day-to-day developments and contradictions at the formal/informal-sector business interface.

Anyone who has visited African squatter settlements is easily convinced of the 'Lumpenproletariat' explanation of the informal sector. Rows of hawkers try to eke out a living by selling some fruit or vegetables. Yet, once one takes a closer look and pierces through the networks of personal and business relationships, it becomes clear that the turnover of individual 'enterprise' is often higher than would be expected, that performance differs widely from one business to the next and there is a complex and often intensive learning and growth curve.

The outcome of these processes can be seen in the dramatic transformation of, amongst others, the black taxi, shebeen, cosmetic and haircare, construction, hawking and clothing sectors, all of which offer examples of entrepreneurs who have overcome small beginnings and almost insurmountable obstacles.

This growth is, to a large extent, the result of the expansion of the township economies, where the black informal sector has so far been protected from 'unfair' competition by large supermarkets, factory stores and other outlets. The boycotts of white businesses between 1984 and 1986 actually assisted the townships in a quantum leap of 'inward growth'. Since then the process has become much more diversified:

- With greater calm in the townships large white-owned wholesalers and other enterprises are keen and have succeeded in concluding business deals with township entrepreneurs;
- the consolidation of the urban settlement process and three years of mild economic boom have boosted black spending - much of it inside the townships;
- trade union pressures on wage levels have given impetus to big business' search for

the structure of South African business is now changing dramatically

black sub-contractors willing to supply intermediate production services;

- the franchise system of establishing branches or outlets inside black townships - with black management - has caught on in a big way;
- bigger companies are getting interested in selling off some of their activities (like delivery services) to black staff, whom they treat as independent entrepreneurs;
- with the rapid increase in black matriculants and a variety of post-matric training, the range of black people able and willing to undertake entrepreneurial functions is increasing rapidly;
- almost every month new black business interest groups are established, contributing to a change in the image and leverage of black enterprise - until recently the 'Cinderella' and 'Uncle Tom' of the black political economy - and making people much more aware of opportunities in this field;
- efforts to strengthen the informal sector, train its participants and expand the interaction with the formal sector are also increasing rapidly, with institutions like SBDC, Get Ahead and Get Up, company-specific projects and broader training efforts supplementing each other.

What does all this mean? Undoubtedly formal-sector business still controls the bulk of all economic activity in South Africa. Yet, with more than 50% of all (measured and estimated) consumer spending passing through black hands, the structure of South African business is now changing dramatically. The informal sector is an important factor in this transformation and its growing strength is playing an important role in black/white economic relations.

Till very recently critical observers of the black socio-political scene in South Africa considered the trade union movement (and the clergy) as virtually the only significant grassroot force(s) reshaping the black/white interface of power. With the growth of the black informal sector and its intricate link with the formal business sector this perception may be in need of revision. □

co-operatives

Research is currently being undertaken at the Institute of Social and Economic Research at Rhodes University into the co-operative model as a means towards social and economic empowerment. According to the researcher, Neal Barratt, the work seeks to answer a number of questions about co-operatives.

The first of these asks, quite simply, what a co-operative is. In South Africa, the term has been used to explain practically any activity in which people get together and make something - a definition which is not entirely accurate. The research aims to arrive at a more concrete explanation of the term.

Secondly, so-called co-operatives have had an alarming record of failure in South Africa. The work hopes to identify what the major problem areas are, and suggest ways of overcoming them.

Thirdly, a distinction needs to be made between the different kinds of co-operatives that exist, as some types have proved more successful than others. Producer co-operatives, for example, involve a group of people who produce items, such as a sewing co-operative that makes dresses. Many difficulties have been experienced in setting up this kind of venture. Consumer co-operatives have generally been more successful. For example, a group of people may get together and decide what basic foodstuffs they are going to need for a certain period of time. Each member contributes a given amount, and the group is able to buy what they need in bulk, at very low prices. Service co-operatives also exist. A group may set up a baby-sitting service or undertake shopping or gardening for one another. Worker co-operatives aim to gather unemployed people together, to pool their resources and attempt to find jobs for as many of their members as possible. Housing co-operatives, which are rare in South Africa, involve people joining together to buy a house or large building in which they live communally. There are also house-building co-operatives where a group pools together to build houses for its members.

The philosophy behind co-operatives is one of mutual aid. The aim is to develop a co-operative community spirit. Co-operative philosophy has much to offer communities, not only from an economic point of view, but also in terms of community empowerment and co-operation.

The research is to be accessibly recorded and is intended for use by groups interested in forming co-operatives. The researcher will also produce a manual which will introduce people to what a co-operative is, the problems they are likely to encounter when setting one up, and a series of exercises on how best to overcome these problems. The research findings and the manual will be available early next year. □

Niki Cattaneo

* *We plan to have more on co-operatives in the next issue of SASH.*

analysing south africa's survival

(a decade on...)

In this straight-talking interview, ***R.W. Johnson****, best known in South Africa for his book* ***How Long Will South Africa Survive?****, offers his assessment of current South African politics. Born and educated in Durban before leaving South Africa in the 1960s, Johnson is now a fellow of Magdalene College, Oxford, and the author of books on a diverse range of topics.* ***Heather Hughes****, a lecturer in the Department of African Studies at the University of Natal, interviewed him during a recent stay in South Africa as a guest of the Student Visiting Lecturers Trust Fund.*

Fiona MacDonald

R.W.Johnson *Heather Hughes*

HH: Perhaps the first thing to ask you would be what you consider to be the most important milestones along the way to significant change in South Africa since the publication of *How Long will South Africa Survive?* - if you think there have been any.

RWJ: I think the legalisation of trade unions has certainly made a big difference in creating a whole new constellation of forces which didn't exist before. You could go through listing many of the achievements of the Botha reform programme - the abolition of the Immorality Act and so on. While I share what I take to be the Sash point of view that the reform programme is still very incomplete and slight, I think you have to say that the Botha presidency has seen a whole series of things happen which none of us predicted. We wouldn't have got it right if we'd been forced to predict in 1978 what he was going to do in the ten years to come. I think people on the left would have been too pessimistic. But the rising of 1984 to 1986 has to be really at the centre of it all, because despite the fact that quite a lot of so-called reform had taken place, it was a tremendous demonstration that it was nothing like enough. Moreover, all the diffuse effects of 1984 to 1986 - the collapse of the currency, sanctions and so on - mean that the uprising sticks out as the biggest single landmark. It is still exerting pressure now - that is what is getting South Africa out of Angola and Namibia.

HH: Would you say that that upsurge of resistance has been the major pressure for change, or would you say that there have been quite important changes going on in the National Party, such that it is no longer the same party really as came to power in 1948?

RWJ: It has changed a great deal, and the rise of the Conservative Party is the testimony to that, really - now there is the space for something like that. But I find two things funny about the National Party. One is that they've never had their de-Stalinisation period: I mean they've now turned round on Verwoerdism and started to reverse it, but they never denounce it because they have no vision of the alternative society they want to move towards. And now you've got people - often the very same people who were there under Verwoerd - preaching something close to the opposite of Verwoerdism but they'll never admit that they were completely wrong before. Or that lots of people like you or me will have said to them that they were wrong. They won't accept the implications of that, what that means.

Because if they were as wrong then as all that, surely they can be just as wrong now. Secondly, there's still this peculiar exclusiveness of

I think that the case for participation, even by blacks, is one that is not sufficiently examined by the UDF.

Afrikanerdom. I know that its unity is gone, but that Botha can still make a plea for Afrikaner unity is quite peculiar, (a) because no-one ever appealed among whites for English-speaking unity, and (b) what's the point of Afrikaner unity? What was it used for politically? It was simply to oppose white English speakers. White unity was against blacks, so Afrikaner unity was against the rooineks. When you get into discussions even with liberal Afrikaners and radical Afrikaners, there's still a tendency to talk as if the pace of change has got to be regulated by what is acceptable to the Afrikaans-speaking community. And when you try to say that's not a reasonable clock to work by, they really don't know what you mean. I find those two things are still there.

HH: Do you think the tricameral parliament has changed the terrain of South African politics?

RWJ: I think what we've seen over this last couple of months, with Hendrickse blocking Group Areas legislation, has shown that it has, that you can't even carry out that sort of reform without creating new niches from which people can work. I think that the case for participation, even by blacks, is one that is not sufficiently examined by the UDF. Yet there is an argument - I am not saying it's right - for getting in there, and using your elbows for all you're worth and trying to block the structure, and force things out of it that way. It's what the Irish nationalists did in Britain in the late nineteenth century: getting into parliament and then completely disabling it, and just making things impossible for the government. That is something which people are too quick to dismiss; they say don't touch anything, boycott everything, have nothing to do with: there may be things there which can be used.

HH: The Labour Party did try to use the old Coloured Representative Council in that way, years ago, but what would you think of the opposite position, that in fact the debacle over the Group Areas Act has merely shown up the impotence of the coloured house in the new tricameral parliament?

RWJ: Not yet. It may be that the President's Council goes ahead. When that happens, okay, you can say something like that. But at the moment, it looks as if Heunis's bill is going to be weakened, it still hasn't been legislated through, here we are only days from the municipal elections and it has still not gone through. If we get through until 26 October with nothing happening [nothing did - ed.], it may not happen at all. I think we'll have to wait and see. There's no point in denying that Hendrickse - I know he has been vilified for participating by many people - has achieved something. And he has got a constituency. I would suspect that after these past couple of months, his constituency's in pretty good heart.

HH: Just to push that position further though: can it not be argued that refusal to participate on the part say for example of UDF affiliates, is precisely what is causing more and more spaces to be opened up, politically speaking, whereas participation would actually halt that process of opening up more political spaces?

RWJ: Yes, I think that that is probably right. Perhaps there still aren't sufficient spaces - the National Council still is not a very interesting idea. Who are they going to put on it? If the UDF says yes, then Buthelezi will say yes, and then you'll end up with Buthelezi on the National Council. Now I'm not saying that's a bad thing, and I'm not saying I'm against Buthelezi; but I'm simply saying that that's not what the UDF intends. There isn't an African house - if there was, then that would be different again and you'd have to make a reassessment. I don't think participation on present terms would be wise. I think, however, that boycotting, refusing, the politics of defiance and rejection, have become almost a principle, so that instead of being a tactic, people want to say no always, all the time, to everything, and this is actually very stupid. You may miss out on important things, and there are gaps then which you miss altogether, and that's very poor politics. So, I think there's a great danger in this, that people stop thinking about it.

HH: The big question is knowing when to make that strategic switch.

RWJ: Yes, I know. You see for example these municipal elections. I would have thought that it would be pretty silly in Durban for liberal-minded or radical whites to refuse to vote, and allow people to be re-elected who would like to re-segregate the beaches. I can't see that you're doing a good thing by doing that. Now I know it makes you feel better to say no, no, no, but I think people are very silly to preach that, just because it makes everyone feel better in a rhetorical way. We don't have the calibre of leadership which is able to make these distinctions and get itself heard. We've simply got the sort of leadership which can get across a no, it's always a no - and that's nice and simple. Everyone's worried about being outflanked. The thing people must realise is that the

...I do think that the frontiers have been pushed back, there's a sense of common citizenship which you can begin to see

politics of opposition and protest generate habits of mind and leaders who are only good for that. And the problem is going to be that when finally majority rule comes, you're going to need completely different mental habits, completely different people.

HH: Any ideas where that leadership's going to come from?

RWJ: Well, I think that there are a few among the ANC exiles who are men of ability, probably women of ability too. But I don't think that many of those people are all that promising. I think that Thabo Mbeki, from everything I've heard, Pallo Jordan, and a number of others, are clearly very able people in whom one could have confidence. But I think that within the country it's tough. Many of the most able people one meets have withdrawn, are sitting on the sidelines feeling that there's no-one they really want to support. They've drawn their horns in, and those people are often the very people that you would like to have, because they're the most sensible and just generally the most competent and able. The nature of the political struggle here has driven them away. That's a real problem.

HH: No easy walk to freedom?

RWJ: Well, who knows what Mandela would be like, being so old now? I would have to include him on my list of people who I would have confidence in. I think that he is a very able man, and he's a man with a sense of humanity and tolerance. There are a whole set of dangers on that side as well. I have actually met people who seem to believe that in the new South Africa after apartheid you will still have torture, but that you will just torture the other guy.

HH: That's a difficult one.

RWJ: No, it's not difficult. I find that an easy one. I don't want torture.

HH: No - I would agree with you. I would agree that one would hope that those forms of repression would go, but the record elsewhere in Africa hasn't been bright on that score; there's no guarantee.

RWJ: Of course there's no guarantee. One shouldn't let that pass by without saying that the record in Africa is appalling, and there's no excuse for it. I couldn't have confidence in civil rights if I were living anywhere in Africa. I think that the human rights concert in Harare was amazing, given what has happened in Zimbabwe! I wasn't there, but they really ought to have led off with a condemnation of what happened in Matabeleland, and of detention without trial and torture in Zimbabwe. One can make excuses but I think too much has happened in Africa: there is a quite casual abuse of civil rights, and dreadful things happening and no free press, and all the things we know. It's very patronising and almost racist to say, oh well, they're only Africans, that's what they do, what can you expect.

HH: What about the argument that those notions of human rights are a mere bourgeois importation from the West?

RWJ: Absolute rubbish. I would like to see anybody on the left make an argument in principle that either torture or detention without trial are not bad things. They are bad things, but surely they would still be bad things after liberation. We all know where it ends up. It ends up with particular individuals getting extreme power, and feathering their own nests with Swiss bank accounts, and all the rest. Finally you end up with a situation where the radicals then condemn them for that, and the radicals get sat on - and tortured again. They seem to be too confident that they're going to be in charge - they're the most likely victims.

HH: Coming back then to the summary of events over the last ten years: it seems as if you feel then that we've taken some quite important steps to a real transformation of the status quo in this country.

RWJ: I don't want to praise too much what has been done because it's so inadequate.

HH: But in terms of the resistance movement looking creatively at alternatives and so on?

RWJ: I'm not as impressed by that as I would like to be. There's a party-mindedness about many people and a refusal, until recently at least, to evaluate things in a more pragmatic way. But I do think that the frontiers have been pushed back, there's a sense of common citizenship which you can begin to see, on campus, in advertisements, even on television, in multiracial advertising and so forth - it all counts. There is a sense far more than there used to be of a common South African citizenship. And that is growing, and that's a diffuse result of all sorts of things, including what the government has done. And that's very positive. One would like to see that go much further.

HH: Apart from the tremendous political tur-

The erosion of the whole white power structure is a process underway now.

bulence and state of flux that I think we've seen in this country, what other factors are important pressures in leading to real change?

RWJ: Well above all, external economic pressures of course - those are huge. What people didn't realise was that once you start getting those pressures, businessmen within the country start panicking, and then it's not just disinvestment from abroad, but people at home not investing either, and shipping money out all the time. That is really going to destabilise the whole situation here very dramatically - we haven't seen the results yet. The erosion of the whole white power structure is a process underway now.

HH: Would you say that's a direct result of sanctions?

RWJ: It's a result of the 1984 to 1986 uprising, which caused a collapse of the currency, which spurred on the sanctions movement abroad, which then led to the panic by the banks. It's amazing to think that anyone thought the people in the streets could beat the government in a military sense, and bring about a revolution that way, but they of course had an enormous effect on the money markets, and that's where their power lies. I'd go further than that and say that the structure cannot easily survive another 1984 to 1986. I used to come from England and get R1,65 for my pound: this time I got R4,26. What do I get next time - R10? Another round of things like that would do just that. In that sense the government is now treading on a very, very thin edge.

HH: Do you think that there are real signs of worry about that situation, in government?

RWJ: Well, yes to the extent that the whole national security management system is throwing a bit of money at trouble, and obviously doing everything to try to stop the lid being blown off again. But if they're as worried as I would be in their place, they would be doing a lot more than they are.

HH: I think you said in a lecture here, sanctions, or at the very least calls for sanctions, and popular support for sanctions in Britain is more or less a fact of life, so that debates about whether they're good or bad, or should or shouldn't happen are really a bit on the side. Does that mean you discount serious debate about the efficacy of sanctions, and whether they're desirable in their effects or not, and following on from that, whether you think that that kind of debate could have any impact on popular consciousness abroad?

RWJ: No, I don't think it could have any impact. I think the momentum for sanctions is there and one can only see it ratcheting on. The biggest single thing is that the Americans have done what they've done, because they will now exercise real pressure on Japan, on Taiwan, etc., not to move into the gaps they leave. We will be seeing the effects coming through for a long time. South Africa has lost trade which they haven't replaced in any other way.

HH: And that's trade that is probably lost for good, isn't it? It's unlikely that those companies disinvesting will want to come back?

RWJ: I agree, and this is a problem, isn't it? Objectively, the left has to cheer on things happening which will be very tough for them when they finally inherit, if they do. As for the sanctions debate: inside South Africa, it's a very peculiar debate, because the left seem to want to say that sanctions (a) are a good thing and (b) don't cause black unemployment. Well, of course that's nonsense, because the one thing they certainly do do is cause large-scale black unemployment. It's difficult to say what I think they ought to say, which is that from their point of view they're a good thing **and** cause black unemployment. But the debate abroad is more whether it makes whites want to change or whether it simply encourages the right-wing. Again, I don't think those are either/ors: I think it does encourage the right-wing **and** it forces the government more towards reform. I think that the sort of scenario one has got to think about - though this is too neat - is a Conservative Party victory or something close to it, causing the government to say they were going to carry out a whole further wave of forced removals, producing large-scale resistance, bloodshed, a further collapse in the currency, a grave ratcheting upwards of sanctions, producing higher unemployment, and so more riots, etc. It wouldn't take very long for that to spin way out of control. It's not all that far away. I think it's going to be quiet for a while. Of course, the opposition has taken a pounding and they're in no mood to start anything again for quite a while. But not many years down the line we shall probably face something a bit like that. □

** The second part of this interview will be published in the March issue of SASH.*

africa's economic malaise: understanding and perspective

wolfgang h. thomas

Where can South Africans who may be 'groping for their African identity' begin to look for an understanding of economic developments in their own continent? Wolfgang Thomas reviews the best of the recent attempts to analyse Africa's economic problems and suggests that some real progress is now evident.

'Democracy, prosperity and self-rule - this was the vision of African independence. But today, few Africans express satisfaction with the fruits of uhuru.'

With these lines, Richard Sandbrook, political scientist at Toronto University, introduced *The Politics of Africa's Economic Stagnation* (Cambridge University Press, 1985). Three years on, and despite some significant changes in the African economic scene, this book is still one of the best analyses of the reasons for Africa's poor economic performance in the period 1960 to 1985.

The book seems of particular importance for (white) South Africans groping for their 'African identity', yet appalled by what they hear about stagnation, retrogression and chaos in black Africa. Are similar trends to be expected in an independent Namibia? And what about a black (ANC?)-dominated post-apartheid South Africa?

One can tackle Sandbrook's 157-page, concisely written book in two ways. The first is to focus on it alone, and emerge sobered from any undue optimism about a quick reversal of the downward spiral but also warned against any simple, unidimensional explanation of this 'tragedy'. The second is to include it as a crucial link in a chain of selected readings on 'Third World' underdevelopment. I strongly recommend the latter approach.

Such a zooming-in might start with the famous Brandt-Report *North-South: A Programme for Survival* (Pan Books, 1979) which sets out the global dilemma and pleads for international cooperation and increased aid. This rather utopian study appeared at a time when disillusionment about Third World development was at its strongest. For a brilliant journalistic account of this perspective the reader should turn to Paul Harrison's classic *Inside the Third World* (Penguin, 1979), which discusses key issues in considerable depth and in a refreshingly non-ideological way.

Outside Africa the early 1980s produced several development

'breakthroughs'. Some were on a macro-level - like the Asian success stories Hong Kong, Taiwan, Singapore and South Korea; others were on a sector-specific level - like the 'green revolution' in agriculture; yet others were project-specific, for example, appropriate technology or integrated rural-development projects. Paul Harrison's equally readable second book in the field, *The Third World Tomorrow: A report from the Battlefront in the War against Poverty* (Penguin, 1980) deals with some of them.

Africa showed few signs of such breakthroughs. The much debated Berg report on *Accelerated Development in Sub-Saharan Africa: An Agenda for Action* (World Bank, 1981) offered a new, market-orientated strategy for development, yet lacked any deeper analysis of the malaise, or any sympathetic understanding of the causes. As a result, the prescribed policies - increase basic agricultural prices, prune state spending, depreciate currencies and 'open' the economies - not only fell on deaf ears but elicited sharp reactions from OAU circles and leftwing scholars.

Catastrophic droughts, political turmoil, massive corruption and economic stagnation coincided, during the early 1980s, with increasing pressures from the World Bank, the International Monetary Fund, the United States and Western European donor institutions, forcing African political leaders, planners and development practitioners to reassess their strategies.

At this point, Sandbrook's book appeared: it and a highly polished collection of scholarly papers edited by Robert J. Berg and Jennifer S. Whitaker, *Strategies for African Development* (University of California Press, 1985) complement each other superbly.

Sandbrook places Africa's post-independence economic stagnation in the broad context of four fundamental 'failures', which interact in mutually re-enforcing ways to create a fifth factor, that is, the 'downward spiral' of underdevelopment.

The first factor is that black Africa, more than any other Third World continent, lacked a properly functioning institutional and administrative infrastructure and an adequate natural, financial, and skilled human resource base. After all, exportable minerals deep in the interior of the vast continent are as uneconomic without a proper transport network as an immense hydroelectric capacity situated far away from human settlement and industries. Similarly 'fertile' tropical forests are rapidly transformed into deserts if there is no effective ecological protection.

A second explanatory factor is Africa's colonial legacy, which has resulted in dependency relationships with developed economies.

The other two factors are political in nature. Tribes and classes still interact strongly in Africa, determining much of the political terrain and the unequal distribution of economic wealth. Finally, the absence of strong national cohesion in most African countries has strengthened personal rule and led to corruption, erratic policies and the dampening of private risk-taking and economic growth.

Sandbrook draws attention to a wealth of explanatory factors and forces, revealing both similarities between countries and the uniqueness of specific events. This section should be compulsory reading for all (white) South Africans in danger of explaining Africa's economic and political decay **mainly** in terms of race or ethnicity, colonialism or the apartheid system, or economic structures.

In his concluding chapter on 'Survival Strategies' Sandbrook anticipates much of what seems to be unfolding at the present time, namely a slow, yet distinct turn-around of Africa's downward spiral.

A few points summarise his approach, which is particularly relevant to all those who want to understand recent developments in southern Africa:

- 'We must believe that people make history despite objective constraints.' (p. 145)
- 'Africa cannot sit passively by and wait for a reformed world economy to solve its problems.' (p. 146)
- 'Foreign aid will continue to be an important item in Africa's balance of payments.' (p. 147)
- 'Africans must look to domestic responses to their crises.' (p. 148) These should include an avoidance of bureaucratization, a freeing of markets and the 'building' of a new state, consisting of 'coherent, competent and committed administrative and regulatory institutions'. (p. 154)

A more popularised version of **some** of these strategies is contained in Paul Harrison's third book on this theme, *The Greening of Africa: Breaking through in the Battle for Land and Food* (Collins/Paladin, 1987). Goran Hyden's *No Shortcuts to Progress: African Development Management in Perspective* (Heinemann/University of California Press, 1983) is another classic work in this field.

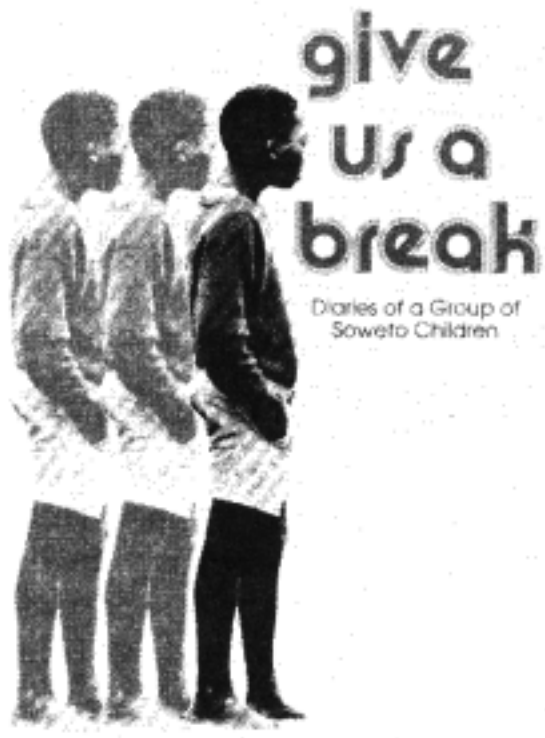
In the more general sphere of economic policies, World Bank publications, like the authoritative annual *World Development Report*, and the IMF 'country' studies have recently documented important changes in policy stances and institutional structures. Slow yet steady, and sometimes quite dramatic progress is visible in several African countries, including once chronically ill states like Ghana, Uganda and Tanzania.

Against the background of these readings the next few years should be exciting, not only in southern Africa, but in the continent as a whole. Undoubtedly there will be ample scope for disillusion, but for the careful observer and analyst the tide may already have turned. □

BOOK REVIEWS

Give Us a Break: Diaries of a Group of Soweto Children

Collected by Mbuyiseni Oswald Mtshali (Skotaville, Johannesburg, 1988)



Mbuyiseni Oswald Mtshali

This slender volume of excerpts from the diaries of Soweto school children originates from research material which the Johannesburg poet Mtshali collected in the early 1980s while teaching at Pace College in Soweto. He planned to present the material as a doctoral thesis but in October 1985 the records were destroyed by fire. Refusing to be bitter about his loss, Mtshali has published the remaining fragments as a collection of 'anecdotes, episodes, incidents, events and experiences' of fourteen township adolescents.

Given the time period in which the diaries were compiled, that of the post-1976 Soweto uprising, one would expect to find a degree of politicisation in the writing, yet overt political sentiment is curiously absent. Undoubtedly the youth of the writers (all aged 12-14 in 1982) excluded them from mainstream activity in the 1976 crisis.

More significantly, the children were students at a private college in Soweto and thus removed from the continuing upheavals in the DET schools. In fact one of them notes that Pace students were no longer considered 'as kids from Soweto'. It would seem that their relatively privileged position in township society gave these children concerns other than those of the political struggle. Precisely what their concerns are is not easy to elicit from these extracts.

However, despite the references to television sets, birthday parties, family cars and consumer goods, the one overwhelming image in these extracts is that of violence. Hardly an entry is free of reference to some or other brutal episode. Women assault a man on his head with a stiletto heel; a young girl screams as a gang tries to rape her; bus drivers attack taxi drivers with sjamboks and 'wires'; thugs chase school children with axes, knives and pangas; the 'Baygon Greens' from Meadowlands run to join battle with the people at Dube Hostel. Death is regarded with everyday indifference by many of the writers: 'I saw many people looking at a dead person...so they took him to a mortuary.' And the ghastly entry of a thirteen-year-old girl: 'Going to school - on my way I saw a cat lying in the road - it was dead - all the fur was taken off.'

In this pervasive atmosphere of thuggery and killing it is heartening to find a few isolated accounts in which students record their happier moments. The kiss of a girl - a game of tennis - the lights of Soweto seen from the train - the grass turning green after spring rain - these are little splashes of colour against a sombre backdrop.

This is not sophisticated writing, nor is it particularly memorable. But by collecting and publishing their perceptions of culture and society, Mtshali has given these township children a voice which would normally be denied to them. He has indeed given them a break. □

Jo MacRobert

Cops and Robbers Boere en Bendes: youth speak about crime

Compiled by Lauren Nott and Linda Tee (National Institute for Crime Prevention and Rehabilitation of Offenders, Cape Town, 1988)

This anthology of drawings, essays, poems and graffiti is the work of youths from various community groups, schools and institutions in the western Cape who were asked by NICRO to record their perceptions of crime. The age of the contributors ranges from six to 21 years, with the majority of entries coming from teenagers. In most instances the pieces appear in the contributor's handwriting, giving a rather uneven appearance to the publication. About half of the articles are in Afrikaans.

The book is divided into nine sections which focus on, *inter alia*, the role of the witness, life in prison,

BOOK REVIEWS

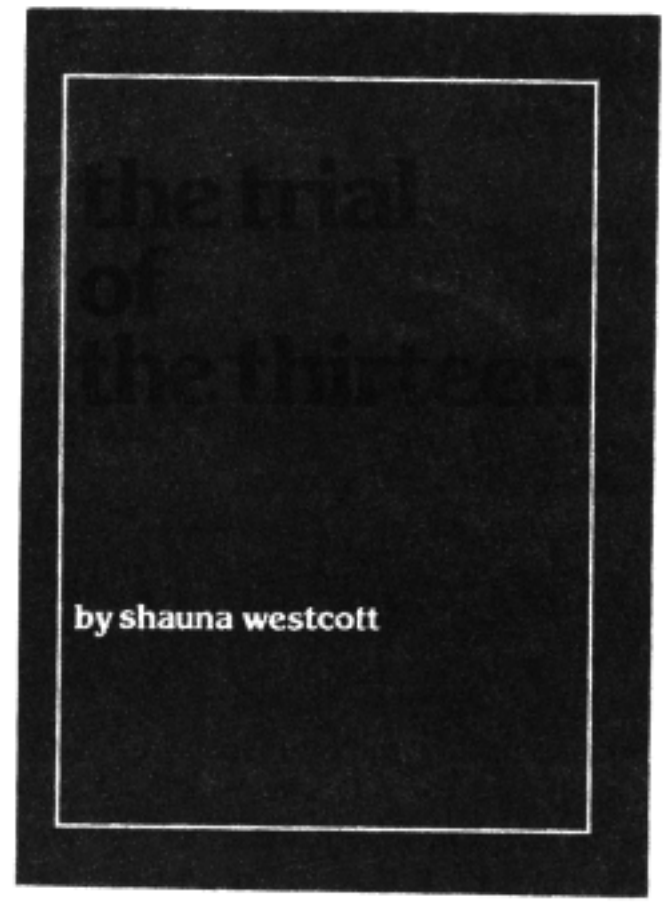
punishment and the prevention of crime. Most of the pages are illustrated, sometimes in colour, with appropriate sketches drawn by contributors. As in the writings of the Soweto children reviewed here, one of the predominant themes in this anthology is that of violence. This is particularly noticeable in the drawings where knives, guns, robberies, and other forms of assault are graphically depicted. In the written pieces there are many references to the notorious gangs of the Cape Flats, to rape, to people being attacked in the street.

A major difference between the extracts in this anthology and those from Soweto is the degree of political awareness amongst the contributors to the NICRO programme. In all sections of the book, the South African government is criticised for creating divisions in society which have contributed to one of the highest crime rates in the world. Poverty, racial tensions, the SAP, detention without trial, lack of facilities in prisons for juvenile offenders, corporal punishment, the Group Areas Act, unequal education facilities, lack of political rights, unemployment - in fact all the ugly hallmarks of the apartheid state are linked by these youths to the crime rate, thus reinforcing in their own honest contributions what leading criminologists have been telling us for years in their advanced economic research papers: apartheid and the crime rate have a high correlation.

In the foreword, this publication is described as a book 'by children for children'. Whilst younger children will relate to the drawings and older children to the written work, adults, and in particular teachers, parents and social workers might find this book a useful guide for discussing the problem of crime with younger people. The drawings of children behind bars certainly gave some children I know much food for thought. □

Jo MacRobert

BLACK SASH PUBLICATION



The Trial of the 13

Shauna Westcott
(Cape Town, 1988)

> *Will the court understand me as I am? Will the court understand why an ordinary man like myself who has suffered all his life eventually turned to violence? Will it be possible for the court to believe and understand that I am not a lover of violence? Will this court understand that it is my love for people that drove me to do what I did?*

These were the words of 26-year-old Theophilus Thembinkosi Mzukwa, who appeared in the Cape Town Supreme Court with 14 others on 21 April 1987, charged with 'terrorism' or aiding 'terrorists' - a description of their activities all rejected with pride and anger.

Two of the accused - Neville van der Rheede and Themba Tshibika -were acquitted. The remaining 13 were jailed on 12 August for terms ranging from three years to life.

Three of the 13 gave evidence in mitigation. The others read statements from the dock which were dismissed by the judge as of little if any value'. This opinion was not shared by all who observed the trial, or read the brief press reports. Many were moved and wanted to know more. *The Trial of the 13* is an attempt to satisfy that need.

The book introduces the accused and tries to convey something of the atmosphere of the trial. Colin Bundy's history of the ANC and analysis of the current political scene provide a context for the evidence given by the thirteen. There are three useful appendices, including one entitled 'Invoking Protocol I'. This looks at a judgment given in a trial held soon after the 13 were jailed, where accused Mxolisi Petane became the first ANC soldier to claim prisoner-of-war status in terms of an international treaty.

The author covered the trial as Supreme Court reporter for the *Cape Times*. The book is available at R5 a copy from Black Sash offices. □

LETTERS

'The Proper Thing to Do': Male Membership of the Black Sash

Charles Grover, Associate Member (Cape Western), writes:

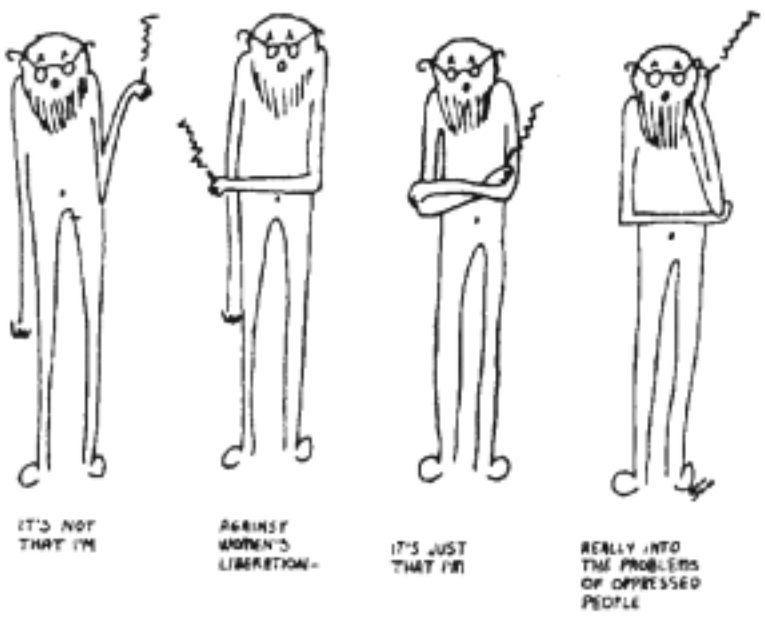
Margot Beard's letter in your June issue raises an interesting point.

For starters, let me say I am honoured to be associated (operative word) with the Sash even in so humble a capacity as an Associate (not 'Honorary', as your correspondent states) member.

The curious thing is that I am called upon to pay the same subscription as that paid by full members, whereas in another organisation to which I belong, I pay a much reduced sub. as an Associate. I believe that most Associate members of the Sash are male, in which case I feel the attitude of the Sash towards these members is distinctly sexist.

The proper thing to do would be to set the sub. at a lower level and make provision for - indeed encourage or extort - voluntary contributions from such members.

So long as men understand their position (know their place, in other words) the situation is O.K. After all, the Sash is essentially a feminist organisation, and probably all the better for it. □



from "Pulling our own strings", a booklet of American feminist writings

NEWS-STRIP

Mary Burton to New York

Human Rights Watch in the USA, with whom we have had links for a long time, invited our National President to take part in a special international focus on the 40th anniversary of the Universal Declaration of Human Rights on 10 December. Mary took the signatures which the Black Sash collected in support of the Declaration.

Fighting 'Laws that Discredit the Law'

An article in the September issue of SASH (Vol. 31, No. 2) summarised the Black Sash view of the Group Areas, Slums and Illegal Squatting bills. Here we outline actions taken to avert their passage into law.

National Headquarters:

When it became clear that the Group Areas and Prevention of Illegal Squatting Amendment bills were to be sent to the President's Council, Mary Burton addressed to every member a letter setting out the Sash's objections to the bills and urging their rejection. 'The proposals contained in the bills have been rejected by all except one political party represented in Parliament,' she pointed out. 'It is patently clear that there is deep concern in all quarters as to the consequences of making these amendments law.'

Transvaal Region:

In partnership with lawyers and other groups, Sash's Urbanisation Working Group has:

- prepared a dossier on the legal aspects of the bills;
- targetted 1 500 recipients - including all members of the Houses of Representatives and Delegates;
- compiled and distributed 15 000 pamphlets titled 'Of Squatters, Slums, Group Areas and Homelessness';
- briefed press, diplomatic, church and professional groups - and listeners to Radio 702;
- spurred Shell to support 'the right of all people to live where they choose' on their regular *Weekly Mail* page;
- held a shack-sit-in to raise awareness of the plight of homeless people;
- sent mailings to the chairman and each member of the President's Council when it was clear that the government, balked in its intent, would have to submit the bills to that place of last resort.

Cape Western Region:

Posters which read 'Reject Slums Squatters Group Areas Bills', were held at two prominent points every morning for the two weeks when the amended bills were before the tricameral parliament. To focus on the human cost, stands were held in some of the suburbs from which fellow Capetonians were expelled under the existing Group Areas Act. The posters said: 'People were removed from here - Group Areas Hurt'.

Noel Robb displaying one of the posters used.

NEWS-STRIP

'Bells Against the Bills':

Sash approached the Councils of Churches (there are 21 in all) with a request to encourage member churches to toll bells and allow Black Sash poster stands on church property if the bills become law. Other religious communities signified a wish to do something appropriate in lieu of tolling bells. As SASH goes to press, this campaign is 'on hold'.

Black Sash Women's Charter

Copies of the Black Sash Women's Charter, as revised at the National Conference in 1979, are on file at regional offices.

Erratum - St Owen's

Due to an editing error, St Owen's school was described as a 'township school' in the last issue of SASH. It is, in fact, in Retreat, Cape Town.

Erratum - Teacher Unity

Omitted from the Table on page 19 of SASH Vol. 31 No. 2 were the joint hosts of the Harare Unity talks. They were: WCOTP (World Confederation of Teaching Professionals) AATO (All Africa Teachers' Organisation) ZIMTA (Zimbabwe Teachers' Association) ZCTU (Zimbabwe Congress of Trade Unions).

The teacher organisations contemplating unity have a combined membership of about 105 000, compared with a total of 235 000 in the RSA (excluding the 'homelands'). This amendment brings the text into line with the Table.

The Department of National Education was the source for the figures for full-time teachers in public and private schools. □

Natal Midlands Region Reports

Clint Zassman

Refugees sleeping in the Students Union, University of Natal, Pietermaritzburg

The refugee crisis:

More than 850 people have been killed and about 2 000 houses destroyed in the Pietermaritzburg area since March last year. The conflicts continue in different places, in bouts of greater or lesser intensity, in spite of all attempts to stop them. There are now huge numbers of refugees and 'displaced persons' in and around the city.

The Crisis Sub-committee of this region has been involved in finding temporary shelter for people who come into the city centre for sanctuary, and in helping with longer-term support and accommodation in safe areas outside the city. In September about 100 young people fled into the city from a chief in Sweetwaters. Four people had been killed there the previous day and two more were killed later, when they tried to return. This group had to be maintained, transported and accommodated for more than a fortnight before more permanent places could be found for them.

The sub-committee has also successfully negotiated with the City Council for premises for an educational and recreational centre for young people whose lives and schooling have been disrupted by the violence. Several other agencies are interested in becoming involved in this project. □

Marie Dyer

Obituary: Dr Beatrice Pullinger

Transvaal Region mourns the passing of Dr Beatrice Pullinger at the age of 93. She was a remarkable lady, who joined the Black Sash at its inception when she was already approximately 60 years old. This in itself showed a most unusual openness of mind and a readiness to move with the times. Her ability to participate fully in the organisation was limited by the fact that she worked for most of her life, but this did not stop her from taking part in demonstrations and marches which she did whenever she was able. By being the unique sort of person she was, Dr Pullinger made an immense contribution towards the organisation, both in its early days and with her unfailing support until the end of her life. We extend our heartfelt sympathy to the members of her family. □

Joyce Harris

NEWS-STRIP

Standers acquitted under Internal Security Act:

On Saturday, 30 April, shortly before 10 a.m., ten members picked up their posters in preparation for a group protest against South Africa's incursions into neighbouring states (it is only in Pietermaritzburg that the Black Sash is able to get magisterial permission for picketers to stand in a group). As they moved towards the appointed place to take up their positions at the appointed time, they paused briefly in response to a freelance photographer's request that they pose for a photograph. A few members noted that a security policeman was also photographing them.

Some weeks later the standers were astounded to hear that they were being charged with gathering illegally in terms of the Internal Security Act. The law had supposedly been violated because they had stood, in a group, a few paces away from the proper place and a few minutes before the proper time. Since they were accused of a criminal offence, their fingerprints and photographs were taken.

Of necessity there were lengthy legal consultations. Much valuable time was used up. So, of course, was public time and money squandered in the preparation of the case. When, on 7 October, after an entire morning in court, the accused were acquitted, the magistrate expressed difficulty in understanding that so trivial a case had been brought before the court.

Fidela Fouche

The photograph of the stand that precipitated the court case.

Jonathan Kaplan

Monique van Wyngaard and Jo Stielau, two of the participants pictured after the case.

A Regional Study of the Black Sash

Readers will be pleased to note that Jo MacRobert of Cape Western Region chose a Black Sash theme for her BA (Hons.) dissertation. Copies of 'The Emergence of the Black Sash Advice Office in Cape Town: a Regional Study of the Black Sash, 1956-1963' (University of Cape Town, 1988) were sent to the universities of Natal and the Witwatersrand. For her MA degree, Jo has undertaken a national study of the Black Sash between the years 1962-1982.

'Viva Black Sash':

National Women's Day was celebrated on 7 August in the Lotus Hall in Pietermaritzburg. The day was organised by NOW (Natal Organisation of Women). Sash put together a skit on a typical stand, pictured on the left. An appreciative audience cheered 'Viva Black Sash' loudly at the end.

Mary Kleinenberg

NEWS-STRIP

Albany Region

Court researcher appointed

Because of the growing number of political trials in the Eastern Cape, Albany decided they needed a full-time court researcher. Eastern Province Herald correspondent, Barbara Orpen, agreed to take on the job - but suggested a shift of focus:

'As a result of my work as a journalist, I saw many people being sentenced to death. Very little seemed to be known about these people and I thought we should draw attention to their plight. The Sharpeville Six have heightened public awareness about the death penalty, as well as the doctrine of common purpose. Many people from the Eastern Cape have been sentenced to death on a similar basis. It is our hope that no-one will go to the gallows unnoticed, and that capital punishment will be abolished altogether.'

So far, Barbara's work has highlighted 36 cases - among them the Addo Four and the case of Mr Thembile Lubelwana who spent 19 months on death row before being freed of all charges by the Appeal Court. Apart from publicising such cases, Barbara's work will feed into the growing national campaign against the death penalty. □

Jean Fairbairn

Barbara Orpen

Since June this year, the Albany Region's press group, in collaboration with the Grahamstown Advice Office, has been running a Citizens' Advice column in the local *Grocott's Mail* newspaper.

Under a distinctive Black Sash logo, designed by one of the group's members, the column presents material on topics of vital concern to the public and tries to disentangle the web of jargon in which official regulations are shrouded. The aim is to set out clearly and systematically the relevant information and practical steps that should be taken.

Topics covered so far have included Identity Books, Unemployment Insurance Fund, Pensions and Disability Grants. Problems surrounding maintenance will be tackled next.

It is hoped the column will stimulate feedback from readers and eventually provide a forum for debate. □

Nova de Villiers

The Grahamstown Initiative

The Grahamstown Initiative Conference - a unique event in the town's history - took place in the 1820 Settlers National Monument over the first weekend in September. Planned over a period of nine months by a group of citizens of differing occupations and interests, great care was taken to ensure representation of the widest possible range of interest groups and political affiliations - not an easy task in South Africa today. Issues of concern included the politically and socially divided Grahamstown community and the largely stagnated economy with resultant vast unemployment.

The conference was structured around seven major issues of concern: The Economy and Job Creation; Planning; Education; Culture; Health; Church matters; Sport and Recreation. The conference was intended as a unique opportunity for communication across major divisions within the community and a launching pad for feasible practical programmes.

To ensure accessibility for all, no registration fee was charged, although delegates were free to contribute towards costs. National business concerns showed their faith in the conference by giving the major financial backing and further welcome sponsorship was received from local businesses and individuals. The 1820 Foundation offered all their facilities and resources at no charge.

Two guest speakers were Mr Bob Tucker, Managing Director of the SA Permanent Building Society, and the Reverend Sigqibo Dwane of the Order of Ethiopia. Entertainment was provided by local musicians, ranging from chamber music ensembles to marimba groups, and displays of ball room and Latin American dancing.

Sunday began with an ecumenical church service in three languages. Music was provided by choirs from the Dutch Reformed Church, the Cathedral of St Michael and St George and the St Barts Music Makers.

Ongoing committees were elected in the various areas, and will be reporting back to the steering committee on their future plans.

A most significant outcome of the conference was the consensus reached in the planning group that there should be a single local authority for the whole city. A report on the conference will be published by the steering committee which will co-ordinate the future activities of the initiative. □

Sue Ross