SOUTH AFRICA SURVEY

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PREFACE

This edition of the annual *Race Relations Survey* is the 58th since the issue covering 1935 was published in 1936. It covers South Africa's first universal-franchise election and Mr Nelson Mandela's inauguration as president under a constitution guaranteeing fundamental human rights.

Down the years the *Survey* has recorded the enactment, periodic amendment, and repeal of countless apartheid laws. It has chronicled the worst years in this country's history. In 1978 the Institute published *Laws Affecting Race Relations in South Africa 1948–1976* and in 1982, *Race Relations as Regulated by Law in South Africa 1948–1979.* The first of these ran to 529 pages and the second to 349. At the time there seemed little prospect that these laws would be repealed. However, over the past two decades the *Survey* and other Institute publications, such as *South Africa's Silent Revolution* and *Understanding Reform,* have reported the steady erosion of the apartheid system. In 1986, when it became clear that the disintegration of apartheid was both irreversible and unstoppable, we launched *Quarterly Countdown* to keep track of the process. Twenty issues were published, although at the time few people were willing to acknowledge that apartheid was indeed on the way out.

At roughly the same time we launched *Social and Economic Update* in order to keep track of the then government's performance in carrying out its promises to reduce material inequalities between the races.

I reported in an introduction to the 1987/88 *Survey* some of the compilation problems arising from the

segregation of statistics, and in particular the discontinuation by the Central Statistical Service and other government departments of publication of statistics on the four constitutionally separate states within South Africa's borders, the Transkei, Bophuthatswana, Venda, and the Ciskei.

The Institute never regarded these areas as foreign countries. Every effort was always made to obtain their population data, their budgets, and other information about them. This *Survey* provides the most recent available data on the old TBVC areas and the other homelands, so that the Institute's information on all these areas is complete as far as possible from their inception to their dissolution when the new constitution took effect on 27th April last year.We have also endeavoured to include information about the nine provinces into which South Africa has now been divided. Future publications will provide much more information on a provincial basis.

This edition of the *Survey* covers the major political change that occurred in 1994. Reading through some of the chapters prior to publication, however, I was struck also by the continuity that emerged. Some chapters begin with references to National Party cabinet ministers but only a few pages further the minister in question is a member of the African National Congress or of the Inkatha Freedom Party or of the South African Communist Party—confronting the same problems of housing backlogs, crime, illiteracy, etc.

This *Survey is* dedicated to the memory of Miss Muriel Horrell. She was not the first *Survey* writer—that distinction is held by Dr J D Rheinallt Jones—but her name appeared on the title page from 1949 right through to 1983. Even after her retirement from the Institute in 1976 she contributed to it up until 1992. Dr Horrell—honoured thus by the University of the Witwatersrand in 1974—died in May 1994. In a tribute to her the Institute said, among other things:

Miss Horrell left an indelible mark on South African historiography as the person who built up the celebrated annual *Race Relations Survey*, of which she produced no fewer than 27 editions, most of them single-handedly, going back to 1949.

There was barely an act of Parliament, a white paper, a government blue book, an issue of Hansard, or indeed any aspect of the entire apartheid system that escaped her careful and critical scrutiny.

In addition to the *Survey*, she wrote books on the homelands, on trade unions, on how the liquor laws affected blacks, on education, on passive and violent resistance, on the rights of African women, on taxation, on group areas, on banishment, on South West Africa, on the Olympic Games, and on many other subjects.

It is marvellous that she outlived the apartheid system whose iniquities she did so much to expose.

John Kane-Berman

Chief Executive

South African Institute of Race Relations

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The writers of this *Survey* wish to thank all those who assisted in producing this volume. We are indebted to Carole Cooper, John Gaunt and Elizabeth Kraayenbrink for their work in editing some of the chapters. We are also grateful to all those who provided information, including other organisations, trade unions, companies, government officials, officials of political parties, members of Parliament, academics and other researchers.

We wish to thank Connie Matthews, Sarah Zwane, Pinky Makhubu and Mildred Monyane for typing parts of the manuscript and for typesetting the *Survey*.

The Institute's chief librarian, Ellen Potter, and the assistant librarian, Tamara Dimant, assisted by Eunice Halo, Elizabeth Koloko, Bridget Makhalemele, Mildred Monyane, Alfred Nkungu and Prisca Nkungu obtained much of the material and provided the press clipping service essential for the writing of the *Survey*.

We are grateful to Sarah Zwane, Ingrid La Trobe, Robin Hamilton and Lindsey Morton for their work in style editing and checking the typeset manuscript. Our appreciation also goes to Naomi Musiker for her invaluable index.

NOTES

1. During the course of 1994 a number of government departments were renamed, while the titles of some ministers were changed. For example, the minister of national health became the minister for health, and the minister of environment affairs became the minister of environmental affairs and tourism. In this *Survey,* titles of ministers and departments are the ones in operation at the time the minister was speaking.

2. References to the reconstruction and development programme of the African National Congress in the *Survey* are to the final draft published by the ANC in March 1994. The amended RDP published by the government in September 1994 is referred to as the *White Paper on Reconstruction and Development*.

3. Most of the *Survey* was written before the names of the Pretoria-Witwatersrand-Vereeniging province and the Orange Free State were changed to Gauteng and Free State respectively. The *Survey,* therefore, uses the old names for these provinces. Although the new names are in common usage they will become official only once the transitional constitution is amended.

4. The abbreviations MPL and MEC in the *Survey* refer to members of the provincial legislature and members of the executive council of a province. Although the press sometimes refers to provincial

MECs as ministers, the *Survey* follows the nomenclature of the constitution.

5. References to **Fast Facts** are to a monthly, eight-page publication dealing with current events, published by the Institute.

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• The Central Statistical Service (CSS) announced at the end of 1993 that the 1995 census had been postponed and that the next one would be in March 1996.

• According to the Development Bank of Southern Africa (DBSA), South Africa's population was 40,7m in 1993. Africans comprised 76%, Asians 2,5%, coloured people 8,5% and whites 13%.

• According to We DBSA, women were slightly in the majority in 1993, the female/male ratio being 100 to 95.

• According to the DBSA, the average annual population growth rate between 1985 and 1993 was 2,44%.

• According to the *National Report on Population, the* fertility rate decreased from six children in 1960 to an average of 4,6 children per woman between 1985 and 1990. The Human Sciences Research Council said that the average fertility rate had dropped to four children per woman in 1994 (ie a total drop of 33,3 %).

• Infant mortality rates declined by 46% from more than 80 per 1 000 live births in 1960 to 43,1 in 1994.

• Women's life expectancy increased by 11% from 59,7 years in 1960 to 66,3 years in 1990, while the life expectancy of men rose by 9% from 55,7 years to 60,7 years. According to the *National Report on Population, the* gap between the life expectancy levels of the two sexes was widening.

• The Department of National Health and Population Development said that the proportion of the sexually active population who had tested positive for HIV was close to 5 % or half a million people.

• The DBSA said that 61% of people over the age of 13 had completed standard 5 by 1991.

• According to the DBSA, nearly two thirds of the population (65%) was functionally urbanised in 1993.

• The CSS said that some 8 100 people had emigrated in 1993 compared to 4 300 in 1992 (an increase of 88%). A total of 9 824 people had immigrated in 1993 compared to 8 686 in the previous year (an increase of 13 %).

• The minister of home affairs, Chief Mangosuthu Buthelezi, said in Parliament in August 1994 that there were up to 2m illegal aliens in South Africa.

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The African National Congress (ANC) said in its *Reconstruction and Development Programme* (RDP), published in 1994, that a population committee would be established to consider, among other things, the impact of development programmes on the population growth rate The ANC acknowledged that an increase in the rate had exacerbated backlogs in, for instance, housing and services.[1] [1 African National Congress (ANC), *Reconstruction and Development Programme*, 1994]

According to the RDP, an ANC government would reassess policies on international migration and develop an accurate demographic map to determine not only where people lived, but also where they could move to, in order to facilitate supply of infrastructure and services?[2] [2 Ibid]

The National Party and the Inkatha Freedom Party did not discuss population issues in their election manifestos.

POLICY

The *National Report on Population* published in October 1993 said that the issue of population growth in South Africa had been politicised over many years. (The report was compiled by a national committee appointed by the previous cabinet to co-ordinate preparations for the international conference on population and development in Cairo (Egypt in September 1994.) Political leaders were not prepared to be firm on the issue of population growth for fear of losing support. Since 1992, the report said, the department had urged political and opinion leaders to address the issue of high population growth.[3] [3 Department of National Health and Population Development, *National Report on Population,* October 1993] The report added that the population development programme (PDP) of the Department of National Health and Population Development did not meet with 'broad public approval' because programmes initiated by the National Party government generally lacked credibility. A new government would therefore have to formulate an 'acceptable national population policy' after the general election in April 1994. (The PDP embodied the demographic policy of the government, but had no legal framework or legislative status, as it was regulated by cabinet resolutions but never legislated on.)[4] [4 Ibid.]

Abortion

The health plan of the African National Congress (ANC), published in May 1994, said women should have access to abortion on demand. However, the ANC pointed out that the proposals were aimed at reducing the number of illegal abortions in the country, and the deaths and complications arising from them. The party nevertheless believed that women should have the right to choose early termination of pregnancy, while health workers should have the right to refuse to participate in such terminations (see also chapter on *Health and Welfare*).[5] [5 *The Star* 20 May 1994]

Legal Status of Women

A senior researcher on the Gender Research Project at the Centre for Applied Legal Studies at the University of the Witwatersrand, Dr Cathi Albertyn, said in February. 1994 that no constitution could guarantee equality for women, but that women themselves had to defend their rights and claim equality within the framework of the constitution. Dr Albertyn said that the transitional constitution was an important step in this direction (see also chapter on *Government and Constitution*).[6] [6 *Work in Progress* February/March 1994]

The common law rule in terms of which a husband obtained marital power over his wife and her property was repealed by the General Law Fourth Amendment Act in December 1993. The then minister of justice, Mr Kobie Coetsee, said in December 1993 that the amendment meant that a married woman

would now have the same management powers as her husband.[7] [7 The *Citizen* 1 December 1993]

The Guardianship Act of 1993, which gave a married couple equal guardianship rights over minors, came into effect in January 1994. Previously, only the father had been the natural guardian of a minor child born within a marriage.[8] [8 Ibid 4 December 1993]

Customary Law

Women who are subject to customary law do not have full legal capacity and are treated as minors.[9] [9 South African Communication Service, *RSA Policy Review,* July 1993] According to customary law, the father or husband is the legal guardian of a woman.[10] [10 Civil Rights League, *Newsletter*, May 1993] However, in KwaZulu, in terms of the KwaZulu Act on the Code of Zulu Law Act of 1985 all persons become majors on marriage or on attaining the age of 21 years. A female who is a major was therefore no longer under the guardianship of any person in KwaZulu.[11] [11 South African Law Commission, *Marriages and Customary Unions of Black Persons*, September l985]

The position of customary law within the constitution was one of the more controversial issues at the World Trade Centre (Kempton Park, east Rand) during the period under review. Traditional leaders at the World Trade Centre in November 1993 insisted that customary law be included in and protected by the bill of rights, while women delegates argued that this would mean women from communities which observed such customs, especially rural women, would not be protected by the equality clause. According to the traditional leaders, the institution of traditional leadership was hereditary, passed down through the male line, and women had not been traditional leaders and chiefs in the past. The traditional leaders were concerned that the equality clause would give women this right.[12] [12 *Mayibuye* December 1993] According to the traditional leaders, women delegates were attacking and eroding the foundation of African culture by insisting that customary law not be provided for in the bill of rights.[13] [13 Institute for a Democratic Alternative for South Africa (Idasa), *Negotiation News*, 15 December 1993]

An ANC delegate at the multiparty talks, Ms Mavivi Manzini (now an MP), said that women there (including representatives of political parties, the Women's National Coalition and the Rural Women's Movement), had insisted that the institution of traditional leadership and the role of indigenous and customary law be subject to fundamental human rights, including equality of the sexes and the abolition of racial and gender discrimination. However, Ms Manzini added that women recognised the fact that the institution of traditional leadership should continue and could play a positive role in society.[14] [14 *Mayibuye* December 1993] The matter was resolved by 'sufficient consensus' in November 1993: the customary law protection clause was removed from the draft bill of rights. [15] [15 Idasa, *Negotiation News,* 15 December 1993]

Bill of Rights

Dr Albertyn said in February 1994 that the bill of rights was enforceable only against the state and that it did not protect women employed in private institutions against discrimination. Parliament would therefore have to pass 'adequate' legislation to protect women from discrimination in the private sector.[16] [16 *Work in Progress* February/March 1994]

On the issue of women and affirmative action, Dr Albertyn said that the section of the equality clause in the bill of rights which dealt With affirmative action allowed for institutions to delay affirmative action programmes by contesting them in the Constitutional Court.[17] [17 Ibid]

LEGISLATION

At the time of writing no population legislation had been tabled in Parliament.

POPULATION STATISTICS

The *National Report on Population*, published in October 1993, said that statistics were not reliable, owing to an under-registration of births and deaths, and late registrations.[18] [18 Department of National Health and Population Development, *National Report on Population,* October 1993]

Census

The Central Statistical Service (CSS) announced at the end of 1993 that the proposed 1995 census had been postponed to March 1996. The decision had been made mainly because a completely new infrastructure would have to be created to conduct a population census for the whole of South Africa, including the four 'independent' homelands. Such preparations would take at least two years, the CSS said.[19] [19 Central Statistical Service(CSS), Media release, 10 December 1993]

Population Size

According to the Development Bank of Southern Africa (DBSA), the total population of South Africa (including the ten homelands) was 40,7m in 1993. Africans comprised 76%, Asians 2,5%, coloured people 8,5% and whites 13%.[20] [20 Development Bank of Southern Africa (DBSA), *South Africa's nine provinces: a human development profile,* 1994]

The following table shows the provincial distribution and racial make-up of the population in 1993.[21] [21 Ibid]

Population of South Africa: 1993

Province

African

Asian

Coloured

White

Total

Eastern Cape

5 838 658

14 968

437 667

374 070

6 665 363

Eastern Transvaal

2 517 229

10 917

16 543

293 777

2 838 466

KwaZulu/Natal

7 040 721

791 195

112 423

604 633

8 548 972

North-West

3 193 086

8 097

38 686

266 901

3 506 770

Northern Cape.

239 133

1 733

400 161

122 828

763 855

Northern Transvaal

4 970 294

4 201

6 568

139 497

5 120 560

Orange Free State

2 359 413

962

74 562

369 622

2 804 599

PWV[a]

4 310 626

151 580

278 037

2 106 726

6 846 969

Western Cape

619 440

29 170

2 115 405

856 135

3 620 150

Total

31 088 600

1 012 823

3 480 052

5 134 229

40 715 704

a

Pretoria-Witwatersrand-Vereeniging.

Africans comprised more than 60% of the population in all but two of the provinces, namely the Western Cape and the Northern Cape. Coloured people were in the majority in these two provinces. The largest single proportion of the population (8,5m people, or one fifth of the population) lived in KwaZulu/Natal. Less than 2% lived in the Northern Cape.

The following table shows the racial breakdown of the population of each province

Provincial breakdown of the population by race: 1993

Province

African

Asian

Coloured

White

F

Eastern Cape

87,6%

0,2%

6,6%

5,6%

100%

Eastern Transvaal

88,7%

0,4%

0,6%

10,3%

100%

KwaZulu/Natal

82,4%

9,3%

1,3%

7,1%

100%

North-West

91,1%

0,2%

1,1%

7,6%

100%

Northern Cape.

31,3%

0,2%

52,4%

16,1%

100%

Northern Transvaal

97,1%

0,1%

0,1%

2,7%

100%

Orange Free State

84,1%

0,03%

2,7%

13,2%

100%

PWV[b]

63,0%

2,2%

4,1%

30,8%

100%

Western Cape

17,1%

0,8%

58,4%

23,6%

100%

Total

76,4%

2,5%

8,5%

12,6%

100%

a

Figures may not add up owing to rounding.

b

Pretoria-Witwatersrand-Ve

Male/female Distribution

According to the Development Bank of Southern Africa (DBSA), in 1993 there were slightly more women than men and the female/male ratio was 100 to 95. However, men outnumbered women in five of the nine provinces—mainly in those offering employment in agriculture, industry or mining, such as the PWV and the Orange Free State. Women outnumbered men predominantly in rural areas with poor economic prospects. The DBSA said that apart from the fact that men were more likely to migrate to neighbouring areas in search of employment, the migrant labour system was the main historical reason for the male/female distribution pattern in South Africa.[23] [23] Ibid]

The following table provides a provincial breakdown of the male/female distribution in South Africa in 1993:

Male/female distribution in South Africa: 1993

Province

Male

Proportion

Female

Proportion

Gapa

Total

Eastern Cape

2 997 862

44,7%

3 678 501

55,3%

700 639 (F)

6 656 363

Eastern Transvaal

1 439 179

50,7%

1 399 287

49,3%

39 892 (M)

2 838 466

KwaZulu/Natal

4 056 465

47,4%

4 492 507

52,6%

436 042 (F)

8 548 972

North-West

1 746 473

49,8%

1 760 279

50,2%

13 824 (F)

3 506 770

Northern Cape.

385 813

50,5%

378 042

49,5%

7 771 (M)

763 855

Northern Transvaal

2 327 183

45,4%

2 793 377

54,6%

466 194 (F)

5 120 560

Orange Free State

1 468 246

52,4%

1 366 535

47,6%

131 893 (M)

2 804 599

PWV[b]

3 648 058

53,3%

3 198 911

46,7%

449 147 (M)

6 846 969

Western Cape

1 516 891

50,2%

1 803 259

49,8%

13 632 (F)

362 0150

Total

19 866 170

48,8%

20 849 834

51,2%

983 364(F)

40 715 704

a

The numerial differece between the male(M) and female(F) populations.

b

Pretoria-Witwatersrand-Ve

Population Growth

The *National Report on Population* said in October 1993 that the average annual population growth rate between 1985 and 1990 was 2,3%. The chairman of the Council for Population Development (CPD) (an advisory body to the minister of population development), Dr Nthato Motlana, said in February 1994 that if these trends continued, the South African population would double in fewer than 30 years. An average of 1 000 job seekers were entering the labour market every day and between 2m and 3m new houses would be needed by the turn of the century.[24] [24 *The Star* 2 February 1994] According to the Development Bank of Southern Africa (DBSA), between 1985 and 1993 the average annual population growth rate was 2,44%. The rate would drop to 2,16% between 1995 and 2000, and to 1,91% between 2000 and 2005. The annual growth rate of the African population was 2,56%, that of Asians 1%, that of coloured people 1,79 %, and that of whites 0,79 %, the DBSA said.[25] [25 Information obtained from Mr J Calitz of the DBSA, August 1994]

According *to the National Report on Population, the* high rate of teenage pregnancies was another 'disturbing' aspect of the problem of population growth in South Africa.[26] [26 Department of National Health and Population Development, *National Report on Population,* October 1993] In 1993, according to the DBSA, 14,6 % of women giving birth were under 20 years of age.[27] [27 DBSA, *South Africa's nine provinces,* 1994]

Life expectancy at birth for both males and females, the report said, had steadily increased—from fewer than 50 years during the 1940s to more than 60 years in 1990. The report pointed out that during this period, life expectancy at birth of women had risen faster than that of men and that the gap between the life expectancy levels of the two sexes was still widening. Between 1960 and 1990 the improved social status of women and the expansion of health services had resulted in a 'marked' improvement in the health of women. In 1960 women had an average life expectancy of 59,7 years, while men's life expectancy was 55,7. By 1990 women's life expectancy had increased by 11% to 66,3 years, while the

life expectancy of men had increased by 9% to 60,7 years.[28] [28 Department of National Health and Population Development, *National Report on Population,* October 1993]

The report said that infant mortality rates had declined from more than 80 per 1 000 live births in the 1960s to 73,9 per 1 000 in 1970 and 56 per 1 000 in 1990.[29] [29 Ibid] In 1994 the infant mortality rate was 43,1[30] [30 Information obtained from the Department of Welfare and Population Development, August 1994] According to the new minister for health, Dr Nkosazana Zuma, the African infant mortality rate was 54,3 deaths per 1 000 live births, that of coloured people 36,3, that of Asians 9,9, and that of whites 7,3.[31] [31 *Business Day* 17 August 1994]

The following table shows the rates of fertility, teenage pregnancy, infant mortality and life expectancy in the nine provinces in 1991:[32] [32 DBSA, *South Africa's nine provinces,* 1994]

Selected health indicators:1991

Province

Fertility rate*a*

Teenange pregnancy rate*b*

Infant mortality rate*c*

Life expectancy*d*

Eastern Cape

4,6

13,1%

58,2

59,6

Eastern Transvaal

4,3

13,5%

41,2

63,5

KwaZulu/Natal

4,3

15,3%

44,7

62,6

North-West

4,5

12,6%

43,3

64,1

Northern Cape.

2,9

12,8|%

31,5

64,0

Northern Transvaal

5,8

16,4%

57,0

62,7

Orange Free State

3,7

14,9%

45,4

63,6

PWV[b]

3,0

12,9%

35,2

65,6

Western Cape

2,7

11,8%

26,8

64,8

Weighted average

3,3

14,6%

41,8

63,4

a

The average number of children born live to a woman during her child-bearing years(15-49)

b

The proportion of all live births where the mother is younger than 20 years.

c

The number of live-born children who died under the age of one year per 1 000 live births.

d

The average number of years a new born child can be expected to live, assuming that prevailing mortality conditions remain unchanged.

e

Pretoria-Witwatersran

The Northern Transvaal had a fertility rate of 5,8 children per woman, which was not only the highest in the country, but also twice as high as that of the Western Cape, which had the lowest fertility rate (2,7). Provinces with high fertility rates also had high infant mortality rates. In 1991 the highest infant mortality rates were recorded in the Eastern Cape (58,2 per 1 000 live births), which also had the second highest fertility rate (4,6), and the Northern Transvaal (57,0 per 1 000 live births). In both cases the rate was twice as high as the rate in the Western Cape (26,8). The DBSA said that high infant mortality reflected the inadequacy of prenatal and neonatal care, and the shortage of health staff. Life expectancy was influenced not only by health facilities, but also by nutritional status, socio-political violence, and services such as housing, water and sanitation, the bank said. While average life expectancy figures for the provinces did not differ greatly, most discrepancies occurred between urban and rural groups within provinces. Life expectancy in the Eastern Cape (59,6 years) was nearly four years below the national average of 63,4 years and only 91% of life expectancy in the PWV (65,6 years), which had the highest life expectancy. KwaZulu/Natal and the Northern and Eastern Transvaal all showed below-average life expectancies of *62,6* years, 62,7 years and 63,5 years respectively, the bank said.

A senior research fellow in the Economic Research Unit of the University of Natal (Durban), Mr Alan Whiteside, said in April 1994 that although it was not yet clear what the impact of AIDS would be, it

was certain that the epidemic had the potential to slow down the rate of population growth, reduce life expectancy, increase infant mortality, and halt or slow down economic growth (see also chapter on *Health and Welfare*).[33] [33 *Developer* April 1994] AIDS figures published by the Department of National Health and Population Development in May 1994 indicated that the proportion of the sexually active population who might have the human immuno-deficiency virus (HIV) was close to 5% or half a million people. The figure was doubling every 13 months and by mid-1995, lm people could be infected with HIV.[34] [34 *The Star* 1 June 1994]

Population Control

In its health plan for South Africa, published in May 1994, the African National Congress (ANC) said that trends in international population growth indicated that development strategies which improved the quality of life of the population contributed significantly to a decline in fertility rates. Contraception was a necessary but not a sufficient factor in promoting fertility decline. Contraception should also not be supplied without broader 'reproductive health care' within a comprehensive primary health care system, the ANC said.[35] [35 ANC, *A National Health Plan for South Africa,* May 1994]

The ANC said that it would promote 'reproductive freedom of choice' and women's rights to 'control their bodies'. The ANC's population development programme would aim at improving women's legal, educational and employment status, together with the lowering of rates of infant and maternal mortality and morbidity and teenage pregnancy (see also chapter on *Health and Welfare*).[36] [36 Ibid]

The chairman of the Council for Population Development (CPI), Dr Nthato Motlana, said in February 1994 that attempts to lower the population growth rate had to be linked to education as a 'matter of urgency'. Research projects had shown that women with higher levels of education had fewer children and that school education could reduce the average number of children per family by as many as three, Dr Motlana said.[37] [37 *The Star* 24 February 1994]

In an evaluation of the population development programme (PDP) of the Department of National Health and Population Development, the head of population dynamics at the Human Sciences Research Council (HSRC), Professor Willie Mostert, said in March 1994 that since its inception ten years ago, the PDP had succeeded in promoting planned fertility and accelerating the decline in the birth rate in spite of high stress levels, increasing hardship owing to drought, rising unemployment and poverty. According to the *National Report on Population, the* fertility rate had decreased from six children in 1960 to an average of 4,6 children in the period 1985–1990 (ie by 23%). Professor Mostert said that in 1994 the average fertility rate was four children per woman. However, a member of the Population Development Council, Professor Tshepo Gugushe, said at a seminar in February 1994 that families in South Africa should be restricted to two children per family to curb the growing population problem.[38] [38 *Business Day* 24 February 1994] Professor Mostert found that with the exception of the African population, contraceptive levels were comparable with those of other industrialised countries, although contraceptive levels among

Africans in South Africa were the highest in Africa.[39] [39 *Daily Dispatch* 17 March 1994] According to the population development programme, 62% of the population were using contraceptives in 1994, compared with 53,3% in 1985. Contraception was used by 55% of Africans, 73% of coloured people, 76% of Indians and 85% of whites.[40] [40 Information obtained from Mr J F Hattingh of the Population Development Programme in the Department of Welfare and Population Development, August 1994] United Nations statistics for 1990 showed that only 10% of the sexually active population in sub-Saharan Africa used contraceptives.[41] [41 Department of National Health and Population Development, *National Report on Population,* October 1993]

The co-ordinator of the Women's Health Project at the Centre for Health Policy at the University of the Witwatersrand, Ms Barbara Klugman, said in 1994 that family planning programmes seldom reduced high fertility rates. Rapid declines in fertility rates had occurred in countries where the quality of life, including women's legal, educational and employment status and the rates of infant and maternal mortality, had improved, Ms Klugman added. Many third world countries had introduced family planning programmes to reduce population growth rather than to improve people's capacity to plan their families and control their reproductive lives.[42] [42 *New Ground,* Autumn 1994]

Religion

The following table indicates the 13 most popular religions or denominations in South Africa (excluding the former 'independent' homelands) in 1991:[43] [43 1993/94 Survey, p89]

Religious affliation: 1991[a]

Religion

African (000)

Coloured (000)

Indian (000)

White (000)

Total (000)

Proportion

Christian African independent churches

5 310

45

5

7

2 367

17,3%

Dutch Reformed[b]

1 050

564

1

1610

3 213

10,4

Roman Catholic

1 780

234

14

315

2 334

7,6%

Methodist

1 382

94

2

334

1 813

5,9%

Zion Christian

1 510

5

0,2

1

1 517

4,9%

Anglican[c]

646

233

5

292

1 176

3,8%

Aposstolic[d]

282

310

4

373

971

3,1%

Lutheran

662

81

2

28

774

2,5%

Presbyterian

305

5

0,8

90

402

1,3%

Other Christian Churches[e]

1 464

541

92

909

3 006

9,7%

Sub-Total

14 391

2 112

126

3 959

20 583

66,4%

Hindu

2

1

386

0,8

389

1,3%

Islamic

12

158

167

2

338

1,1%

Jewish

2

0,5

0,2

65

67

0,2%

Other religiongs

13

7

4

4

28

0,0%

Sub-total

29

167

557

72

881

2,7%

No religion

320

12

4

37

372

1,2%

No response or objection to question

6 903

995

298

1 011

9 208

29,7%

Sub-total

7 223

1 008

302

1 048

9 580

30,9%

Total

21 643

3 286

985

5 079

30 985

100,0%

a

Figures may not add up owing to rounding.

b

Refers to the Nederduits Gereformeerde Kerk.

c

Includes the Church of England, the Church of England in South Africa and the Church of the Province of South Africa (commonly called theAnglican Church).

d

Includes the Apostolic Faith Mission, New Apostolic Church and other Apostolic Churches.

e

Includes among others in the Afrikaanse Protestante Kerk, the Baptist Church, the Full Gospel Church, the Gereormeerde Kerk, the Greek Orthodox Church, theNederduitsch Hervormde Kerk, the Pebtecostal Protestant Churc

According to the 1991 population census, some 66% of the population (excluding the former 'independent' homelands) was Christian. The largest proportion of this group (5,4m people) were members of the African independent churches, followed by the Dutch Reformed Church (3,2m people) and the Roman Catholic Church (2,3m people). About 31 % of the population did not belong to any religious group, declined to disclose religious affiliation or objected to answering the question.[44] [44 Ibid]

The director of the Institute of Missiol6gical Research at the University of Pretoria, Professor Dons Kritzinger, said some 77% of the total population of South Africa (including all ten homelands) belonged to Christian churches in 1993. The religious affiliation of 18% of the population was uncertain, while the largest non-Christian religion was the Hindu religion.[45] [45 **Fast Facts** October 1993]

Marital Status

The following table shows the marital status of the population of South Africa (excluding the former 'independent' homelands) in 1991:[46] [46 1993/94 Survey, pp90-91]

Marital status of the population by race: 1991[a]

African (000)

Asian (000)

Coloured (000)

White (000)

Total (000)

Proportion

New married

Younger than 18 years

9 550

1 320

360

1 380

12 610

40,7%

18 years and older

5 090

760

150

700

6 700

21,6%

Married

5 050

910

420

2 410

8 780

28,3%

Unmarried but living together

1 000

130

10

100

1 240

4,0%

Widowed

700

110

50

280

1 140

3,7%

Divorced

260

50

10

200

530

1,7%

a

Pretoria-Witwatersrand-Vereeniging.

According to the 1991 census, 28% of the population was married and 22% of the population over 17 years had never married. Some 23% of Africans, 28% of coloured people, 42% of Indians and 48 % of whites said that they were married. Of couples living together (but not married) 81% were African, 10% were coloured people, 0,8% were Indians and 8% were white. The ratio of divorced to married people was 1:19 among Africans, 1:18 among coloured people, 1:42 among Indians and 1:12 among w

Educational Levels

In 1991, 61% of people over the age of 13 had completed standard 5, according to the Development Bank of Southern Africa (DBSA). In the Western Cape and the Pretoria-Witwatersrand-Vereeniging region, these figures were as high as 72 % and 69 %, respectively. The DBSA attributed the high literacy rate in the Western Cape to the fact that the Cape Town metropolitan area offered some of the best employment opportunities (especially in the finance sector) for literate people in South Africa. The remaining provinces had literacy rates ranging between 50% and 70%. The Northern Transvaal had the lowest literacy rate (53%) (see also chapter on *Education*).

Language

The DBSA said that in 1993 the home language most widely spoken was Zulu (9,lm people), followed by Xhosa (7,4m) and Afrikaans (5,9m). North Sotho, English and Tswana had between 3m and 4m speakers each.[48] [[48] DBSA, *South Africa's nine provinces,* 1994]

Investigations by Market Research Africa for the Radio Active unit of the South African Broadcasting Corporation in 1993 showed that 69% of Africans with standard 6, or a higher qualification, understood Zulu well and 65% understood English well. North Sotho was understood well by 59% of Africans, Xhosa by 54%, South Sotho by 49%, Tswana by 42% and Afrikaans by' 10,5 %.[49] [[49] Information obtained

from the marketing director of Radio Active, Mr Coen Gous, August 1994] Figures published by the Department of National Education in 1994 showed that in 1993, 48% of the total population could speak neither English nor Afrikaans, while 32% could speak both languages. 50 [50 Department of National Education, *South Africa's New Language Policy,* 1994]

The following table provides a breakdown of the 11 official languages used as home languages in South Africa: 51 [51 DBSA, *South Africa's nine provinces,* 1994]

Languages used as home lanuages in South Africa

Language

Number of people

Proportion of total population

Zulu

9 105 702

22,4%

Xhosa

7 443 661

18,3%

Afrikaans

5 919 112

14,5%

North Sotho

3 703 993

9,1%

English

3 428 133

8,4%

Tswana

3 155 323

7,7%

South Sotho

2 593 221

6,4%

Tsonga

1 489 262

3,7%

Siswati

1 268 669

3,1%

Venda

682 648

1,7%

Ndebele

290 406

0,7%

Other[a]

1 635 578

4,0%

Total

40 715 708

100,0%

a

Includes among others, Chinese, Gujarati, Portugese, Shangaan.

b

Figures may not add up owing

Age

Because of high fertility rates, the population in South Africa is characterised by a high proportion of people under the age of 15. The *National Report on Population* said in October 1993 that approximately 37% of the population was under 15 in 1990.[52] [52 Department of National Health and Population Development, *National Report on Population,* October 1993] According to the DBSA, this figure was expected to increase to around 50 % between 1990 and 2000 (ie by 35 %).[53] [53 DBSA, *Southern African Population Projections,* April 1991]

The *National Report on Population* said that a population with a large proportion of youth tended to exacerbate low standards of living as the number of children under 15 years placed a heavy burden on the incomes of their parents because of education and housing needs, and on public funds available for education and health. Poor health conditions and illiteracy contributed to poor family planning and high fertility rates.[54] [54 Department of National Health and Population Development, *National Report on Population,* October 1993]

The DBSA said that provinces with large rural populations generally had young populations. In 1993 children under 15 comprised nearly half of the population in the Northern Transvaal, while in the PWV they comprised less than a quarter of the population.

In 1993 some 4,5% of the total population in South Africa was over 65, the DBSA said. Elderly people formed a larger proportion of the population in rural than in urban areas. In 1993, 6% of the population of the Eastern Cape and 5% of the people in the Northern Cape were older than 65, compared to only 3% in the Eastern Transvaal.

The following tables provide the age structure and its proportional breakdown in the nine provinces in 1993: [55] [55] DBSA, *South Africa's nine provinces,* 1994]

Population age profile:1993

Province

0-45-14 years (000)

15-64 years (000)

65+Total[a]

(0Eastern Cape

1 187

1 767

3 335

375

6 665

Eastern Transvaal

403

698

1 645

90

2 838

KwaZulu/Natal

1 190

2 167

4 843

347

8 548

North-West

550

815

1 987

153

3 506

Northern Cape.

84

174

466

38

763

Northern Transvaal

936

1 554

2 443

195

5 120

Orange Free State

329

609

1 751

114

2 804

PWV[b]

610

1 068

4 860

307

6 846

Western Cape

353

666

2 408

191

3 620

Total[a]

5 646

9 512

23 741

1 815

10 715

a

Figures may not add up owing to rounding.

b

Pretoria-Witwatersrand-Vereeniging.

Population age profile: 1993[a]

Province

0-45-14 years (000)

15-64 years (000)

65+Eastern Cape

17,8%

26,5%

50,0%

5,6%

Eastern Transvaal

14,2

24,6%

58,0%

3,2%

KwaZulu/Natal

13,9%

25,4%

56,7%

4,0%

North-West

15,7%

23,2%

56,7%

4,4%

Northern Cape.

11,0%

22,8%

61,1%

5,0%

Northern Transvaal

18,3%

30,2%

47,7%

3,8%

Orange Free State

11,7%

21,7%

62,4%

4,1%

PWV[b]

8,9%

15,6%

71,0%

4,5%

Western Cape

9,8%

18,4%

66,5%

5,3%

Total[a]

13,9%

23,4%

58,3%

4,5%

a

Proportions aad up horizontally to 100%.

b

Pretoria-Witwarersrand-Vereniging.

URBANISATION

The *National Report on Population* said in October 1993 that the degree of urbanisation had increased from 45,5% in 1960 to 51% in 1991. The 'moderate' increase in the overall proportion of the population in urban areas could be attributed to the fact that population growth in rural areas was substantially higher than that in the urban areas, the report said.[56] [56 Department of National Health and Population Development, *National Report on Population,* October 1993]

According to the Development Bank of Southern Africa, 48% of the population was officially urbanised in 1993. However, this figure did not include people living in areas adjacent to formal towns, such as informal settlements, or in settlements of more than 5 000 people which have not yet attained town status. The functional urbanisation level was estimated at 65%.

The report noted that urbanisation could have two effects on fertility and mortality, depending on the rate of urbanisation and the rate of economic growth. These were:

• an increase in mortality and fertility owing to the disintegration of social structures among recent urban migrants, and squalid physical conditions resulting from a backlog in the provision of basic services; or

• a decline in fertility and mortality rates in the long run as people became more exposed to modern norms and ways of life and began to prefer smaller families. [57] [57 Ibid]

The following table provides a breakdown of the urban/rural distribution of the South African population in 1993:[58] [58 DBSA, *South Africa's nine provinces,* 1994]

Urban/rural distribution of the South African population: 1993

Province

RurProportion rural

Urban[a]

(0ProProEastern Cape

4 346

652%

2 319

348%

554%

Eastern Transvaal

1 993

681%

904

319%

432%

KwaZulu/Natal

5 336

624%

3 212

376%

529%

North-West

2 519

718%

987

282%

439%

Northern Cape.

205

269%

558

731%

782%

Northern Transvaal

4 663

911%

457

89%

121%

Orange Free State

1 280

456%

1 252

544%

737%

PWV[c]

276

40%

6 570

960%

996%

Western Cape

490

135%

3 130

865%

951%

Total[a]	
21 051	
517%	
19 664	
483%	
655%	

a

People living in a town with a municipality or some fund of local government supplying to the inhabitant of the town.

b

People not only living in towns wiyh some form of local government suppliyng sevices to the inhabitants of the town, but also peopleclustered around towns or in ‘towns‘ without official recognition(peri-urban) and people living in the vicinity of urban areas who are dependent on it for an income.

c

Pretoria-Witwatersrand-Vereeniging.

d

Figures may not add up owing to rounding.

In 1993 the highest degree of functional urbanisation was recorded in the PWV (99,6%), followed by the Western Cape (95%) and KwaZulu/Natal (78 %). The lowest level of functional urbanisation occurred in the Eastern Transvaal (43,2 %) and the Northern Transvaal (12,1%). [59] [59 Ibid]

The three provinces with the lowest functional degree of urbanisation and the highest population growth rates also had the highest urban population increase rates. According to the DBSA, the Northern Transvaal had an average annual urban growth rate of 4,5 % between 1985 and 1993, followed by the Eastern Transvaal and the North-West with 4,4% and 4,2% respectively. The PWV, which was the most urbanised province (99,6%), had the lowest urban growth rate (1,6%), followed by the Western Cape

with a rate of 2,3 % and KwaZulu/Natal with 2,4%[60] [60 Information obtained from Mr J Calitz, DBSA, August 1994] The DBSA said that urban populations retain high natural growth rates and that this had become a more important factor in urban growth than rural-urban migration.[61] [61 DBSA, *South Africa's nine provinces,* 1994]

Policy

According to the *Reconstruction and Development Programme* 0LDP) of the African National Congress (ANC), published in 1994, urban development strategies would be based on the recognition that the urban areas accounted for over 80% of South Africa's gross domestic product and that more than 60% of the population was functionally urbanised.[62] [62 ANC, *Reconstruction and Development Programme,* 1994] The RDP said that the three major metropolitan areas (the Pretoria-Witwatersrand-Vereeniging area, greater Cape Town and Durban) accounted for 37,7% of the total population and 67,7% of the country's total manufacturing output. Even with a strong rural development effort, economic activities would remain concentrated in the cities, the RDP said. It added that the aims of an urban programme should be:

• the creation of a functionally integrated, efficient and equitable urban economy;

• the creation of effective and democratic structures of urban governance and management;

• the enhancement of the position of women in the cities; and

• the initiation of a social environment which contributed to a better quality of life.[63] [63 Ibid]

Furthermore, the RDP said that sustainable economic expansion had to redress the imbalances in infrastructure, transportation and basic services in cities. Electrification, housing, infrastructure, services program .roes and transport should promote access to employment opportunities and urban resources and lead to denser and more integrated urban areas. Sites for industries and services which would not harm the environment should be located near existing townships and new low-income housing should be developed near areas where employment opportunities already existed. The RDP said that the environmental impact of urban reconstruction and development, which included the encroachment of urban development on viable agricultural land, air pollution and waste management, had to form an integral part of an urban development strategy.

EMIGRATION AND IMMIGRATION

According to the Central Statistical Service (CSS), some 8 100 people emigrated from South Africa in 1993 compared to 4 300 in 1992 (ie an increase of 88%).[64] [64 *The Citizen* 25 February1994] Figures published by the CSS in July 1994 showed that emigration in the first four months of 1994, (ie in the run-up to the election) increased by 146% compared to the same period in 1993, from 1 909 emigrants in 1993 to 4

713 in 1994. About 29% of those emigrating in the first four months Of 1994 went to the United Kingdom, 17% to New Zealand and 13 % to Australia.[65] [65 CSS, *Tourism and Migration—April 1994,* Statistical release, PO351, July 1994] In May 1994, 842 people emigrated compared to 524 in May 1993 (an increase of nearly 61%). However, 44% fewer people emigrated in May 1994 than in April 1994 (ie in the months after and before the election). [66] [66 Information obtained from Mr Loots, CSS, July 1994]

Following a march organised by the Inkatha Freedom Party in central Johannesburg in March 1994 during which a number of people were killed, some of them outside ANC headquarters at Shell House, removal companies said that they had experienced a sharp increase in inquiries from people who wanted to move abroad. One company, Biddulphs, said that business had increased by 50% compared to the same period in 1993, a trend which had started after the assassination of the general secretary of the South African Communist Party, Mr Chris Hani, in April 1993. The company added that the rate of immigration to South Africa had decreased by between 60% and 70% since the assassination of Mr Hani and that the ratio of immigrants to emigrants in March 1994 was one family arriving for every ten leaving.[67] [67 *Business Day* 30 March 1994] However, another company, Elliott International, said emigration in the three months after the election dropped by about 50% while inquiries by individuals and companies wanting to relocate to South Africa, doubled.[68] [68 Information obtained from Elliott International, August 1994] The net result of immigration and emigration was a loss of 2 857 people in the first five months of 1994, compared to an estimated gain of 2 185 people in the first five months of 1993.[69] [69 CSS, *Tourism and Migration—May 1994,* Statistical release, PO351, August 1994]

The following table compares officially recorded immigration to, and emigration from, South Africa from 1975 to 1993.[70] [70 1993/94 Survey, p91; Information supplied by the CSS]

Immigration and Emigration:1975-1993

Year

Emigration

Immigration

Net gain (loss)

1975

10 255

50 464

40 209

1976

15 641

46 245

30 604

1977

26 000

24 822

(1178)

1978

20 683

18 669

(2 014)

1979

13 828

17 304

3 476

1980

11 957

32 070

20 113

1981

8 791

41 541

32 750

1982

6 832

45 784

38 952

1983

8 247

30 483

22 236

1984

8 550

28 793

20 243

1985

11 401

17 284

5 883

1986

13 711

6 994

(6717)

1987

11 174

7 953

(3 221)

1988

7 767

10 400

2 633

1989

4 911

11 270

6 359

1990

4 722

14 499

9 777

1991

4 256

12 379

8 123

1992

4 289

8 686

4 397

1993

The ‘Brain Drain’

The Department of Home Affairs said in June 1994 that statistics regarding the skills levels of people who had left South Africa in 1993 were not available.[71] [71 Information obtained from the Department of Home Affairs, 6 June 1994] In the first five months of 1994 a total of 2 570 economically active people had left South Africa, according to the CSS. The figure included 1 042 people in professional, semi-professional and technical occupations and 314 people in managerial, executive and administrative occupations. There was a net loss of 546 people in professional, semiprofessional and technical occupations and a net loss of 121 people in managerial, executive and administrative occupations.[72] [72 CSS, *Tourism and migration —May 1994,* Statistical release, PO351, August 1994] Comparative figures for 1993 were not available. However, during 1992 a total of 2 077 economically active people had emigrated.[73] [73 Information obtained from the Department of Home Affairs, June 1994]

Immigration

Legal Immigration

According to the CSS, the number of immigrants increased by 13 % between 1992 and 1993—from 8 686 to 9 824. The number of immigrants from other African countries increased by 34%—from 1 266 to 1 701. Immigrants from Asia increased by 5%—from 3 005 to 3 165, while immigrants from European countries increased by 17%—from 3 869 to 4 541. Immigrants from North and South America decreased by 24% between 1992 and 1993—from 423 to 321 and immigrants from Oceania (including

Australia and New Zealand) decreased by 21%—from 118 to 93.[74] [74 Ibid]

In 1993, 46% of all immigrants were from Europe, compared with 44,5 % in 1992. Immigrants from Africa comprised 17,3 % of the total and immigrants from Asia *32,2%* in 1993, compared With 14,5% and 34,5% respectively in 1992. Immigrants from North and South America comprised 3,2% of the total number of immigrants in 1993, compared with 4,8% in 1992, while 1% of all immigrants in 1993 were from Oceania compared with 1,3% in 1992.[75] [75 CSS, *Tourism and migration—March 1994*, Statistical release, PO351, 14 June 1994]

The CSS said that a total of 4 134 economically active people had immigrated to South Africa in 1993. Of these *35%* were in professional, semi-professional and technical occupations and 20% in managerial, executive and administrative occupations.[76] [76 Ibid]

A resident fellow at the Africa Institute of South Africa, Dr Erich Leistner, said that in recent years, growing numbers of professionals and other highly skilled people from all over sub-Saharan Africa had found employment in South Africa, often on a permanent basis. He said that he expected many more to follow after the election in April 1994. Dr Leistner said that historically the 'brain drain' from Africa was directed mainly towards the highly developed countries of the northern hemisphere, but as these countries had begun implementing stricter control on immigration from less-developed countries, he believed that South Africa would increasingly emerge as a destination for economic refugees from other African countries.[77] [77 *Africa Insight,* vol 23 no 4, 1993]

In May 1994 the Zimbabwean government said that it would be taking steps to halt the flow of doctors from Zimbabwe to South Africa. It said that there were between 1 500 and 3 000 Zimbabwean doctors in South Africa in May 1994. However, the South African Medical and Dental Council said that there were only 269 registered graduates with Zimbabwean medical qualifications in South Africa.[78] [78 *The Star* 25 May 1994]

Citizenship

A total of 19 730 people obtained citizenship during 1993. At the time of writing, the Department of Home Affairs did not have any figures on the number of applications for citizenship in the period before the elections in April 1994. In January 1994 more than 7m people regained their South African citizenship in terms of a bill passed by Parliament in December 1993, providing for the restoration of the citizenship of residents of the four 'independent' homelands (see also chapter on *Political Developments* and 1993/94 Survey, p26).[79] [79 *The Citizen* 1 January 1994]

The president of the National Union of Mineworkers, Mr James

Motlatsi, said in February 1994 that long-term foreign migrants should be granted citizenship to enable them to participate in the April election. Mr Motlatsi said that while white migrants were granted

citizenship after five years of residence in South Africa, African migrants were classified as contract labourers and were not allowed to stay on in South Africa after their contracts had expired or had been terminated.[80] [80 *Business Day* 8 February 1994] According to the Department of Home Affairs, provision had been made for long-term contract workers to take *part* in the election, if they had entered the country before June 1986 and applied for permanent residence and temporary voter cards before 21 April 1994. They would *also* be allowed to apply for citizenship after five years.[81] [81 Information obtained from the Election division of the Department of Home Affairs, September 1994]

Permanent Residence

The Department of Home Affairs said in June 1994 that a total of 11 868 people were granted permanent residence in South Africa between January 1993 and February 1994. During 1993 a total of 14 771 work permits were granted to aliens, while 16 396 work permits were renewed, according to the department. No information was available on the citizenship of people granted work permits. [82] [82 Information supplied by the Department of Home Affairs, June 1994]

In his address at the opening of Parliament in May 1994, the new president, Mr Nelson Mandela, said that the government would deal 'sensitively' with the issue of foreign workers in order to protect South African workers, to guard against the exploitation of foreign workers and to ensure friendly relations with other countries.[83] [83 *Business Day* 25 May 1994]

According to the Department of Home Affairs, immigration policy was applied in such a manner as not to be detrimental to the South African population. Apart from other basic requirements, only immigrants whose skills were in demand or who were able to render a meaningful contribution to the South African economy would be admitted to the country. The department said that although the needs of South Africans should receive the highest priority, immigration had to continue as certain skills would always be in demand because of emigration or the lack of local skilled personnel for newly created positions in high technology.[84] [84 Information supplied by the Department of Home Affairs, June 1994]

Illegal Immigration

The Department of Home Affairs said in June 1994 that a total of 41 people had been deported in 1993 compared to 60 in 1992. A total of 96 600 people were repatriated during 1993, compared to 82 575 in 1992. The largest number were repatriated to Mozambique (80 926), followed by Zimbabwe (10 861) and Lesotho (3 090).[85] [85 Ibid] In the first six months of 1994 a total Of 36 000 people were repatriated.[86] [86 Ibid August 1994]

The minister of home affairs, Mr Danie Schutte, said in August 1993 that the 1991 population census had indicated that there were some 906 000 foreigners in South Africa, of whom about 245 000 were illegal aliens. However, the new minister of home affairs, Chief Mangosuthu Buthelezi, said in Parliament in August 1994 that there were up to 2m illegal aliens in South Africa. Of these between lm

and 1,5m were believed to be on the Witwatersrand alone. Chief Buthelezi said that the majority of illegal aliens were unskilled workers who were prepared to work for lower wages than South African workers, thus depriving large numbers of unemployed South Africans of jobs. They also exacerbated the housing shortage.87 [87 *Sowetan* 10 August 1994]

According to the aliens control unit of the South African Police, there were UP to 30 000 illegal aliens in Alexandra alone, but because of a shortage of police manpower an extensive clampdown was not possible. The unit said that between 200 and 300 illegal aliens were sent home every week, but many returned later.88 [88 Information obtained from the Aliens Control Unit of the South African Police, August 1994]

As a result of the number of illegal immigrants in the country, police were increasingly receiving complaints from people who had to compete with foreign hawkers.89 [89 Ibid] In July about 300 members of the African Council of Hawkers and Informal Businesses marched to John Vorster Square (Johannesburg) to demand the immediate repatriation of illegal immigrants and a review of immigration laws.90 [90 *The Natal Witness* 7 July 1994]

Police had also started cracking down on employers, who face a R20 000 fine or five years in jail for employing illegal aliens.

Mozambicans seeking jobs in South Africa were a major source of illegal weapons and drugs, according to the police. More than 700 weapons had been seized at the South African border with Mozambique in 1993. It was not clear to what extent foreigners were involved in drug trafficking, but drugs valued at R1,2bn had been seized in South Africa in 1993 (representing only about 10% to 15 % of drug traffic) (see also chapter on Security). 91 [91 *The Citizen* 3 August 1994]

Chief Buthelezi said in August 1994 that the cabinet had set up an interdepartmental committee to deal with the problem of illegal aliens.

Refugees and Asylum Seekers

The Department of Home Affairs said in July 1994 that since the signing Of an agreement between South Africa and the United Nations (UN) in September 1993 to allow political refugees into South Africa, a total of 1 117 applications for asylum had been received by the department. At the time of writing, none of these refugees had been granted asylum. According to the department, refugees and asylum-seekers who required assistance with, for instance, housing, were referred to non-governmental organisations. Asylum-seekers who found employment could apply to the department for permission to take up such employment, but would not be allowed to operate as hawkers. 92 [92 Information obtained from Mr C Schravesande, Department of Home Affairs, July 1994]

In 1993 the UN High Commissioner for Refugees had started a two-year programme to repatriate some 250 000 Mozambican refugees living in South Africa.93 [93 *The Star* 28 March 1994]

THE PROVINCES

According to the Development Bank of Southern Africa (DBSA), in 1993 KwaZulu/Natal had the largest number of inhabitants of all provinces, housing a fifth of the population of South Africa, or 8,5m people. The province with the smallest population was the Northern Cape, with 2% of the total (764 000 people). The Pretoria-Witwatersrand-Vereeniging (PWV) area had the highest population density (365 people per square kilometre), followed by KwaZulu/Natal (94) and the Northern Transvaal (43), The Northern Cape had the lowest population density (two people per kilometre).[94] [94 DBSA, *South Africa's nine provinces,* 1994]

Between 1985 and 1993 five provinces had average annual population growth rates higher than the national average of 2,44%, while three of these provinces w namely the Eastern Transvaal, the Northern Transvaal and the North-West—had growth rates of 3 % or more. The Northern Cape had the lowest growth rate—under 0,8%.[95] [95 Ibid]

In 1993 the highest degree of functional urbanisation (which includes people clustered around towns or in 'towns' without official recognition and people living in the vicinity of urban areas who are dependent on them for income) was recorded in the PWV (99,6%), followed by the Western Cape with 95 % and KwaZulu/Natal with 78%. The lowest degree of functional urbanlsation occurred in the Northern Transvaal (12,1%).[96] [96 Ibid]

Fertility rate figures showed that in 1991 the Northern Transvaal had the highest fertility rate (5,9 children per woman), followed by the Eastern Cape with 4,6 and the North-West with 4,5 children per woman. The lowest fertility rate was recorded in the Western Cape (2,7).[97] [97 Ibid]

In 1991 the PWV had the highest life expectancy in the country (65,5 years), while the Northern Cape recorded the lowest figure (59,6). According to the DBSA, the Western Cape had the highest literacy rate in 1991 (71,9%), followed by the PWV with 69%. The Northern Transvaal had the lowest literacy rate (52,7 %).[98] [98 Ibid]

The following table provides the most recent population and urbanisation statistics for South Africa's nine provinces:[99] [99 Ibid]

Population and urbanisation statistics: provinces

Population (000) (1993)

Population density (person/km^2)

Average annual population growth rate (1985-1993)

Functional urbanisation

Province

Eastern Cape

6 665

39,1

2,6%

55,4%

Eastern Transvaal

2 839

34,7

3,0%

43,2%

KwaZulu/Natal

8 549

93,5

2,8%

77,9%

North-West

3 507

29,5

3,1%

43,9%

Northern Cape.

764

2,1

0,8%

78,2%

Northern Transvaal

5 121

42,8

4,0%

12,1%

Orange Free State

2 805

21,7

1,5%

73,7%

PWV[a]

6 847

365,0

1,3%

99,6%

Western Cape

36 20

28,0

1,7%

95,1%

Average[b]

40 717[c]

33,3

2,4%

65,5%

a

Pretoria-Witwatersrand-Vereeniging.

b

Averages were calculated using weighted figures.

c

Total

Population and urbanisation statistics: provinces (continued)

Province

Fertility rate[a]

Life expectancy (years) (1991)

Literacy rate (1991)

Eastern Cape

4,6

59,6

67,7%

Eastern Transvaal

4,3

63,5

54,6%

KwaZulu/Natal

4,3

62,6

58,7%

North-West

4,5

64,1

55,8%

Northern Cape.

2,9

64,0

67,6%

Northern Transvaal

5,8

62,7

52,7%

Orange Free State

3,7

63,6

60,0%

PWV[b]

3,0

65,6

69,0%

Western Cape

2,7

64,8

71,9%

Average[c]

3,3

63,4

61,4%

a

The average number of children born live to a woman during her child-bearing years (15-49).

b

Pretoria-Witwatersrand-Vereeniging.

c

Averages were calculated using weight

Eastern Cape

Policy

At the time of writing, there was no information available on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993, 16,4% of the population (or 6,6m people) resided in the Eastern Cape.[100] [100 Ibid] Of these 87,6% were African, 6,6% were coloured people, 5,6% were white and 0,2 % were Asian.

Male/female Distribution

Fifty-five percent of the inhabitants (3,7m people) were women, while there were about 3m men living in the province in 1993. The proportion of males absent from the province (31,3 %) was the highest in the country. [101] [101 Ibid]

Population Growth

Between 1985 and 1993 the population increased at an average annual rate of approximately 2,6%, compared to the national average of 2,4%. The fertility rate in the Eastern Cape in 1991 was 4,6 children per woman, while the infant mortality rate was the highest in the country, with an average of 58,2 per 1 000 live births. In the same period 13% of all live births were to women younger than 20. The average life expectancy was 59,6, or nearly four years below the national average of 63,4.[102] [[102] Ibid]

Urbanisation

Between 1985 and 1993 the official urban population in the Eastern Cape increased by an average annual rate of 3,8% while the proportional growth in the rural population was 2,2%. In 1993 more than half the population (55,4%) was functionally urhanised (ie people living in areas adjacent to informal towns or in settlements of more than 5 000 people which had not yet attained town status). However, only about one third of the population lived in official towns. The Development Bank of Southern Africa (DBSA) said that only about one sixth of the population of the Ciskei and the non-homeland areas lived in rural areas, while in the Transkei, only one sixth of the population was functionally urbanised. In rural areas of the Transkei, the resource base was poor, and public and commercial services, such as housing and urban development facilities, were lacking, according to the bank.

In 1993 the population density in the Eastern Cape was about 39 people per square kilometre.[103] [[103] Ibid]

Language

The most widely understood language in the Eastern Cape in 1993 was Xhosa, which was also the home language of 5,6m people or 85% of the population. About 9% (580 000 people) were Afrikaans speaking and 3,5 % English speaking.[104] [[104] Ibid]

Age

In 1993 people in the age group 15 to 64 constituted about 50% of the population, while 5,6 % were older than 65. Of the 44,3 % of the population that were younger than 15 years, 17,8 % were younger than five.

Eastern Transvaal

Policy

At the time of writing, there was no information available on the provincial administration’s policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993 there were 2,8m people (7% of the total population) living in the Eastern Transvaal. Africans made up about 88,7% of the province's population, whites 10,3 %, coloured people 0,6 % and Asians 0,4 %.[105] [105 Ibid]

Male/female Distribution

In 1993 about 51% of the population of the Eastern Transvaal (1,43m people) was male and 49 % was female (1,39m people).[106] [106 Ibid]

Population Growth

The population of the Eastern Transvaal grew by just over 3% a year between 1985 and 1993, compared to the national average of 2,4 %. In 1991 the fertility rate in the province was 4,3 children per woman and in the same year 13,5 % of all live births were to teenagers. The infant mortality rate was 41,2 per 1 000 live births. The average life expectancy in 1991 was 63,5 years, compared to the national average of 63,4.[107] [107 Ibid]

Urbanisation

The majority of the population in the province was still rural in 1993, with about 43% functionally urbanised. According to the DBSA, rapid urbanisation was a relatively recent phenomenon in the Eastern Transvaal but it was increasing. The increasing rate of urbanisation could be partly attributed to the large number of people leaving the homeland areas to seek jobs in the towns, which had created a huge demand for socio-economic infrastructure and services. The Eastern Transvaal's relatively strong economy was attracting many commuters and migrants from other provinces and neighbouring countries, according to the bank.

The population density of 34,7 people per square kilometre was slightly higher than the national average of 33,3 people per square kilometre.[108] [108 Ibid]

Language

In 1993 the language most widely understood in the Eastern Transvaal was Zulu, although only 28% of the population (805 513 people) used it as a home language. Some 40 % of the population (1,lm people) spoke Siswati at home. About 256 000 people (9%) were Afrikaans speaking and 151 275 people (5,3 % of the population) spoke North Sotho at home.[109] [109 Ibid]

Age

In 1993 about 58 % of the population were in the age group 15 to 64 and 3% were over 65, compared to the national average of 4,5 %. The proportion of the population younger than five years was 14,2 %, while 24,6 % were in the age group five to 14.[110] [110 Ibid]

KwaZulu/Natal

Policy

At the time of writing, there was no information available on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993, 21% of the total population (8,5m people) lived in KwaZulu/Natal. Some 82,4% were African, 9,3% were Asian, 7% were white and 1,3% were coloured people. [111] [111 Ibid]

Male/female Distribution

In 1993 there were some 4,5m women (52,5 % of the province's population) in KwaZulu/Natal. Men numbered 4,05m and the proportion of males absent from the province (14,5 %) was the third highest in the country after the Eastern Cape and the Northern Transvaal. The province also had the second highest number of women older than 65 years (224 000) in the country.[112] [112 Ibid]

Population Growth

The average annual population growth rate between 1985 and 1993 was 2,8%. In 1991 the fertility rate was 4,3 children per woman. According to the Development Bank of Southern Africa (DBSA), in 1991 KwaZulu/Natal had the second highest proportion of teenage pregnancies in the country 15,3 % of all live births in the province. Life expectancy in KwaZulu/Natal was 62,6 in 1991.[113] [113 Ibid]

Urbanisation

The DBSA said that in 1993 the official degree of urbanisation was about 38 %, while the degree of functional urbanisation was 77,9 %. In 1989 about 45% of the population lived in the Durban functional

region (see 1993/94 Survey, p98). KwaZulu/Natal had a population density of 93,5 people per square kilometre in 1993, the second highest in South Africa after the Pretoria-Witwatersrand-Vereeniging province, which had 365 people per square kilometre.[114] [114 Ibid]

Language

In 1993 Zulu was the language most widely understood in the province and also the home language of 80% of the population (6,8m people). Approximately 15 % of the population was English speaking.[115] [115 Ibid]

Age

In 1993, 57% of the province's population were in the age group 15 to 64, while 4% were older than 65. The percentage of people younger than five years was 14%, while 25% of the population was between four and 15.[116] [116 Ibid]

North-West

Policy

At the time of writing, there was no information available on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993 the 3,5m people in the North-West accounted for 8,6% of South Africa's total population. Africans accounted for 91,1%, whites for 7,6%, coloured people for 1,1% and Asians for 0,2% of the provincial population.[117] [117 Ibid]

Male/female Distribution

In 1993 the female/male ratio was nearly equal (101 to 100), women being slightly in the majority (1,76m women compared to 1,74m men). The proportion of males present from outside the province (7%) was the third highest after the Pretoria-Witwatersrand-Vereeniging area and the Orange Free State. The presence of men from outside the province could be attributed to the employment opportunities offered in the mining sector.[118] [118 Ibid]

Population Growth

Between 1985 and 1993 the average annual population growth rate in the North-West was 3,1%. In 1991 the fertility rate was 4,5 children per woman and the proportion of live births to teenage mothers was 12,6 %. Life expectancy in the North-West was 64,1 years.

Urbanisation

In 1993 the degree of functional urbanisation in the North-West was 43,9 %. The most important urban centres were the Klerksdorp/Orkney/Stilfontein/Hartbeesfontein area, Potchefstroom, Rustenburg/ Mankwe and the Mafikeng/Mmabatho area. According to the Development Bank of Southern Africa, the movement of people town wards appeared to be a permanent feature and had been characterised by greater backlogs in housing and services and significant investment in permanent structures.

The population density in the province was 29,5 people per square kilometre.

Language

In 1993 Setswana was the language most widely understood and it was also the home language of 2,2m people, or 62% of the population of the NorthWest. Some 479 000 people, or 13 % of the population, were Xhosa speaking.[119] [[119] Ibid]

Age

The proportion of the population younger than five years was 15,7%, while 23,2 % were in the age group five to 14 and 56,7 % were in the age group 15 to 64. About 4,4 % were older than 65 years.

Northern Cape

Policy

At the time of writing, there was no information available on the provincial administration’s policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

About 1,9% of the population of South Africa (some 764 000 people) lived in the Northern Cape in 1993, making it the province with the smallest number of people. Coloured people comprised 52,4%, Africans 31,3%, whites 16,1% and Asians 0,2%.[120] [120 Ibid]

Male/female Distribution

According to the Development Bank of Southern Africa (DBSA), in 1993 the number of men in the province (385 813) was slightly greater than the number of women (378 042), which suggested that people leaving the province tended to do so permanently, taking their families with them.[121] [121 Ibid]

Population Growth

From 1985 to 1993 the Northern Cape's average annual population growth rate was the lowest of all the nine provinces (0,8%). The bank said that the population increased by 6% between 1985 and 1993, which suggested a considerable outflow of young people. The fertility rate was 2,9 children per woman in 1991, while 14,9% of all live births in that year were to teenage mothers. The infant mortality rate was 31,1 per 1 000 live births, the second lowest in the country. Life expectancy in the province was 64 years.[122] [122 Ibid]

Urbanisation

The DBSA said that although the degree of functional urbanisation in 1993 was 78% and official urbanisation 73%, the urban/rural divide was not clear. Official urbanisation from 1985 to 1993 grew at an average annual rate of 2,8%, which was considerably higher than the growth in total population in the province. The bank said that the non urban population decreased at an annual average rate of 3,4 % during the period 1985–1993.

The Northern Cape was the largest province in the country but had a population density of 2,1 people per square kilometre, compared to a density of 22 people per square kilometre in the Orange Free State, which had the second lowest population density.

Language

In 1993 Afrikaans was the home language of the majority of people in the Northern Cape (about 500 000 people or 65 % oftbe population), while some 170 000 people (22 % of the population) spoke Setswana at home.[123] [123 Ibid]

Age

In 1993, 11% of the population of the Northern Cape were younger than five, 22,8% were in the age group five to 14, 61,1% were older than 14 but younger than 65 and 5 % were older than 65.[124] [124 Ibid]

Northern Transvaal

Policy

At the time of writing, there was no information available on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993, 12,6% of South Africa's population lived in the Northern Transvaal. Africans comprised 97,1% of the population in the province, whites 2,7 %, coloured people 0,1%, and Asians 0,1%.[125] [125 Ibid]

Male/female Distribution

In 1993 about 54% of the population in the Northern Transvaal was female. Women numbered 2,8m and men 2,3m giving a female/male ratio of 12 to 10. The proportion of males absent from the province (28%) was the second highest of the nine provinces. According to the Development Bank of Southern Africa (DBSA), women outnumbered men in predominantly rural areas with poor economic prospects.

Population Growth

Between 1985 and 1993 the province had the highest average annual population growth rate (4%) in the country. The fertility rate was 5,8 children per woman in 1991, while 16,4% of all live births were to women younger than 20 years—the highest rate of teenage pregnancies in the country. The province had the second highest infant mortality rate (57 deaths per 1 000 live births). Life expectancy in the Northern Transvaal was 62,7 years in 1991.[126] [126 Ibid]

Urbanisation

In 1993 the functional urbanisation degree in the province was 12,1%, the lowest in South Africa. There were no metropolitan centres in the province and most urban settlements were informal. The DBSA said that although resources were limited, their utilisation was far from optimal, especially with regard to tourism, minerals and the abundant labour force.

In 1993 the Northern Transvaal had a population density of 42,8 people per square kilometre.[127] [127 Ibid]

Language

In 1993 North Sotho was the most widely understood language in the province. Fifty-six percent, or some 2,9m people were North Sotho-speaking. The second largest home-language group was Shangaan, (1,lm people or 22 %), followed by Venda (596 000 people or 12 %.[128] [128 Ibid]

Age

In 1993, 18,3% of the population were younger than five years, while 30,2 % were in the age group five to 14, and 47,7 % were in the age group 15 to 64 years. The percentage of people older than 65 was 3,8 %.[129] [129 Ibid]

Orange Free State

Policy

At the time of writing, there was no information on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993 approximately 7% Of South Africa's population, or 2,8m people, lived in the Orange Free State. Africans accounted for 84,1%, whites for 13,2 %, coloured people for 2,7 % and Asians for 0,03 %.[130] [130 Ibid]

Male/female Distribution

In 1993 men were slightly in the majority (1,5m men compared with 1,3m women) and accounted for 52 % of the Orange Free State's population. The proportion of males from other areas (19,6 %) was the second highest in the country, which could be attributed to employment opportunities offered in the mining and agricultural sectors.[131] [131 Ibid]

Population Growth

The average annual population growth rate of the Orange Free State between 1985 and 1993 was 1,5%. In 1991 the fertility rate was 3,7 children per woman and teenage pregnancies accounted for 14,9% of all

live births, the third highest proportion in the country. The infant mortality rate of 45,4 deaths per 1 000 live births was the second highest in the country. The average life expectancy in the Orange Free State was 63,6 years in 1991.[132] [132 Ibid]

Urbanisation

According to the Development Bank of Southern Africa (DBSA), in 1993 functional urbanisation in the province was 74%, while the degree of official urbanisation was 54 %. The official urban population grew at an average annual rate of nearly 3,5% from 1985 to 1993.[133] [133 Information obtained from Mr J Calitz, DBSA, August 1994] The bank attributed the high growth rate to rural-urban migration, natural growth and inter-provincial migration. The highest official urbanisation rates were recorded in the south and the lowest in the east of the province. According to the bank, the concentration of economic activity in and around city centres was likely to stimulate urban population growth, with serious implications for the provision of services.

In 1993 the Orange Free State had a population density of 21,7 people per square kilometre, the second lowest in the country after the Northern Cape.[134] [134 DBSA, *South Africa's nine provinces,* 1994]

Language

In 1993 South Sotho was the most widely understood language in the province and was also the home language of the majority of people (1,5m, or 55 %). About 14 % of the population spoke Afrikaans as a home language and some 9 % spoke Xhosa. [135] [135 Ibid]

Age

In 1993, 11,7 % of the population were younger than five, 21,7 % were in the age group five to 14, 62,4% were 15 and older but younger than 65, and 4,1% were older than 65.[136] [136 Ibid]

Pretoria-Witwatersrand-Vereeniging

Policy

At the time of writing, there was no information available on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993, 6,8m people (16,8 % of the total population) resided in the Pretoria-Witwatersrand-Vereeniging (PWV) province. Africans accounted for nearly 63%, whites for 30,7%, coloured people 4 % and Asians 2,3 %.[137] [137 Ibid]

Male/female Distribution

In 1993, 53 % (3,6m) of the PWV's population was male, while women in the area comprised 47% (3,2m). The proportion of males from outside the PWV (20,7 %) was the highest in the country, owing to employment opportunities in the province.[138] [138 Ibid]

Population Growth

In the period 1985–1993 the PWV's average annual population growth rate of 1,3 % was the second lowest in the Country. However, the Central Johannesburg Partnership (comprising community, city council and private sector representatives and set up to deal with problems such as housing shortages and crime) estimated that the population of central Johannesburg, which covers an area of about 29km^2 would increase between 1994 and 2020 from I00 000 to 500 000 (ie by 400%). [139] [139 Information obtained from the Central Johannesburg Partnership, June 1994; *The Citizen* 24 February 1994]

In 1991 the fertility rate in the province was three children per woman, slightly lower than the national average of 3,3. Some 13% of all live births were to teenage mothers. Life expectancy was 65,6 years, the highest of the nine provinces.[140] [140 DBSA, *South Africa's nine provinces,* 1994]

Urbanisation

In 1993 the degree of functional urbanisation in the PWV was the highest in the country (99,6%). The high degree of urbanisation had led to many problems, including backlogs in housing and in the delivery of land and services. The Development Bank of Southern Africa (DBSA) said that the necessary resources to alleviate poor living conditions in the PWV were not forthcoming and the province's spatial structure was highly inefficient. 'White cities' in the province had a strong administrative and fiscal base that supported a high standard of urban infrastructure and services. The fiscal system was based on the effective taxation of property and a system of user charges and these areas relied only to a small extent on transfers from central government. Black local authorities, on the other hand, had a weak fiscal and administrative base and were highly dependent on transfers from central government and other levels of government. The implementation of a public investment programme and the financing of the backlog in services would be difficult for the local tax base to sustain even with fiscal transfers making up about 90% of the revenue of black local authorities, the DBSA said.[141] [141 Ibid]

The PWV was the smallest province (18 760km^2), but in 1993 had the highest population density in the

country (365 people per square kilometre).[142] [142 Ibid]

Language

In 1993 some 1,4m people (20% of the PWV's population) spoke Afrikaans as a home language, 1,2m people (17%)spoke Zulu, and more than lm (14%) spoke English. About 10%, or 689 000 people, spoke South Sotho at home and 9%, or 646 000 people, were North Sotho-speaking people. Another 500 000 people (7% of the PWV's population) spoke Tswana.

Age

In 1993 the proportion of the population younger than five was 8,9%, while 15,6% were in the age group five to 14, Seventy-one percent of the population were in the age group 15 to 64 and 4,5 % were older than 65.

Western Cape

Policy

At the time of writing, there was no information available on the provincial administration's policy regarding population.

Legislation

No legislation had been tabled in the provincial legislature at the time of writing.

Population Size

In 1993 some 8,9% of the total population (3,6m people) lived in the Western Cape. In 1993 coloured people accounted for 58,4% of the province's population, whites for 23,7 %, Africans for 17,1% and Asians for 0,8 %.[143] [143 Ibid]

Male/female Distribution

There were slightly more men (1,81m) in the Western Cape than women (1,8m) in 1993.[144] [144 Ibid] The proportion of males from other areas present in the province (2,5%) was one of the highest, mainly owing to the employment opportunities in the Cape metropolitan area.

Population Growth

The average annual population growth rate between 1985 and 1993 was 1,7 %. The province had the lowest fertility (2,7 children per woman) and infant mortality rates (26,8 deaths per 1 000 live births). The proportion of live births to teenage mothers in 1991 in the province was the lowest of the nine provinces (11,8 %). The province also had the second highest life expectancy figure (64,8) after the Pretoria-Witwatersrand-Vereeniging province.[145] [145 Ibid]

Urbanisation

In 1993 the Western Cape had the second highest degree of functional urbanisation in the country (95%). The high rate of urbanisation led to severe backlogs in urban services in the province. According to the Development Bank of Southern Africa, the possibility of a greater influx of people from less economically viable provinces, such as the Eastern Cape, would necessitate addressing such backlogs.

In 1993 the Western Cape had a population density of 28 people per square kilometre, the third lowest of the nine provinces.[146] [146 Ibid]

Language

The language most widely understood in 1993 was Afrikaans which was also the home language of 47% (1,7m people) of the province's population. English was the home language of some 700 000 people (19%) and Xhosa the home language of about 569 000 people (15 %).[147] [147 Ibid]

Age

In 1993, 9,8 % of the population were younger than five years, while 18,4 % were in the age group five to 14 and 66,5% in the age group 15 to 64. Some 5,3% of the population were older than 65.[148] [148 Ibid]

KEY PROJECTIONS

• The Council for Population Development said in February 1994 that if the South African population continued to grow at an average annual rate of 2,3%, the population would double in fewer than 30 years, which implied that between 2m and 3m new houses would be needed by the turn of the century.

• The Development Bank of Southern Africa (DBSA) said the population growth rate was expected to drop from 2,44% in 1993 to 1,91% between 2000 and 2005 (ie by 21,7%).

• AIDS figures published by the Department of National Health and Population Development in May 1994 indicated that the proportion of the sexually active population who could be HIV positive was doubling every 13 months—by mid-1995, lm people could be infected with HIV.

• According to the DBSA, the proportion of the population younger than 15 years was expected to

increase from 37% in 1990 to about 50% by 2000 (ie by 35%).

• The Central Johannesburg Partnership said in February 1994 that the population of central Johannesburg would increase between 1994 and 2000 from 100 000 to 500 000.

ENVIRONMENT

KEY POINTS

• Draft regulations, published for comment in March 1994, would empower the minister of environmental affairs and tourism to give written consent to an activity that could have an endangering or detrimental affect on the environment, only after the completion of an environmental impact report.

• In May 1994 South Africa acceded to the Basel Convention, which sought to limit the production of hazardous waste and to place strict control on the movement of such waste between countries. The convention became effective in South Africa in August 1994.

• In April 1994 the minister of environment affairs, Mr Japie van Wyk, published a notice in the *Government Gazette* in terms of which vehicles would be permitted on beaches only in demarcated areas. Enforcement of this policy was placed in the hands of provincial and local authorities.

• The Department of Environmental Affairs and Tourism was allocated R213,1m in the 1994/95 budget —a decrease of 3,6% over the budgeted amount of R221,1m in 1993/94.

• In October 1994 the new minister of mineral and energy affairs, Mr Roelof (Pik) Botha, said that one third of South Africa’s population relied on wood and dung for fuel and burnt 12m tonnes of wood each year for that purpose.

• The St Lucia review panel concluded in its environmental impact assessment in December 1993 that Richards Bay Minerals should not be allowed to strip mine in the area, and that St Lucia should be proclaimed a national park and be given world heritage status.

• According to the director of resource conservation in the Department of Agriculture, Mr Vossie Vosloo, some 300m tonnes of soil were lost every year through drainage into South Africa’s rivers and oceans. Soil was lost at 30 times the rate at which it was formed and cost R900m a year to replace.

• According to the ANC in the PWV province, deaths from respiratory disorders among African children were up to 270 times higher on the Witwatersrand than in Western Europe in 1994.

• According to a CSIR survey done in 1992, the mining industry was responsible for 56% of the

estimated 1,9m tonnes of hazardous waste produced in South Africa each year. However, mining generated only 0,8% of highly hazardous waste, compared with 99,2% by non-metallurgical manufacturing industries.

ELECTION COMMITMENTS

Central Government

Parties in Government

African National Congress

In its final policy document entitled *Reconstruction and Development Programme* (RDP) and published in March 1994, the African National Congress (ANC) stated that future South African governments should protect the right of both present and future generations to 'a decent quality of life through sustainable use of resources'.[1] [1 African National Congress (ANC), *Reconstruction and Development Programme*, March 1994, p39] According to the ANC, this could be achieved in three ways. These were:

• equitable access to natural resources;

• safe and healthy living and working environments; and

• a participatory decision-making process regarding environmental issues, which would empower communities to manage their natural environment.

In the document the ANC said that it intended to establish a system of waste management emphasising the prevention of pollution, and the empowerment of workers to monitor dangerous practices in the workplace and surrounding environment (see also *Citizen involvement* below).[2] [2 Ibid]

According to the RDP, future environmental legislation should focus on the following four areas:

• ensuring the public right of access to information on environmentally harmful practices;

• compelling large-scale projects to prepare environmental impact assessment reports;

• establishing an environmental ombuds and criminalising environmental offences; and

• reviewing and conforming to international conventions and agreements on environmental issues.[3] [3 Ibid p41]

In the RDP the ANC committed itself to establishing an independent commission on the environment to ensure that environmental agencies were 'transparent and accountable' (see also *Policy, African National Congress* below).[4] [4 Fast Facts No 6 1994]

National Party

Key environmental objectives set out by the National Party in a policy document published in December 1993 included:

• the maintenance of biodiverse and natural systems;

• the protection of national natural assets;

• the combating of all forms of pollution;

• the effective management and utilisation of the country's natural resources;

• the support of 'appropriate' environmental research; and

• the active inclusion of communities in environmental education and policy formulation.[5] [5 National Party, *Die Nasionale Party se Beleid*, December 1993, pp45–46; Fast Facts No 6 1994]

Inkatha Freedom Party

Recognising the right of people to live in pleasant, clean environments, the Inkatha Freedom Party (IFP) proposed in April 1994 that individuals be allowed in certain cases to bring actions against those who caused environmental damage.[6] [6 Fast Facts No 6 1994; *Sowetan* 25 April 1994] The IFP also proposed that an environmental commission be established to investigate, propose and introduce legislation (central and provincial) on matters relating to the natural and human environments. The commission should be made up of 13 qualified environmental or social scientists appointed by the president, Parliament, the Judicial Service Commission, the South African Chamber of Business and representatives of environmental groups which were registered with Parliament, the IFP said.[7] [7 Fast Facts No 6 1994; information supplied by a spokesman for the Inkatha Freedom Party, Mr Peter Smith, 21 September 1994]

Opposition Parties

Pan-Africanist Congress

The Pan-Africanist Congress (PAC) said that environmental protection should take place through prevention and restoration of damage to the environment, and conservation of natural resources.

Environmental protection could be achieved through public education programmes, the PAC added.[8] [8 *Sowetan* 25 April 1994]

Democratic Party

According to the election manifesto of the Democratic Party, a single department for environment affairs should be established with the power to draw up and implement environmental policy and to control waste and toxic material disposal and pollution.[9] [9 Ibid]

African Christian Democratic Party

The African Christian Democratic Party argued in April 1994 for environmental management to be removed from the influence of government and developers, and to be placed in the hands of an independent monitoring board which would propose and monitor legislation.[10] [10 Ibid]

SPECIAL POLICY ISSUES

Social Needs Versus Environmental Concerns

The chief executive director of the National Parks Board, Dr Robbie Robinson, said in June 1994 that in areas where most of the population was struggling to 'fulfil its basic needs', conservation 'remained only an ideal' as communities adjacent to national parks competed with the parks for natural resources. These communities should not be regarded as a threat to conservation, but instead should participate in the development and management of parks, and should receive economic benefits from the parks, Dr Robinson said.[11] [11 *Business Day* 13 June 1994]

At the time of writing two groups claimed to have land rights on the eastern shores of Lake St Lucia (northern KwaZulu/Natal) (see also 1993/94 Survey, pp276–277). These were:

• the Mkhwanazi clan, led by Chief Mineus Mkhwanazi, who claimed authority over the area on the basis of past jurisdiction. Chief Mkhwanazi favoured mining in the area; and

• a group led by a traditional healer, Mr Phineas Mbuyazi, the son of Chief Lokothwayo Mbuyazi who ruled the eastern shores until he was evicted by the forestry department in 1973. Mr Mbuyazi opposed mining in the area.

The St Lucia review panel, which was appointed by the Department of Environment Affairs in September 1989 to review the merits of proposed mining or ecotourism development in the area, said in December 1993 that local people should be given a stake in managing the area and should derive economic benefits as compensation for their land, but that they should not be resettled on the eastern

shores of the lake where the proposed mining would take place. The panel added that resettling large numbers of people would be harmful to the area, and that these people should rather receive land in adjacent areas.[12] [12 *Saturday Star* 11 December 1993]

The Council for Scientific and Industrial Research said in March 1993 that people with historical land claims in the area should be considered before a final decision on mining the area was made by the government. However, the issue of land ownership had not been decided at the time of writing.[13] [13 Jenkins D, 'Eco-Tourism', *New Ground* summer 1993/94, p22; telephonic interview with Dr Max Clark, Project Leader, Forestek, 22 September 1994]

The public relations manager of Richards Bay Minerals, Mr Barry Clements, said in January 1994 that although the mineral rights belonged to the state, surface rights belonged to the landowners (currently the Natal Provincial Administration but potentially land claimants), who were entitled to royalties from mining. Mr Clements added that 'the land issue must be resolved before any decision can be taken' about mining the area.[14] [14 *The Natal Mercury* 10 February 1994; Paterson M, 'A Sense of Place', *Focus* summer 1994, p22] Acknowledging that there were a number of land claims by local residents, Mr George Hughes, the chief executive of the Natal Parks Board, said in February 1994 that land restitution was 'outside the hands of the board', and that the cabinet or a land court should resolve the issue.[15] [15 *The Natal Mercury* 10 February 1994]

In March 1994 the cabinet decided that all land claims in the area had to be settled before any decision about mining could be taken. At the time of writing the Department of Land Affairs was investigating the land claims (see also *National parks and game reserves* below).[16] [16 Interview with Mr Paul Claasen, Principal Landscape Architect, Department of Environmental Affairs and Tourism, 27 June 1994]

Role of Provincial Government in Environmental Management

In the final version of its document entitled *Reconstruction and Development Programme*, published in March 1994, the African National Congress said that in addition to the Department of Environment Affairs (as it was called at the time), provincial and local governments should play a role in environmental management. The programme recommended the establishment of strong provincial departments of environmental affairs.[17] [17 ANC, *Reconstruction and Development Programme*, March 1994, p41] It also stated that provincial and local governments had a 'crucial role' in 'adopting and implementing' policy programmes to meet basic needs.[18] [18 Ibid p15]

According to the Council for the Environment (a statutory body established in 1982 to advise the minister), executive functions and law enforcement pertaining to the environment should be devolved to provincial government and local authorities. However, the council said in its 1993 annual report that central government should remain accountable for legislation to ensure that international commitments were executed and to be responsible for co-ordinating environmental matters.[19] [19 Council for the Environment, annual report 1993, p9]

In terms of the transitional constitution the nine provinces were given jurisdiction to formulate nature conservation, environmental and tourism policy. According to the president of the Wildlife Society of Southern Africa and chairman designate of the National Parks Board, Mr Naas Steenkamp, this meant that all environmental matters would be devolved to provincial level eventually. Mr Steenkamp said that environmental impact assessments, environmental management of roads, soil conservation and agriculture, waste management and air pollution, and water usage and river catchment plans, among other things, often had environmental consequences and were earmarked for devolution to provincial government.[20] [20 *The Star* 17 February 1994]

In addition, the transitional constitution provided for both national and provincial governments to have concurrent jurisdiction in environmental affairs whereby provincial governments would be given legislative powers, but Parliament would prevail in cases where co-ordination of standards countrywide was required. Mr Steenkamp said in February 1994 that a national environmental protection agency was urgently needed as the fragmented environmental provisions in the transitional constitution might make it 'impossible' for the new government to implement environmental protection.[21] [21 Ibid]

POLICY

African National Congress

The African National Congress (ANC) committed itself in the final version of its *Reconstruction and Development Programme* (RDP), published in March 1994, to sustainable development 'which addresses the needs of … people without compromising the interests of future generations'. The RDP said that environmental sustainability formed part of social, institutional and macro-economic sustainability, and that affordability was a key factor (see also *Role of provincial governments in environmental management* above).[22] [22 ANC, *Reconstruction and Development Programme*, March 1994, p15] Development strategies had to take account of environmental consequences, and strategies for housing and infrastructure provision, land reform, and rural assistance should aim to reduce pressure on the natural environment.[23] [23 Ibid p39]

Referring to its proposal for an independent commission on the environment, the ANC said that this commission should be established to ensure that agencies dealing with the environment were 'transparent and accountable'. The commission should publish environmental data and provide an interface between civil society and public agencies, the ANC added.[24] [24 Ibid p41] Speaking at a symposium organised by the Geographical Society at the University of Cape Town in March 1994, a member of the department of environment of the ANC, Ms Merle Sowman, said that the commission, which would be established in the office of the president, would monitor and review all environmental policies and practices. Ms Sowman added that the ANC intended establishing a national environmental inspectorate to improve environmental control, and that the Department of Environment Affairs (as it was known then) would have a greater planning and development role than in the past. There would also

be an interdepartmental planning committee to facilitate planning and development with other departments whose activities affected the environment (such as agriculture, and mineral and energy affairs).[25] [[25] *The Argus* 10 March 1994]

In May 1994 the ANC in the Pretoria-Witwatersrand-Vereeniging (PWV) province published a draft RDP for the PWV. Entitled *Building a New PWV Province*, it said that 'a comprehensive urbanisation strategy is required in which environmental concerns are integrated into the planning process. There is a need to train local government planners and officials so that environmental criteria are integrated into planning decisions'.[26] [[26] ANC, *Building a New PWV Province*, a reconstruction and development programme for the PWV, first draft, 2 May 1994]

Democratic Party

According to a position paper on the environment published by the Democratic Party (DP) in 1990, the DP believed that it was the government's responsibility to preserve, maintain and improve the natural and man-made environment, but that environmental management was 'ineffective' because of the following:

• the fragmentation of environmental control between different central government departments, as well as provincial and municipal governments, and parastatals;

• the inefficacy of the Environment Conservation Act of 1989; and

• the insufficient allocation of funds and the shortage of skilled staff.[27] [[27] Democratic Party (DP), *Policy Position Paper: Environment __August 1990*]

The DP proposed that:

• the Environment Conservation Act be amended to give the minister of environment affairs greater powers to 'act in the interests of the environment';

• the Department of Environment Affairs be restructured to incorporate the Department of Planning (which prepared national and regional economic and development plans);

• an 'interdepartmental committee' be convened by the department to promote interdepartmental co-operation;

• provincial and local authorities be responsible for administering environmental control and management;

• the Council for the Environment (see *Government* below) be retained and made responsible for co-ordinating environmental research;

• environmental conditions be included in development loan contracts; and

• the recycling of waste materials by private enterprise be co-ordinated by the Department of Environment Affairs.[28] [28 Ibid]

Although the DP's policy on the environment had not been updated officially at the time of writing, its deputy spokesman on the environment, Mr Rupert Lorimer, said in July 1994 that the Environment Conservation Act had been made more effective in February 1993 after the government white paper entitled *Policy on a National Environmental Management System for South Africa* had been published (see 1993/94 Survey, pp265–268). The white paper had empowered the minister of environment affairs (as he was then known) to compel other government departments to act in accordance with environmental concerns. Mr Lorimer added that a revised DP policy on the environment would probably include the decentralisation of environmental management authority to provincial level on an agency basis (ie lower-tier bodies would carry out functions passed on to them by the department, but the department would not relinquish its power), but that the DP would not support the complete devolution of power to provinces. Central government should have overriding powers where the environment was concerned because environmental problems were not contained by political boundaries, Mr Lorimer said.[29] [29 Telephonic interview with Mr Rupert Lorimer, deputy spokesman on the environment for the DP, 15 July 1994]

Government

In January 1994 new regulations were published in the *Government Gazette* which determined that all government departments and government institutions whose activities had an effect on the environment would be accountable for those consequences and that organisations, companies and 'other players' whose activities had an impact on the environment should be encouraged to implement formal environmental management systems. The act stated that environmental matters were primarily the responsibility of the central government but that some executive responsibilities should be devolved to provincial governments and local authorities provided that the lower levels of government had the 'financial means' and 'proven expertise' to perform such functions.

Other elements of government policy outlined in the act included:

• the undertaking of an environmental analysis by government and private developers before initiation of any large-scale development project;

• the development of a national nature conservation plan by the Department of Environment Affairs to ensure the maintenance of South Africa's biodiversity;

• the formation of a 'holistic environmental approach' in all facets of urban planning and development to include the natural and the built environment; and

• the development by government of a national strategy for integrated waste management and integrated pollution control and the management and import of hazardous waste (including toxic waste) in accordance with international agreements.[30] [30 Notice 51 of 1994, *Government Gazette,* 21 January 1994]

Referring to environmental protection legislation, the new minister of environmental affairs and tourism, Dr Dawie de Villiers, said in May 1994 that although he would 'not hesitate to use [his powers] reasonably and in the correct manner', he would prefer 'to win the hearts and minds of people', so that he would not need to use a 'heavy hand'.[31] [31 *The Star* 30 May 1994] It was important to create an awareness of the dangers of environmental damage through education rather than compulsion through legislation. Dr de Villiers said that 'all right-minded people must realise that unless we care for our environment, unless we really build a sustainable world, we will end up with a wasteland'.[32] [32 Ibid]

On the issue of sustainable development Dr de Villiers said in the same month that a balance should be found between development and conservation, so that resources would not be depleted. Proper development planning which included environmental concerns would 'work in favour of the community' in the longer term.[33] [33 Ibid]

The new deputy minister of environmental affairs and tourism, Major General Bantu Holomisa, said in June 1994 that meetings would be held with provincial environmental ministers to discuss a common environmental strategy for the whole country in accordance with the *Policy on a National Environmental Management System*, a white paper published in February 1993 (see 1993/94 Survey, p264).

CONTROLS

The final version of the *Reconstruction and Development Programme* of the African National Congress (ANC), published in March 1994, said that environmental legislation and administration should be revised to create an effective system of environmental management. The document said that the new government should implement 'environmental auditing' (which would disclose the environmental consequences of an organisation's actions), and that it should monitor the activities of industries where they affected the environment.[34] [34 ANC, *Reconstruction and Development Programme*, March 1994, p39]

Speaking at a symposium organised by the Geographical Society at the University of Cape Town in March 1994, a member of the department of environment of the ANC, Ms Merle Sowman, said that one of the fundamental weaknesses of the Department of Environment Affairs (as it was then known) in the past had been its inability to enforce environmental legislation and control activities which affected the environment.[35] [35 *The Argus* 10 March 1994]

Legislation

The Environment Conservation Act of 1989 provided the basic framework of legislation governing the environment. The act compelled all government departments whose functions had an effect on the environment to abide by its provisions. According to the act, the minister of environment affairs could forbid any activity by any 'person' which he viewed as damaging to the environment.[36] [[36] *The Star* 30 May 1994]

Draft regulations were published for comment in March 1994 which, if passed by Parliament, would empower the minister of environment affairs to give written consent to an activity or development which could have an endangering or detrimental effect on the environment, only upon the completion of an environmental impact assessment. Commerce and industry would be compelled to perform environmental impact assessments before embarking on activities which might be damaging to the environment. The proposed assessment would have to be done by a consultant approved by the Department of Environment Affairs.

In March 1994 the government also published in the *Government Gazette* for comment a set of regulations stipulating requirements and procedures for an environmental impact assessment. Activities listed in the notice as potentially harmful to the environment included:

• the construction of major facilities such as power stations or roads;

• the transportation of hazardous waste;

• mining activity;

• the cultivation of virgin soil;

• afforestation;

• the formal disposal of waste; and

• the zoning or rezoning of land in terms of a town planning scheme.[37] [[37] Telephonic interview with Mr Theunis van Rensburg, deputy director of information, Department of Environmental Affairs and Tourism (DEA), 14 June 1994; Environment Conservation Act no 171 of 1989, and no 172 of 1994, *Government Gazette* no 15529, 4 March 1994; Environment Conservation Amendment Act, no 79 of 1992, *Government Gazette* no 14075, 26 June 1992]

International and Regional Treaties

In May 1994 South Africa acceded to the Basel Convention for the trans-boundary movements of

hazardous waste (including toxic waste) and its disposal, which sought to limit the production of hazardous waste and to place strict control on the movement of such waste between countries. Previously, in March 1994, parties to the Basel Convention had decided to prohibit the transborder movement of recyclable hazardous waste from members of the Organisation for Economic Co-operation and Development (OECD) to non-OECD members. The ban on such movement was to be phased in to become effective on 31 December 1997. However, the convention made provision for the movement of waste between two countries through bilateral agreement. Therefore, the movement of waste between the United Kingdom and South Africa would be possible in terms of the convention.[38] [38 Port Elizabeth Chamber of Commerce, *Infocom* 9/94, 16 May 1994] The conditions of the convention became effective in South Africa in August 1994.[39] [39 *Sunday Tribune* 22 May 1994]

A spokeswoman for the South African Chamber of Business (Sacob), Ms Peggy Drodskie, said in June 1994 that Sacob opposed the ban. A working committee had been established by members of the European Union to the convention to draw up a new definition of what constituted hazardous waste, as hazardous waste which contained components of recyclable material could be used by developing countries as raw material for production. Ms Drodskie said that the government had not yet taken a position on the proposed ban.[40] [40 Telephonic interview with Ms Peggy Drodskie, South African Chamber of Business, 15 June 1994; telephonic interview with Mr W E Scott, deputy director of hazardous materials (DEA) 6 July 1994, 8 July 1994]

FINANCE

The Department of Environmental Affairs and Tourism (previously the Department of Environment Affairs) was allocated R213,1m in the 1994/95 budget, representing a 3,6% decrease over the budgeted amount of R221,1m during the 1993/94 financial year. In order to provide more money to finance the R2,5bn to be spent on the government's reconstruction and development programme during 1994/95, government expenditure on environmental affairs was reduced by R12,9m.[41] [41 Department of Finance, *Budget Review*, 22 June 1994, p41]

ENVIRONMENTAL DAMAGE

Afforestation and Deforestation

The new minister of mineral and energy affairs, Mr Roelof (Pik) Botha, said in October 1994 that one third of South Africa's population relied on wood and dung for fuel and burnt 12m tonnes of wood each year for that purpose. Mr Botha added that people who relied on wood as their source of fuel burnt on average 3kg of wood per day.[42] [42 *The Star* 30 September 1994]

At the time of writing the issue of informal settlers living in the 2 000ha Dukuduku state forest (northern KwaZulu/Natal) (see 1993/94 Survey, pp27, 271) had not yet been resolved, pending new policy in the KwaZulu/ Natal provincial legislature on ways to deal with the problem.[43] [43 Telephonic interview with Dr

Warwick Dorning, deputy director of communication services , Natal Provincial Administration (NPA), 17 June 1994] The Natal Parks Board (NPB), which was responsible for the area, said in June 1994 that they had agreed with the Natal Provincial Administration (NPA) not to embark on ecological projects to rehabilitate the forest until the question of informal settlers in the forest had been resolved.

Mr Vernon Anley, deputy director of community development for the NPA, estimated in June 1994 that there were about 100 families living in the protected area compared to 807 in June 1992. Many of the informal settlers had moved out of the protected area to the new Dukuduku development area in 1993, but a 'hardy core of dissidents' who had refused to move obtained an interdict in February 1994 in the Durban and Coast Local Division of the Supreme Court (Durban) prohibiting the removal of informal settlers. The interdict was extended to August 1994.[44] [[44] NPA, *Dukuduku Status Report*, June 1994]

The new Dukuduku development area, consisting of 3 207ha of land north of the St Lucia road, which forms the northern boundary of the protected state forest, was given to the NPA by the Department of Water Affairs and Forestry in October 1992 to relocate the informal settlers from the state forest. Although indigenous forest had previously existed in the development area, part of it had been cleared to make provision for the development which began in December 1992. By June 1994, 754 applications had been made for the 994 sites developed, and 541 families had been resettled. A spokesman for the NPB explained that an area to the west of the development which was not part of the state forest and which had been set aside for pure conservation, would be managed jointly by the board and the local community.[45] [[45] Telephonic interview with a spokesman for the Natal Parks Board, 17 June 1994; NPA, *Dukuduku Status Report*, June 1994]

A nature conservation scientist for Cape Nature Conservation, Mr Christo Marais, said in September 1994 that he had conducted preliminary surveys in August 1994 in 15% of the protected forestry areas in the Western Cape (excluding the low-lying areas). The surveys had indicated that between 25% and 75% of indigenous vegetation was being threatened by the infestation of alien trees in 65% of this area. The growth of alien trees had increased at a rate of 4,3% a year and their spread had endangered the already critical water supply in the region. Mr Marais said that 57 850ha of the protected area were being treated (both mechanically and chemically) each year, while approximately 7,7m hectares of vegetation were currently being protected in the Western Cape.[46] [[46] Telephonic interview with Mr Christo Marais, nature conservation scientist at Cape Nature Conservation, 23 September 1994]

Air Pollution

In the final version of its *Reconstruction and Development Programme* (RDP), published in March 1994, the African National Congress (ANC) said that high levels of air pollution were the result of environmental policies which did not adequately monitor or regulate the activities of 'local and transnational corporations'.[47] [[47] ANC, *Reconstruction and Development Programme*, March 1994, p38]

According to a draft copy of the RDP of the ANC in the Pretoria-Witwatersrand-Vereeniging (PWV)

province published in May 1994, deaths from respiratory disorders among African children were up to 270 times higher on the Witwatersrand than in western Europe in 1994. The MEC for urban and rural planning and development, land reform and the environment in the PWV, Mr Sicelo Shiceka, said in June 1994 that respiratory illnesses were seven times higher among African children than among white children.[48] [48 *The Star* 2 June 1994] Respiratory illnesses such as pneumonia, which caused the second highest number of deaths among infants in South Africa, resulted from the use of domestic fuels such as coal and wood, as a form of energy. The Vaal Triangle (southern Transvaal) and Soweto (near Johannesburg) were the worst affected areas in South Africa.

According to a researcher at the Institute for Futures Research at the University of Stellenbosch, Ms Jos Liebenberg, 70% of households in the PWV used coal for household energy in 1994. Because of the particulate matter released into the air by coal, combined with bad ventilation in many homes, the fuel was suspected of being responsible for respiratory illnesses, especially among children (see also chapter on *Health and Welfare*).[49] [49 Liebenberg J, 'Coal as a Household Fuel: Pollution and its Effect on Health', *EnergyScan*, vol 2 no 1, 1994, p1] Two other major sources of air pollution identified by the document were industrial pollution and pollution from the use of fossil fuels in vehicles. Townships in particular were badly affected by air pollution because they were located near industrial areas and mine dumps, which created a lot of dust. Pollutants from vehicles contained lead, which resulted in brain damage in children.[50] [50 *Sunday Times* 8 March 1994]

In March 1994 a company, C & M Consulting Engineers, which had been contracted by the Department of National Health and Population Development in April 1993 to monitor the levels of lead in the air of seven South African cities reported that Cape Town had the highest average lead concentration (1,21 microgrammes per cubic metre—one microgramme is the equivalent of one millionth of a gramme), followed by Pretoria (0,84), Germiston (east Rand) (0,77), Durban (0,51), Johannesburg (0,5), Vereeniging (Vaal Triangle) (0,49) and Port Elizabeth (Eastern Cape) (0,4). (In the Netherlands the legal limit for lead in the air is 0,5 microgrammes per cubic metre averaging over a 12-month period, while the United States and Australia have a legal limit of 1,5 microgrammes per cubic metre averaging over a three-month period.) Lead levels recorded in April, May and June 1994 were below 1,5 microgrammes in all centres in South Africa. During the winter months higher lead levels were recorded than during the summer months.[51] [51 Department of National Health and Population Development, *Determination of Lead Concentration in Urban Air*, March 1994]

In its draft RDP for the PWV published in May 1994, the ANC said that the use of corrugated asbestos sheeting as a roofing product in many township houses contributed to air pollution and had caused lung damage and cancer.[52] [52 *The Star* 2 June 1994; ANC, *Building a New PWV Province*, first draft, 2 May 1994, p15]

The programme manager for building products and services in the Division of Building Technology at the Council for Scientific and Industrial Research (CSIR), Mr Brian Wallis, said in October 1994 that there was no legislation in South Africa prohibiting the use of asbestos building materials for the construction of housing. Mr Wallis said that the dangers associated with asbestos came from the free

movement of 'unbound' asbestos fibres in the atmosphere. Unbound asbestos was not used widely in South Africa (as it had been in Europe, Britain and the United States in the first half of the twentieth century). Mr Wallis pointed out that most of the asbestos used in South Africa as building material was used in its bound form for wall linings and roofing, and that its associated hazards related to working with the product and had little effect on the occupants of a structure.[53] [[53] Telephonic interview with the programme manager of building products and services in the Division of Building Technology at the CSIR, Mr Brian Wallis, 18 October 1994] The environmental and occupational health manager of the environmental services division of the CSIR, Mr Richard Truter, said in the same month that levels of asbestos in the atmosphere in Soweto homes with asbestos roofs were very low and that other sources of asbestos such as vehicle-brake linings were responsible for greater amounts of asbestos in the atmosphere than was corrugated asbestos sheeting.[54] [[54] Telephonic interview with the manager of environmental and occupational health in the environmental services division of the CSIR, Mr Richard Truter, 18 October 1994]

The PWV RDP also recorded that most of the electricity consumed in the PWV, and produced at coal-fired power stations in the Eastern Transvaal, caused pollution, including acid rain which damaged crops and indigenous flora. It was likely that southern Mozambique had also been affected by pollution from these power stations owing to prevailing winds and climatic conditions.[55] [[55] ANC, *Building a New PWV Province*, first draft, 2 May 1994, p16]

Damage to the Coastline

Speaking at a symposium organised by the Geographical Society at the University of Cape Town in March 1994, a representative of the National Party, Mr Harry Dilley, said that he was concerned about the spread of alien vegetation in the Cape Peninsula over the past 30 years.[56] [[56] *The Argus* 10 March 1994] The De Hoop Nature Reserve near Bredasdorp, also in the Western Cape, one of the few remaining areas where coastal fynbos and other rare endemic plants could be found, was also being threatened by the spread of alien vegetation which had been planted by the former Department of Water Affairs and Forestry in order to bind the dunes together. A communications officer for Cape Nature Conservation, Mr Dieter Odendaal, said in March 1994 that about one third of the reserve had been cleared of alien vegetation, and that if the spread of these plants was not controlled, De Hoop's 'irreplaceable floral heritage' could be lost forever.[57] [[57] Ibid 14 March 1994; telephonic interview with Mr Dieter Odendaal, a communications officer at CNC, 22 September 1994]

The outgoing minister of environment affairs, Mr Japie van Wyk, said in April 1994 that the use of recreational vehicles in the coastal zone was increasing. This was causing damage to coastal ecosystems and historical and palaeontological sites. In an effort to combat this, and to protect the 'safety and well-being' of other beach users, Mr van Wyk published a notice in the *Government Gazette* in April 1994 stipulating that recreational vehicles should not be used in ecologically sensitive areas (such as dunes, estuarine salt marshes next to estuaries, bird and turtle nesting areas, beaches with steep gradients, in protected areas, or on historical or palaeontological sites). Vehicles would be permitted on beaches only in demarcated areas so as to minimise their negative environmental impact. The number of vehicles should further be limited to the carrying capacity of the beach. However, the provincial and local

authorities would be responsible for its enforcement.[58] [[58] Control of Vehicles in the Coastal Zone of 1994, *Government Gazette* no 15655, 29 April 1994; *Eastern Province Herald* 10 May 1994]

In June 1994 a 160 000 tonne bulk iron-ore carrier, *Apollo Sea*, sank off the Cape west coast, causing an oil slick which, by August 1994, had cost the Cape Town City Council, Cape Nature Conservation, the regional services council and the South African National Foundation for the Conservation of Coastal Birds more than R5m in clean-up costs. The director of cleansing services at the Cape Town city engineers department, Mr Kendal Kaveney, said in August 1994 that total costs could reach some R10m.[59] [[59] *Cape Times* 10 August 1994] The ore carrier had been carrying 2 470 tonnes of heavy fuel oil and 670 tonnes of gas oil when it sank.[60] [[60] *The Citizen* 7 July 1994] More than 7 000 endangered jackass penguins were evacuated from Dassen and Robben islands (off the Cape Peninsula) in July 1994 of which some 32% died subsequently.[61] [[61] Ibid 21 July 1994] The director of Cape Nature Conservation, Dr Johan Neethling, said in July 1994 that 10 000 jackass penguin chicks had 'probably died' as a result of hypothermia and lack of food while a further 4 000 to 5 000 breeding pairs were unaccounted for, and that 900 tonnes of oil-polluted white sand had been removed from Cape Town beaches during the same month. Oil-covered penguins were unable to dive or hunt for food because the layer of oil they were covered with made them buoyant and poisoned them when they tried to clean it off.[62] [[62] *Business Day* 4, 12 July 1994; *The Star* 30 June 1994]

Damage to Animal Life

The African National Congress in the Pretoria-Witwatersrand-Vereeniging (PWV) province said in its draft reconstruction and development programme for the province in May 1994 that local authorities in the black townships were selling public open space in order to raise funds, a practice which reduced habitats for birds and insects and urban recreational space.[63] [[63] ANC, *Building a New PWV Province*, first draft, 2 May 1994]

Poaching

The National Parks Board reported in October 1994 that ten white rhino, one black rhino and 12 elephants had been killed by poachers in the Kruger National Park during 1993. A total of 186 incidents of poaching were recorded in the park in 1993. In the period 1980–1993 the Kruger National Park lost a total of 54 white rhino, one black rhino and 288 elephants through poaching. A total of 1 829 incidents of poaching were recorded in the park during that period. The figures for 1994 were not available at the time of writing.[64] [[64] Information supplied by the National Parks Board, 20 October 1994]

Other Activities

A gold-mining company, Maurgold Mining, began mining for gold on a 4ha piece of land adjacent to the Kaapsehoop hiking trail (Eastern Transvaal), the habitat of the endangered blue swallow, in September

1993. Only between 53 and 54 confirmed breeding pairs of this bird remain in South Africa, of which about 20% are found in and around the blue swallow heritage site on the Kaapsehoop trail. In January 1994 the Department of Mineral and Energy Affairs agreed to grant temporary authorisation for phase one of the mining project to continue on land which was being cultivated for timber (and which was not part of the blue swallows' grassland habitat), pending government approval of the environmental management programme report (EMPR) of Maurgold Mining. (In terms of the Minerals Act of 1991 holders of prospecting permits or mining authorisations were obliged to submit an EMPR to the regional director of the Department of Mineral and Energy Affairs detailing a rehabilitation programme for the surface of the land concerned. The Department of Mineral and Energy Affairs was empowered in terms of the act to issue a mining permit once all government departments affected by the mining activity had been satisfied by the EMPR.)[65] [65 Telephonic interview with Mr Altus Cloete, regional director of mineral and energy affairs, Eastern Transvaal, 12 June 1994] However, mining at Kaapsehoop endangered the survival of the blue swallow in the area because it could destroy the grassland habitat used by the blue swallow for foraging. At the time of writing, Maurgold was still drawing up an EMPR and no mining permit had yet been issued by the Department of Mineral and Energy Affairs. The regional director of mineral and energy affairs in the Eastern Transvaal, Mr Altus Cloete, said in June 1994 that the area was sensitive and that he would consult 'all interested and affected parties' before a final decision was taken.[66] [66 Ibid 12 July 1994] The deputy director of communications at the Department of Environmental Affairs and Tourism (DEAT) (previously the Department of Environment Affairs), Mr Theuns van Rensburg, said in the same month that his department was worried about the prospect of mining in the area, and that the DEAT was trying to ensure that the endangered status of the blue swallow was recognised internationally by having it listed in terms of the Bonn Convention of 1979 which dealt with migratory birds. Mr van Rensburg added that the DEAT was 'working on a national plan to save [the blue swallow's] habitat'.[67] [67 *The Star* 8 June 1994; telephonic interview with Mr A Cloete, 12 July 1994]

Drought

The deputy director of the Climatology Research Group at the University of the Witwatersrand, Dr Simon Mason, predicted in September 1994 that as a result of the El Nino phenomenon in the Pacific Ocean, which caused dry conditions in South Africa, less rain was expected in the 1994/95 rainy season (October to April) than had been recorded in the 1993/94 season. However, South Africa would not experience a 'severe drought'.[68] [68 *The Star* 15 September 1994]

Some areas of the Northern Transvaal and the Eastern Transvaal entered their ninth consecutive year of drought in 1994, according to a spokesman for the Koedoesrand District Agricultural Union, who added in July 1994 that kudu and other game had started to die and that large numbers of livestock would be lost if the drought did not break. More than 1m hectares of agricultural land in the Northern Transvaal were declared a drought disaster area in July 1994 and residents of greater Pietersburg were asked by the Pietersburg Town Council and the local civic organisation to use water sparingly because underground water levels had dropped dramatically, affecting the supply of water from boreholes.[69] [69 *The Citizen* 20 July 1994]

Fires

The Forest Owners' Association said in July 1994 that fires in the Eastern Cape, the Eastern Transvaal, the Northern Transvaal and KwaZulu/Natal in the previous month had cost the forestry industry R60m in direct losses, excluding lost production and the costs of re-establishing and cleaning up burnt areas.[70] [[70] *Business Day* 1 July 1994]

The areas of Ugie and Maclear (Eastern Cape) suffered the loss of about 90 000ha of grazing land and livestock in June 1994 because of veld fires. At least 30 000ha of farmland and grazing were destroyed at Belfast, 26000ha at Machadodorp, and 25 000ha at Dullstroom (all in the Eastern Transvaal), in June 1994, damage being estimated at R25m. In the Eastern Transvaal near Bethal and Secunda, 35 000ha of grazing were destroyed by fire in July 1994. Hundreds of head of game and cattle were burnt to death and 35 farms destroyed.

One thousand hectares of bluegum (eucalyptus) plantation were destroyed at the Frankfort state plantation (Eastern Transvaal) during September 1994. Earlier in the same month 1 000ha of natural vegetation as well as large areas of pine and eucalyptus forest at Louis Trichardt (Northern Transvaal) and 600ha in the lowveld had been destroyed, along with 2 600ha of forestry, orchards and grazing in the Tzaneen area (Northern Transvaal).[71] [[71] Ibid; *The Star* 30 June 1994, 26 July 1994, 20, 29 September 1994; *The Citizen* 12, 26 July 1994, 20, 30 September 1994;]

A researcher at the Institute for Commercial Forestry Research at the University of Natal (Pietermaritzburg), Mr Craig Norris, said in June 1994 that timber companies such as Hunt Leuchars and Hepburn (HL & H), Mondi and Sappi had begun to move away from burning slash (leaves, branches and bark left on the ground during harvesting) to make room for new plantations. Mr Norris said that although burning was a cheap way of getting rid of slash, it left hillsides exposed to wind and rain and hastened the runoff of nutrient-rich topsoil.[72] [[72] *NU Focus* autumn 1994, p20]

Fertilisers, Insecticides and Pesticides

The Department of Agriculture and the Agricultural and Veterinary Chemical Association of South Africa (Avcasa) launched a national clean-up operation in August 1994 in an effort to retrieve and destroy all redundant and banned agricultural pesticides and stock remedies from government depots, warehouses and private farms. According to the deputy director general of agriculture, Dr Rudolf Bigalke, the United Nations Food and Agriculture Organisation estimated that there were between 30 000 and 60000 tonnes of unwanted pesticides in the developing world, most of which were in Africa. A spokesman for the Department of Agriculture said in August 1994 that legislation which would make the possession of banned remedies a criminal offence was being drafted and would probably come into effect in 1995.[73] [[73] *Cape Times*, *Daily Dispatch* 3 August 1994]

The World Health Organisation estimated in June 1994 that up to 5m people were being poisoned by pesticides internationally every day, and that about 40 000 of these cases were fatal. Most of these cases were in third-world countries.

The production of dangerous chemicals internationally increased from 65m tonnes in 1970 to 400m tonnes in 1993, according to the *World Labour Report*, published in 1994 by the International Labour Organisation. The effects of such substances on people who worked with them went largely unnoticed by employers, the report said.[74] [74 *Sowetan* 7 June 1994]

Land Degradation

Erosion

In terms of the transitional constitution, which came into operation at the end of April 1994, the nine provincial legislatures would be responsible for enforcing legislation concerning soil erosion. The responsibility to enforce such legislation had previously rested with the Department of Agriculture in the central government, and not with the Department of Environment Affairs (now the Department of Environmental Affairs and Tourism).[75] [75 *Conservation of Agricultural Resources Act of 1983*] Mr Vossie Vosloo, director of resource conservation in the Department of Agriculture, said in June 1994 that making soil conservation the responsibility of provinces would exacerbate the lack of co-ordination. Provinces would sacrifice conservation for the sake of regional production. Mr Vosloo added that attempts in the past to reduce soil erosion had failed partly because the approach to addressing erosion was fragmented; there was a lack of funds; and the Department of Agriculture was understaffed. There was only one inspector to every 13m hectares of ground, Mr Vosloo said.[76] [76 *Business Day* 6 June 1994]

Every year approximately 300m tonnes of soil were lost through drainage into South Africa's rivers and oceans, according to Mr Vosloo. The rate of soil loss on the highveld was more than 30 times the rate of soil formation and cost South African R900m a year to replace. Mr Vosloo added that the chances of halting soil and water deterioration on the highveld were bleak because at least 60% of the area was inadequately protected. The Department of Agriculture reported in September 1994 that soil erosion in South Africa was at least 20 times above acceptable levels and that environmental damage as a result of this had cost R1,35bn in 1993.[77] [77 Ibid 6 June 1994, 12 September 1994]

A survey conducted between April 1993 and June 1994 by the Department of Agriculture in the grain-producing area of the highveld found that 36% of the cultivated area needed 'urgent' protection before soil was lost forever, and that erosion-preventing agricultural techniques were in place in 20% of the area under cultivation. Mr Vosloo said in June 1994 that 'the highveld situation is indicative of the national situation'.

In June 1994 a researcher at the Institute for Commercial Forestry, Mr Craig Norris, singled out the area adjacent to the Umkomaas River (southern KwaZulu/Natal), in addition to the former homeland areas

and the Karoo, as being particularly hard hit by soil erosion. In response Mr Vosloo suggested that in order to address the situation more staff were needed to monitor soil erosion and that the process should be overseen by a national body.[78] [78 Ibid 6 June 1994]

The department said in September 1994 that environmental mismanagement had resulted in the loss of 3m hectares of bushveld, 37m hectares of highveld grassland, and 6m hectares of land in the Northern Transvaal. A further 6m hectares were expected to be lost in the Northern Transvaal soon, the department said.[79] [79 Ibid 12 September 1994]

According to the draft reconstruction and development programme for the Pretoria-Witwatersrand-Vereeniging (PWV) province, prepared by the African National Congress in the PWV in May 1994, bad drainage and untarred roads in black townships were aggravating soil erosion. In Atteridgeville, outside Pretoria, heavy rains during February 1994 had resulted in most streets in the area being damaged through erosion. The first phase of a plan to upgrade the stormwater network in Atteridgeville had been completed by April 1994.[80] [80 *Atteridgeville Newsletter*, vol 11 no 3, March/April 1994] The draft document also said that many African residential areas had been built on dolomite rock, which was not suitable for residential development because it was prone to developing sink holes.[81] [81 *Sunday Times* 8 May 1994; ANC, *Building a New PWV Province*, first draft, 2 May 1994, p15] The document added that black housing developments on low-lying land were also likely to be flooded regularly. Furthermore, top soil was lost and erosion increased when all vegetation was removed to develop low-cost housing (see also chapter on *Housing and Infrastructure*).[82] [82 ANC, *Building a New PWV Province*, first draft, 2 May 1994]

Mining

The new minister of mineral and energy affairs, Mr Roelof (Pik) Botha, said in September 1994 that the cabinet had approved policy which would compel mines and prospectors to pay a levy for the rehabilitation of land which was disturbed by prospecting and mining operations. Regulations enforcing the policy in terms of the Minerals Act of 1992 had not been promulgated at the time of writing.[83] [83 *Business Day* 30 September 1994]

Overfishing

In the final *Reconstruction and Development Programme* (RDP),published by the African National Congress (ANC) in March 1994, the ANC said that legislative measures were required to create democratic structures for managing and controlling marine resources. ‘Fishing stock must be managed in a way that promotes sustainable yield and the development of new species,’ the ANC said. This was important especially for communities which depended on the sea for their livelihood, the programme said. The government should help people to gain access to marine resources, it added.[84] [84 ANC, *Reconstruction and Development Programme*, March 1994, p40]

Responding to inquiries from the committee on environmental affairs and tourism, water affairs and forestry in the Senate in August 1994, Mr Guillaume de Villiers, the director of administration at sea fisheries in the Department of Environmental Affairs and Tourism (previously the Department of Environment Affairs) said that of 2 200 tonnes of crayfish caught yearly, two thirds were not fully grown, which had serious implications for the crayfish population. In addition, Mr de Villiers said some members of the fisheries quota board had no experience in the fishing industry (see 1993/1994 Survey, p277), no formal interaction had occurred between the directorate of sea fisheries and Cape Nature Conservation for more than a year, and the directorate did not have any register of fishermen.

Mr de Villiers added that hake catches had decreased from about 250000 tonnes to a stable amount of about 148 000 tonnes annually since the mid-1970s, when the government had expanded its control over fishing waters up to a limit of 200 sea miles and reduced the total permissible catch.[85] [[85] Telephonic interview with Mr Guillaume de Villiers, director of administration at sea fisheries, DEA, 18 August 1994; fax communication from the Sea Fisheries Research Institute, 18 August 1994]

It was reported during the period under review that the Inkatha Freedom Party had called for the Department of Environmental Affairs and Tourism to produce a white paper on the fishing industry. This proposal was discussed by the committee on environmental affairs and tourism, water affairs and forestry in the Senate. At the time of writing there had been no further developments.[86] [[86] *Business Day* 18 August 1994; telephonic interview with Mr G de Villiers, 18 August 1994]

Population Pressure

The policy of locating black townships and site-and-service schemes on the urban periphery had carried with it increased environmental costs because people had to be transported over long distances to and from work, and basic services had to be provided over these distances, according to the African National Congress (ANC) in the Pretoria-Witwatersrand-Vereeniging (PWV) province, in its reconstruction and development programme. Agriculturally and ecologically important land had been lost to sprawling urban areas.[87] [[87] ANC, *Building a New PWV Province*, first draft, 2 May 1994, p15]

Water Shortage

In 1994 the demand for water in the PWV was 2bn cubic metres per year, and it was expected to grow by between 3,5% and 4% every year, according to Dr Paul Roberts, the managing engineer of planning for the Lesotho Highlands Water Project. This growth in water consumption had remained within projected estimates of growth made in the 1980s.[88] [[88] *Sunday Times* 9 January 1994]

In order to service the increasing demand for water in the PWV, a series of dams were being built during the period under review as part of the Lesotho Highlands Water Project (see also chapter on *Housing and Infrastructure*). The first supply of water to the PWV from the new Katse Dam (central Lesotho) would be delivered in 1997, and Dr Roberts expected that the first phase of the project would more than

double the supply of water to the area.[89] [89 Ibid; telephonic interview with Mr Johan van Rooyen, Department of Water Affairs and Forestry (DWA), 18 May 1994] The ANC said that the environmental impact of the dam systems of the Lesotho Highlands Water Project on their surrounding areas and on areas downstream was not yet 'fully understood'.[90] [90 ANC, *Building a New PWV Province,* first draft, 2 May 1994, p16]

Although the PWV would be the major recipient of water delivered by the project, the project was also expected to supply water to the Eastern Transvaal, the North-West province and the Orange Free State, said a spokesman for the Department of Water Affairs and Forestry, Mr Johan van Rooyen.[91] [91 *Telephonic interview with Mr J van Rooyen, 18 May 1994*]

Waste

According to the draft reconstruction and development programme drawn up by the African National Congress in the Pretoria-Witwatersrand-Vereeniging (PWV) province in May 1994, 780 000 tonnes of household refuse had been produced in Johannesburg during 1990 with higher-income households producing more waste than poorer ones. Furthermore, large tracts of land close to urban areas could not be utilised for productive purposes as they were being used for large-scale dumping by municipalities and waste companies. If waste was recycled on a larger scale such land could be used for productive purposes.[92] [92 *ANC, Building a New PWV Province*, first draft, 2 May 1994, pp14, 16]

The document criticised previous waste disposal policies because they had allowed landfill sites and hazardous waste dumps to be situated near residential areas. There had been inadequate monitoring of waste disposal, which had led to the illegal dumping of industrial waste at sites designed to accept household waste. Illegal dumping at such unprotected sites was a health hazard, especially as women and children sometimes scavenged for food in such areas.[93] [93 *Sunday Time*s 8 May 1994]

The deputy director of waste management in the Department of Water Affairs and Forestry, Mr Leon Bredenhann, said in September 1994 that the department intended employing consultants to investigate the generation and disposal of all types of waste in order to establish future waste management policy. The first stage of the study was due to be completed at the end of March 1995 to enable the department to begin implementing new waste management strategies.[94] [94 Telephonic interview with Mr Leon Bredenhann, deputy director of waste management in the DWA, 19 September 1994]

Hazardous Waste

Hazardous waste refers to waste substances that are hazardous to people's health and to the environment. Toxic waste which is highly poisonous, is one type of such waste. The environmental services division of the Council for Scientific and Industrial Research (CSIR) estimated in 1992 that about 1,9m tonnes of hazardous waste were produced in South Africa each year. Studies conducted by an independent consultant found that 70% of the hazardous waste within South Africa was generated in the PWV province. Between 15% and 35% of hazardous waste in the PWV could not be accounted for

and was dumped illegally on unsuitable sites.[95] [95 *The Citizen* 16 September 1994] The CSIR found that 56% of the hazardous waste generated in South Africa came from mining, compared to 24% from non-metallurgical manufacturing industries and almost 18% from metallurgical and metal industries. However, the CSIR noted that mining produced only 0,8% of the highly hazardous waste, compared with 99,2% produced by the non-metallurgical manufacturing industry. Mining produced 85,2% of the moderately hazardous waste compared with 12,6% produced by non-metallurgical manufacturing industries, the CSIR said.[96] [96 CSIR, *Hazardous Waste in South Africa*, p15]

The following table shows the total number of tonnes of hazardous waste produced by industry annually:[97] [97 *Ibid pp14–17*]

Waste generated[a] by hazard group in tonnes per year

Sector

Hazard group 1[b]

Proportion of total hazardous waste

Hazard group 2[c]

Proportion of total hazardous waste

Non-metallurgical manufacturing industries

22 313

4,9%

148 205

32,8%

Metallurgical and metal industries

0

0,0%

11

0,0%

Service industries

0

0,0%

33 300

70,4%

Mining

180

0,0%

1 046 489

98,8%

Total

22 493

1,2%

1 228 005

64,9%

Waste generated[a] by hazard group in tonnes per year (continued)

Sector

Hazard group 3[d]

Proportion of total hazardous waste

Total

Non-metallurgical manufacturing industries

281 167

62,2%

451 685

Metallurgical and metal industries

334 698

99,9%

334 709

Service industries

14 001

29,6%

47 301

Mining

12 317

1,2%

1 058 986

Total

642 183

33,9%

1 892 681

a

Excluding water.

b

Highly hazardous.

c

Moderately hazardous.

d

Minima

The following table shows the total number of tonnes of hazardous waste generated by province per year according to industrial sector:[98] [98 *Ibid*]

Proportional distribution of total annualwaste generated by region[a]

Industrial sector

Transvaal

Natal

WesRest

Total[b]

Non-metallurgical manufacturing industries

86%

9%

0,3%

5%

100%

Metallurgical and metal industries

85%

15%

0,0%

0,0%

100%

Service industries

78%

1%

3%

18%

100%

Mining

97%

1%

1%

1%

100%

Total

79%

1%

3%

17%

100%

a

Excluding water.

b

Figures may not add up owing to rounding.

According to a report published by the Department of Water Affairs and Forestry in 1993, contamination of ground water and boreholes had occurred at the Margolis landfill site at Rietfontein (east Rand) as a result of leaks from one of the landfills which had been shut down in 1978. The report warned that the two newer sites at Rietfontein could also leak as they were designed in the same way as the Margolis site (see 1993/94 Survey, p44).

In February 1992 the Germiston City Council had withdrawn its consent for the dumping of hazardous waste (which includes toxic waste) at the Margolis landfill site with effect from 1 April 1993. However, Waste-Tech, the company responsible for managing the site, took the matter to the Witwatersrand Local Division of the Supreme Court in Johannesburg, which in October 1993 upheld the council's decision not to extend the consent. Two subsequent attempts by Waste-Tech, in March and May 1994, for leave to appeal against the court ruling were dismissed (see also 1993/94 Survey, p44).

In November 1993 Waste-Tech stopped work on the construction of its Chloorkop site (which had begun in February 1993) situated between Kempton Park and Tembisa (east Rand) after spending R10m constructing a hazardous waste landfill site in accordance with approved technological standards and guidelines. Although the Kempton Park Town Council had given its consent to the development in September 1992, it had neglected to rezone the area for that purpose, and it was later discovered that the area was zoned only for agricultural use. In terms of town planning regulations, the land had to be rezoned for waste disposal before Waste-Tech could use it for that purpose. At the time of writing the rezoning committee which had been appointed by the Kempton Park Town Council to investigate the

zoning problem had not yet presented its findings.[99] [99 *Sunday Times* 4 March 1994; *The Star* 7 June 1994; telephonic interview with Dr David Baldwin, technical director of Waste-Tech, 13 July 1994] Residents of Tembisa were also opposed to the dumping of toxic waste at the site, according to the MEC for urban and rural planning and development, land reform and the environment in the PWV, Mr Sicelo Shiceka.[100] [100 *Business Day* 2 June 1994, *The Star* 3 June 1994]

In June 1994 Waste-Tech handled over 80% of the hazardous waste (including toxic waste) available to private waste disposal companies in the Transvaal (some 11 000 tonnes a month). During 1994, 8 000 tonnes of hazardous waste were produced every day in the PWV area alone. The technical director of Waste-Tech, Dr David Baldwin, said that not all hazardous waste was managed by private waste companies as companies such as AECI and Sasol, which produced large quantities of waste material, managed their own waste on site.[101] [101 *Business Day* 6 June 1994; telephonic interview with Dr D Baldwin, 13 July 1994] Waste-Tech also incinerated about 75 tonnes of medical waste every month, acquired at about 1 453 different hospitals, clinics and surgeries in the PWV.[102] [102 *Sunday Times* 4 March 1994]

Only one other hazardous waste site, located at former Holfontein in Springs (east Rand), existed in the Transvaal at the time of writing. This site, which was run by Enviroserve, was designed and built in accordance with ‘international legislative and quality standards’. A further two hazardous waste disposal sites existed in South Africa at Koedoeskloof near Uitenhage (Eastern Cape) and Mossel Bay (Western Cape). (See *Waste management* below.)[103] [103 *The Star* 3 June 1994, *Business Day* 6 June 1994, *The Citizen* 16 September 1994]

In September 1994 the Department of Water Affairs and Forestry published three documents dealing with minimum requirements for monitoring waste management, the design of general landfill sites and the design of hazardous landfill sites. These documents were designed to provide a national framework for waste management in South Africa and to facilitate conformity with international standards. The requirements would be enforced by means of permits for waste disposal sites, the registration of waste generators and transporters, and a manifest system. Minimum monitoring requirements could be implemented under existing legislation.[104] [104 Telephone interview with Mr L Bredenhann, 19 September 1994]

Water Pollution

According to the final *Reconstruction and Development Programme* (RDP) of the African National Congress (ANC), published in March 1994, high levels of water pollution had been allowed in the past because environmental policies had been fragmented and ineffective.[105] [105 ANC, *Reconstruction and Development Programme*, March 1994, p38] The degradation of environmental resources, including water, was partly the result of ‘underregulated activities of local and transnational corporations’.[106] [106 Ibid]

The RDP draft document of the ANC in the Pretoria-Witwatersrand-Vereeniging province, published in May 1994, said that chemicals such as arsenic, mercury and sulphates had been leaking into some rivers

from mine dumps (especially on the east Rand). Tests done by the Rand Water Board on the east Rand confirmed this in the case of the Rietspruit River (east Rand). The ANC document added that rivers such as the Jukskei (which runs through Alexandra, Sandton) had become polluted owing to dumping on their banks and stormwater runoff which flowed through unserviced informal settlements on its way to such rivers. Rivers which ran through urban areas had been polluted by industrial and domestic waste dumping, and by human excrement from informal settlements where sewerage was non-existent. This accounted for the high rate of child mortality and disease in the province, the document said.[107] [[107] *Sunday Times* 8 May 1994; ANC, *Building a New PWV Province*, first draft, 2 May 1994]

CONSERVATION MEASURES

Action Taken Against Offenders

In its final *Reconstruction and Development Programme* published in March 1994, the African National Congress said that because it was difficult for individuals to bring environmental cases to court in South Africa, fines administered for environmental offences had been inconsistent and inadequate. (See also *Hazardous waste* above.)

Animal Conservation

In June 1994 a game capture company, Thaba Manzi, relocated 30 white rhino from the Borakalalo Nature Reserve and the Pilanesberg Nature Park in the North-West province (in the former homeland of Bophuthatswana) to the Welgevonden Private Game Reserve in the Waterberg (Northern Transvaal). The managing director of Jordan Properties (which manages Welgevonden), Mr Trevor Jordan, said in June that the relocation project, undertaken by the Welgevonden reserve, formed part of a two-year restocking programme of animals which would otherwise have been destroyed, and would cost about R8m. In order to reduce the white rhinos' stress levels and increase their chances of survival the animals were sedated for up to 14 days and released directly into the wild. An identification microchip was implanted in each animal's horn and hump. A director of Jordan Properties, Mr Peter Anderson, said that the objective of the project was to create a new breeding nucleus and reduce the risk of inbreeding. The relocations would minimise the effects of poaching on the species as the reserve was not under threat from poor neighbouring communities who would compete for the resources of the reserve. Mr Anderson added that the relocation project also aimed to restock the reserve with buffalo, eland, giraffe, lion, tsessebe and waterbuck by September 1995.[108] [[108] *The Star* 2, 3 June 1994; *Business Day* 3 June 1994; *The Citizen* 28 June 1994]

A total of 577 elephants were culled (destroyed or relocated) in 1994 in the Kruger National Park (KNP) (Eastern Transvaal). Funding of R500000 from the International Fund for Animal Welfare (IFAW), based in the United Kingdom, provided for the relocation of 158 elephants to nine private game reserves in South Africa. This project was carried out during May 1994 and was the first in South Africa where complete family groups of elephants were relocated. Some 70 other elephants were sold and relocated as

part of the Kruger park's normal procedures. However, about 350 elephants which could not be relocated had to be destroyed in 1994 as part of the park's culling programme.[109] [109 *Sunday Times* 5 June 1994; telephonic interview with a spokesman for the Kruger National Park, 19 July 1994]

Among the reserves receiving elephants from the KNP were the Welgevonden Private Game Reserve, the Atherstone Nature Reserve and the Kwalata Game Ranch, all in the Waterberg (Northern Transvaal), where there have been no elephants for more than 100 years. Game reserves which received the relocated elephants had to give legal undertakings not to kill any of the animals either through hunting or for other commercial purposes. While they were sedated, scientific records of each elephant were made and a microchip was implanted for identification.[110] [110 *Sunday Times* 1 May 1994; *The Citizen* 4 May 1994; *The Star* 4, 20 May 1994; *Business Day* 16 May 1994]

IFAW hoped that by finding an alternative to the annual killing of elephants the relocation project would prevent ivory stockpiles and avert pressure to reopen the ivory market. A representative of IFAW in southern Africa, Mr David Barritt, said in May 1994 that once South Africa's game parks had been saturated, it would be ideal to move elephants into other parts of Africa, but 'logistics would be a nightmare'. In July Mr Barritt said that the KNP would relocate elephants again in 1995, and that orders had already been received for 250 elephants. However, the belief among KNP conservationists that the park did not have the capacity to carry an elephant population of more than 7 000 was based on studies conducted 34 years ago and alternatives have not been examined since. According to Mr Barritt, IFAW was not convinced that the annual killing of elephants at the KNP was necessary, and the relocation project had demonstrated this.[111] [111 *Business Day* 20 May 1994; telephonic interview with Mr David Barritt, a representative for The International Fund for Animal Welfare, 25 July 1994]

In a separate initiative, three young KNP elephants were released into the Knysna forest (Western Cape) in July 1994 by the Department of Water Affairs and Forestry. One of the three elephants died in October as a result of pneumonia and exhaustion.[112] [112 *The Star* 19 May 1994, *The Citizen* 15 October 1994] The department reported in November that only one of the elephants originally in the Knysna forest was alive and that even if it was a bull, it would not create a genetically viable breeding herd with the new elephants.[113] [113 *Business Day* 22 November 1994]

In October 1994 the cabinet postponed a decision on whether to withdraw a proposal, made by the former National Party government to the Convention on Trade in Endangered Species (CITES), that a limited trade in elephant products (hides, hair and meat) be resumed. The proposal made by South Africa and Sudan was to be discussed and voted on at a meeting of the CITES in November 1994.[114] [114 *The Citizen* 13, 14, 18 October 1994] However, South Africa decided that month to withdraw the proposal after many African countries warned that the plan would harm their efforts to curb poaching.[115] [115 *The Star* 16 November 1994]

Citizen Involvement

The African National Congress said in its final *Reconstruction and Development Programme* published in March 1994 that community participation in the management of, and decision making about, wildlife conservation and its benefits to tourism should be part of an environmental management system. It also recommended that procedures be established permitting workers to monitor the effects of pollution, noise levels and dangerous practices on the workplace, the surrounding community and on the environment.[116] [[116] ANC, *Reconstruction and Development Programme*, March 1994, p40]

In June 1994 the MEC for urban and rural planning and development, land reform and the environment in the Pretoria-Witwatersrand-Vereeniging province, Mr Sicelo Shiceka, announced that a township clean-up campaign would be developed in consultation with township communities and the private sector to ensure the fullest participation of all parties.[117] [[117] *Business Day* 2 June 1994]

The group manager of safety, health and environment at AECI, Mr Malcolm Weir, said in the same month that the relationship between the public and industry 'has undergone considerable change [since the 1960s and 1970s], with the public becoming more involved' in matters affecting the environment, and placing increasing demands on industry not to soil the environment. He said that legal standards in South Africa set down the 'minimum requirements', but that because of public awareness and involvement, South African companies could not 'expect to operate at lower than international standards', which are often more strict than local 'minimum requirements'.[118] [[118] Ibid 6 June 1994]

Control of Air Pollution

The reconstruction and development programme of the African National Congress in the Pretoria-Witwatersrand-Vereeniging (PWV) province, published in May 1994 and entitled *Building a New PWV Province*, said that unleaded petrol would probably be introduced in 1996.[119] [[119] ANC, *Building a New PWV Province*, first draft, May 1994, p15]

The director of transport energy in the Department of Mineral and Energy Affairs, Mr Theunis Burger, said in August 1994 that refineries would begin producing unleaded fuel during the second half of 1995. Mr Burger did not have estimates of the difference in price between leaded and unleaded fuel, but said that government might introduce a tax differential on unleaded fuel in order to make it less expensive for motorists. Unleaded fuel was expected to enjoy a 20% market share, he said.[120] [[120] *Telephonic interview with Mr Theunis Burger, director of transport energy in the Department of Mineral and Energy Affairs, 17 August 1994*]

According to the MEC for urban and rural planning and development, land reform and the environment in the PWV, Mr Sicelo Shiceka, the introduction of electricity to replace the use of wood and coal was essential for improving the life expectancy of African children.[121] [[121] *Business Day* 2 June 1994] Mr Shiceka also expressed his commitment to changing building codes in order to reduce the use of asbestos in roofing because it increased the risk of cancer among township residents.

The annual Clean Air Award of the National Association for Clean Air was awarded in 1993 to the Vanderbijlpark works of Iscor (Vaal Triangle) where the company had installed a new fume extraction plant at their three arc furnaces, thereby reducing dust emission from more than 50 milligrammes per cubic metre to 3 milligrammes per cubic metre.

Ecotourism

Mr Dilwyn Jenkins, an environmental writer for *Clean Slate* magazine in the United Kingdom, said in December 1993 that ecotourism (tourism activities with an element of ecological awareness which consciously related to the natural environment) was the fastest growing subsector of the tourism industry.[122] [122 Jenkins D, 'Eco-Tourism', *New Ground* summer 1993/94, p22]

The chairman of the South African Tourism Board (Satour), Mr Piet van Hoven, said in March 1994 that South Africa had the potential to become the world's primary 'ecodestination', where tourism would assist conservation. While South Africa was expected to capture only 0,25% of the international tourist market in 1994, the board aimed to attract 1,1m overseas visitors (not including visitors from other African countries) and bring in R9,2bn in foreign exchange in 1996. In 1993 more than 618 000 overseas (excluding other African countries) tourists visited South Africa, bringing in R3,7bn in foreign exchange, compared with about 560 000 in 1992 when overseas tourists brought in R3,4bn in foreign exchange. Satour also recorded a total of 2 142 249 and 2 462 277 arrivals from other African countries during 1992 and 1993 respectively.[123] [123 *The Argus* 15 March 1994; telephonic interview with Mr Piet van Hoven, chairman of the South African Tourism Board, 20 July 1994] The minister of environmental affairs and tourism, Dr Dawie de Villiers, predicted in June 1994 that South Africa would attract 4,5m tourists (including visitors from other African countries) in 1995, and 9m in the year 2000.[124] [124 *Financial Mail* 1 July 1994] According to the deputy spokesman on the environment for the Democratic Party, Mr Rupert Lorimer, ecotourism was much more profitable than agriculture, and in some areas it was between 15 and 20 times more profitable than cattle farming. One permanent job opportunity could be created for every 11 foreign tourists visiting South Africa. If the tourism industry was developed South Africa could cater for 5m tourists annually. Mr Lorimer estimated that only between 7% and 8% of South Africa's land surface was set aside for conservation and that the figure should be closer to 10%.[125] [125 Telephonic interview with Mr R Lorimer, 15 July 1994]

In April 1994 South Africa became the 125th member of the World Tourism Organisation, and is to host the annual conference of the Africa chapter of the organisation (consisting of about 30 African countries) in May 1995.[126] [126 *The Citizen* 24 May 1994]

The Open Africa Initiative involving participants from various organisations including the Natal Parks Board (NPB), the National Parks Board and Satour was launched in June 1994 with the aim of establishing a nonprofit, voluntary association of both individuals and organisations to turn the southern African region into an important part of the global ecotourism industry. The board of trustees of the initiative envisaged promoting a series of wildlife, scenic, and cultural attractions in Kenya, Namibia,

South Africa and Zimbabwe, and including areas such as Cape Town, the Garden Route (Western Cape), the Kruger National Park (Eastern Transvaal), and KwaZulu/Natal. The chairman of the initiative, Mr Noel de Villiers, said in the same month that the growth of the tourism industry in southern Africa would create opportunities for entrepreneurs and create millions of jobs, resulting in socio-economic upliftment.[127] [[127] *The Star* 7 June 1994]

The deputy minister of environmental affairs and tourism, Major General Bantu Holomisa, said in June 1994 that the tourism industry had to make a concerted effort to involve local communities in decision making about tourism development and to ensure that they shared in the financial benefits of such development. Gen Holomisa said that the tourism industry would not get government support if it did not create benefits for disadvantaged people in South Africa.[128] [[128] *Business Day* 10 June 1994]

At the Thukela Biosphere Reserve (53 000ha) near Weenen (KwaZulu/ Natal), the NPB planned to develop in the long term an ecotourism destination which would eventually cover an area of 100 000ha. The parks board said in May 1994 that its long-term plan was to undertake the conservation of the area jointly with the 39 landowners in the area, and with the local communities. At the time of writing, 8 500ha of the reserve had already been sold to two of the local communities. The owner of one of the farms in the area, Mr Chris Wilkinson, said that co-operation between landowners could eventually lead to the removal of fences, which would permit the free movement of game.[129] [[129] *Sunday Tribune* 29 May 1994]

Hunting

The administrator of the Cape, Mr Kobus Meiring, said in March 1994 at the world congress of the International Council for Game and Wildlife Conservation that he supported hunting as a conservation tool. Hunting, as part of ecotourism, was an important source of work and income and hunters spent more money than the average tourist, which made the sport more profitable than tourism. Tourists could do more damage than hunters because of their larger numbers, Mr Meiring said.[130] [[130] *Daily Dispatch* 17 March 1994]

The director of Cape Nature Conservation, Dr Johan Neethling, said in his address to a symposium, ‘Wildlife Utilisation Ensures Conservation’, held in the same month, that a ‘huge infrastructure’ would be needed before ecotourism could generate income comparable to that of the hunting industry. According to Dr Neethling, the hunting industry produced a direct income of R250m, and an indirect income of R100m (through the sale of equipment) annually. Some 4 000 overseas hunters had visited South Africa in 1993, and had spent about R140m. An international trophy hunter spent between R170 000 and R204 000 on a hunting venture and had less impact on the environment than large numbers of ecotourists. Furthermore, Dr Neethling said that private hunting ranches played a valuable role in protecting ecosystems, and that it was correct to promote hunting if it had spinoffs for conservation.[131] [[131] *The Argus* 15 March 1994]

Referring to the annual elephant culling programme in the Kruger National Park, a veterinary surgeon at the park, Dr Cobus Raath, said in May 1994 that although hunting would bring in revenue, it would be impractical, as it was a 'total waste of protein'. By contrast, when elephants were destroyed in the process of culling all parts of the animal were utilised. At the time of writing, the park was not considering introducing hunting as a means of earning revenue to make up for the shortfall caused by the embargo placed on the sale of ivory.[132] [[132] *Business Day* 20 May 1994]

Environmental Education

The deputy minister of environmental affairs and tourism, Major General Bantu Holomisa, said on World Environment Day in June 1994 that national environmental awareness programmes were crucial for successful environmental management, and that a holistic approach to environmental education which took account of the 'interrelated nature of social, economic, political and biophysical factors', was needed.[133] [[133] *The Star* 7 June 1994]

In its final *Reconstruction and Development Programme*, published in March 1994, the African National Congress (ANC) said that a strategy of environmental education programmes should be used to ensure an effective environmental management system. According to the ANC, such programmes should aim to 'rekindle people's love for the land', raise environmental consciousness among the youth, integrate environmental education and education policy at all levels, 'empower communities to act on environmental issues', and 'promote an environmental ethic'.[134] [[134] ANC, *Reconstruction and Development Programme,* March 1994, p40]

Measures Taken by Business

In 1989 Sappi developed an Environmental Audit Rating Scheme in conjunction with the National Occupational Safety Association (Nosa) (a company aiming to guide, educate and train commerce, industry and mining on issues of occupational safety). The scheme, which was in line with conservation guidelines of the United Nations Food and Agriculture Organisation as well as those of the Environmental Protection Agency in the United States (US), provided principles for the environmental management of the company's forests. The forests were randomly audited every year and given a rating based on several criteria, including soils, water resources, vegetation, wildlife, the needs of existing communities and the conservation of historical or geological sites.[135] [[135] *Business Day* 6 June 1994]

A group of 15 private companies including Absa, Fraser Alexander, Nedbank and Rand Merchant Bank intended to invest a total of R120m in developing the Welgevonden Private Game Reserve (Northern Transvaal) through activities such as stocking the reserve with animals to attract visitors (see *Animal conservation* above).[136] [[136] *The Star*, *Business Day* 20 May 1994]

According to the group manager of safety, health and the environment at AECI, Mr Malcolm Weir,

South African companies not complying with international environmental standards in their manufacturing processes ran the risk of having their products boycotted by overseas buyers. Therefore, new plants built by AECI were conforming to the strictest regulations in the US and Europe.[137] [137 *Business Day* 6 June 1994]

According to the managing director of Mondi Paper, Mr Derrick Minnie, the company had formulated internal regulations to minimise negative environmental impacts where existing government regulations had appeared inadequate, because it was aware of the need to apply international environmental management standards in order to secure foreign exports. Mondi began construction in January 1994 on a plant which would not use elemental chlorine to bleach pulp and paper products, because this was recognised internationally as having damaging effects on the environment, the communications manager of Mondi, Ms Zelda Jonker, said. Some overseas paper manufacturers had a policy of totally chlorine-free production, Ms Jonker said. The plant would cost R65m and was to be completed in early 1995. Mr Minnie said that the company would also spend R70m upgrading its Merebank paper mill near Durban to reduce the amount of chemicals, fibres and water used by the mill.[138] [138 Ibid]

In July 1994 six of the seven oil companies doing business in South Africa formed the South African Petrol Industry Association to promote the image of the oil industry and to encourage consultation with interested groups and with government on the protection of the environment. At the time of writing Sasol had not yet joined the association but a spokesman for the company said in July that Sasol would welcome membership in the organisation.[139] [139 Ibid 28 July 1994]

Mining and Recovery Controls

The Wonderwater strip mine at Sasolburg (northern Orange Free State), owned by Sigma, had undertaken various measures to improve environmental management over the period under review. Among the measures taken were steps to improve the appearance of the mine; prevent air, noise and water pollution; restrict ground movement as a result of blasting; and rehabilitate parts of the site which had been mined. The mine's policy had also been one of open communication with the local community to ensure good relations.[140] [140 Ibid 6 June 1994]

Environmental Impact Assessment

The African National Congress said in its final *Reconstruction and Development Programme*, published in March 1994, that procedures obliging decision makers to consider environmental implications when deciding on projects had to be set in place.[141] [141 ANC, *Reconstruction and Development Programme*, March 1994, p39]

In 1992 the Department of Environment Affairs (now the Department of Environmental Affairs and Tourism) published six documents outlining the department's proposed Integrated Environmental Management (IEM) system which aimed at assessing the impact of development activities on the

environment. In March 1994 the Department of Environment Affairs published two sets of proposed regulations in the *Government Gazette* outlining the procedure for the preparation of an environmental impact report (required in terms of the IEM system) and identification of activities which could have a detrimental effect on the environment. The IEM system would require that:

• the organisation undertaking the development should first propose an alteration to the existing land use of the area, after which it should announce its intentions and allow the public time to respond;

• the organisation should prepare an environmental impact report setting out the possible impacts of the development and proposed measures to deal with such impacts. If the organisation did not believe the development would have an effect on the environment then only an initial assessment report would be necessary;

• the government department whose area of responsibility was affected by the development and local authorities should review the report to ensure that the proposed development did not conflict with statutes and regulations;

• independent specialists should check to see that the assessment was technically sound; and

• a public review under management of a review panel established in terms of the proposed system, should make the final decision.[142] [142 *Sunday Times* 6 February 1994; telephonic interview with Mr Johan Benadé, assistant director of Integrated Environmental Management in the DEA, 22 July 1994]

Final regulations had not been published by the department at the time of writing.

The St Lucia review panel (which had been appointed by the Department of Environment Affairs in September 1989 to review the merits of proposed mining or ecotourism development in the area) concluded its assessment of mining on the eastern shores of Lake St Lucia (northern KwaZulu/Natal) in December 1993 (see *National parks and game reserves* below and 1993/94 Survey, p43). The assessment was conducted at a cost of R3m and included a review panel hearing in November 1993, where the opinions of the public were heard. According to a report in *Focus*, a publication of the University of Natal (Durban), it was the first time that such a high level of public participation had taken place in an environmental impact assessment in South Africa. The review panel concluded that the exact effects of mining were impossible to determine and that the effectiveness of dune rehabilitation was questionable. Responding to the results of the assessment, the public relations manager of Richards Bay Minerals, Mr Barry Clements, said that the review panel had 'pushed aside a wealth of scientific fact and made [its] decision overwhelmingly on the basis of "sense of place"'. The cabinet, which would make the final decision about mining the area, decided in March 1994 that all land claims in St Lucia had to be settled before any decision about mining could be taken.[143] [143 Paterson M, 'A Sense of Place', *Focus* summer 1994, p22] At the time of writing no final decision had been made regarding land claims.

National Parks and Game Reserves

In February 1994 the Natal Parks Board (NPB) took over responsibility for the eastern shores of the St Lucia conservation area, including the Dukuduku and Umfolozi swamp state forests, from the Natal Provincial Administration, following the recommendations of the St Lucia review panel in December 1993 that Richards Bay Minerals should not be allowed to perform strip and dredge mining in the area, and that the area should be proclaimed a national park and be given world heritage status. (Such status was granted to areas of 'outstanding universal natural and cultural value' in terms of the 1972 Paris Convention. Only 90 such areas existed in the world, none of them in South Africa.) World heritage status would attract international finance, advice and tourism.144 [144 *Sunday Times* 19 December 1993]

The Campaign for St Lucia (a group opposed to mining in the area) said in the same month that its fight to stop mining at St Lucia would continue despite the recommendations of the panel as Richards Bay Minerals had not withdrawn its application to mine the area, and the government had made no decision following the panel's recommendations.145 [145 *Business Day* 4 February 1994, *The Natal Mercury* 9 February 1994] In May 1994 the chairman of the Campaign for St Lucia, Dr Nolly Zaloumis, called on the government of national unity to create the 'Greater St Lucia National Heritage Park—Peace Park for the Nation', to serve as a 'new model for conservation, suited to our new country and the ideals of peace and democracy'. He also called on Richards Bay Minerals to adhere to the recommendations of the review panel and not to mine at St Lucia.146 [146 *The Leader* 6 May 1994]

Urban Environmental Management

The Greater Pietermaritzburg Environmental Coalition drew up a draft environmental manifesto for the greater Pietermaritzburg area (KwaZulu/ Natal which it submitted to the Pietermaritzburg City Council in April 1994. A member of the coalition, Dr Dai Herbert, said that the organisation hoped that members of the Local Government Negotiating Forum would commit themselves, and future local government structures, to 'preserving and enhancing the built and green environment' of the city. The manifesto encouraged the greening of the city and natural open spaces, as well as the development of natural, historical and cultural resources. It also proposed that transport policy should be geared toward public rather than private transport, and that traffic in the city centre should be reduced so that the city's 'green lung' could be nurtured and expanded. Dr Herbert said in October 1994 that although the manifesto had been well received by the city council, no further progress had been made because local government structures were in a phase of transition.147 [147 *The Natal Witness* 7 April 1994; telephonic interview with Dr Dai Herbert, a member of the Greater Pietermaritzburg Environmental Coalition, 21 October 1994]

In July 1993 the Verwoerdburg Town Council (near Pretoria) announced that it intended creating a new wetland area to prevent polluted effluent from the neighbouring townships of Clayville, Ivory Park, and Tembisa from contaminating the Olifantspruit and the Verwoerdburg Lake, which was in the commercial centre of Verwoerdburg. A consultant for the town council, Mr Rainer Hoffman, said in June 1994 that the wetland would enhance the environment by providing a haven for a range of water

birds. He added that plans existed to create an environmental education centre at the site. At the time of writing the development had been placed on hold pending a decision by First National Bank about the sale of land needed for the wetland to the Verwoerdburg Town Council.[148] [148 *Business Day* 6 June 1994; telephonic interview with Mr Ansen Lamprecht, town engineer for the Verwoerdburg Town Council, 22 July 1994]

Metropolitan Open Space Systems

Metropolitan open space systems refer to green open spaces designed (ie man-made) to coexist with the built environment and permit the continued existence of bird and animal life in built-up urban areas.

The MEC for urban and rural planning and development, land reform and the environment in the Pretoria-Witwatersrand-Vereeniging province, Mr Sicelo Shiceka, said in June 1994 that the development of parks would be a focus of the environmental programme to clean up townships in the province.[149] [149 *Business Day* 2 June 1994] 'The development of a beautiful neighbourhood includes parks and trees and clean sidewalks,' Mr Shiceka said.[150] [150 *The Star* 2 June 1994]

Waste Management

In May 1994 South Africa acceded to the Basel Convention, which would prohibit the dumping of hazardous waste from industrialised countries in South Africa. Although the convention would become fully effective only in December 1997, the senior epidemiologist at the Medical Research Council in Durban, Dr Mark Colvin, said in June 1994 that the accession to the convention was 'a major breakthrough' which would help prevent a repeat of the effect of dumping of hazardous waste by municipalities and waste companies on land near residential areas, such as in the case of Thor Chemicals in Pietermaritzburg (KwaZulu/Natal) (see also *Hazardous waste* above).[151] [151 *Sunday Tribune* 22 June 1994] The import of hazardous waste had been banned in 1991 by the minister of environment affairs, Mr Louis Pienaar, but the Department of National Health and Population Development had granted Thor Chemicals import permits on the basis that mercury waste could be recycled for use as a raw material in industry. In February 1994 Thor Chemicals undertook to stop importing mercury-contaminated waste, and to phase out its mercury operations by 1996 (see also 1992/93 *Survey*, p164).[152] [152 *The Natal Witness* 22 February 1994, *The Natal Mercury* 23 February 1994]

The MEC for urban and rural planning and development, land reform and the environment in the Pretoria-Witwatersrand-Vereeniging (PWV) province, Mr Sicelo Shiceka, announced in June 1994 that an environmental programme would be launched to clean up the townships and eliminate toxic pollution. Mr Shiceka said that the lack of refuse removal in the townships and irresponsible dumping of toxic waste would be addressed in the reconstruction and development programme.[153] [153 *Business Day* 2 June 1994]

A paper outlining 'cradle to grave' legislation (aimed at making the producers and disposers of toxic

waste responsible for 'safe, effective and environmentally correct disposal' of such waste, and based on legislation applied in the United States and in many European countries) was submitted to the government. Such legislation, if adopted in South Africa, would bring South Africa into line with international standards relating to the disposal of toxic waste. However, many international companies in South Africa, and some local manufacturers, were already adhering to international standards in anticipation of such regulations becoming law in South Africa.[154] [154 Ibid 6 June 1994]

Landfill

With the closure of Waste-Tech's two hazardous waste landfill sites at Rietfontein and Chloorkop (both on the east Rand) in 1994 (see *Hazardous waste* above), the only site remaining open to manage some 8 000 tonnes of toxic waste produced daily in the PWV, as well as the waste produced in the rest of the Transvaal, the Orange Free State and parts of KwaZulu/Natal was the Holfontein site on the east Rand. The site had a capacity to deal with all the waste produced in the PWV and the other areas named until 2030.[155] [155 Ibid]

Recycling

Strict overseas regulations designed to protect the environment have forced manufacturers over recent years into taking responsibility for goods they produce from the beginning of production to the stage of consumer disposal. This has affected South African exporting companies because countries wanting to control waste have started auditing manufacturers and sometimes also their suppliers, in order to ensure that raw materials and production processes meet with their own requirements, resulting in a move towards designing products which can be recycled.[156] [156 Ibid]

In a draft document published for discussion purposes in May 1994 entitled *Building a New PWV Province*, the African National Congress in the PWV said that people must be educated about recycling and that facilities should be provided for recycling. The document also suggested the introduction of deposits on glass bottles and plastic containers to encourage recycling, which could also contribute to the development of small businesses and job creation.[157] [157 *Sunday Times* 8 May 1994]

KEY PROJECTIONS

• Demand for water in the PWV was expected to grow by between 3,5% and 4% every year.

• According to the minister of environmental affairs and tourism, Dr Dawie de Villiers, South Africa would attract 4,5m tourists in 1995, and 9m in 2000.

• The Holfontein site on the east Rand had the capacity to deal with all the waste produced in the PWV, the rest of the Transvaal, the Orange Free State and parts of KwaZulu/Natal, until 2030.

LAND, AGRICULTURE AND RURAL AREAS

KEY POINTS

• The Restitution of Land Rights Act, passed by Parliament in November 1994, provided for the establishment of a land claims court and a commission on restitution of land rights to address the claims of people forcibly removed from their land.

• The African National Congress said that all claims for the restitution of land would be adjudicated within five years of the establishment of the land claims court and the commission on restitution of land rights.

• In August 1994 an amount of R62m was allocated over three years to support the restitution of land to ten communities in the Eastern Cape, the Eastern Transvaal, KwaZulu/Natal, the North-West and the Northern Cape.

• The National Maize Producers' Organisation announced in August 1994 that a new marketing plan for maize had been approved which would replace the single-channel marketing scheme. Domestically, maize would be traded in a free market but the Maize Board would continue to control exports.

• The Department of Agriculture said that agricultural debt was estimated to be R18bn in 1993, an increase of 5,4% over 1992.

• Professors Barney Erasmus and Johan Hough of the Department of Business Economics at the University of South Africa said that there were approximately 60 000 commercial farmers, 1,2m small farmers and 30 000 part-time farmers in South Africa.

• The estimated volume of agricultural production was 7,6% higher in 1993/94 than in 1992/93, according to the Department of Agriculture. This was mainly because of the 22% increase in the volume of field crops produced.

• Agriculture contributed R15bn (4,1%) to gross domestic product in 1993/94—an increase of 16,2% over the previous year.

• The gross income of farmers in 1993/94 increased by 12,5% from 1992/93 (to R25,19bn).

• The following communities had their land returned in 1994: the Alcockspruit community (KwaZulu/Natal), the Bakubung ba Ratheo (North-West), the Batswana community (Northern Cape), the Doornkop community (Eastern Transvaal), the Mfengu community (Eastern Cape), the Mogopa community (North-West), the Riemvasmaak community (Northern Cape), and the Thornhill, Macbride, Brakkloof and Tambo villages on Released Area 60 (Eastern Cape).

ELECTION COMMITMENTS

Parties in Government

African National Congress

The African National Congress committed itself to the following in its *Reconstruction and Development Programme* (RDP), published in March 1994:

• providing infrastructure and services such as accessible water supplies, electricity, telephones, roads and sewerage, as well as housing and schools;

• creating jobs in rural areas by developing industries and small business and helping small farmers gain access to training, credit and markets for their products;

• discontinuing the ‘inequitable and inefficient subsidisation of the large farm sector’;

• guaranteeing equal rights to land to women, who, under the tribal land tenure system, have no rights to land;

• ensuring security of land tenure for all South Africans regardless of their system of landholding;

• establishing a land court and guaranteeing restitution to victims of forced removals whose claims would be adjudicated by the court;

• using state land, land already on sale, ‘land acquired by corrupt means by the apartheid state’ and land mortgaged to state and parastatal bodies for redistribution;

• introducing a land tax to ensure that underutilised land was made available for redistribution, that revenues were raised for rural infrastructure and that productive land use was promoted;

• ensuring the land reform programme was in place by April 1995;

• redistributing 30% of agricultural land within the first five years of operation of the land reform programme;

• ensuring that all claims for restitution of land were adjudicated within five years of the establishment of the land claims court and the commission on restitution of land rights; and

• designing training and retraining programmes for extension workers, community development officers

and officials dealing with land reform within the first 18 months of the implementation of the RDP.[1] [1 African National Congress (ANC), *Reconstruction and Development Programme*, 1994]

National Party

The land and agriculture policies of the National Party committed it to:

• protecting private land ownership as laid down in the charter of fundamental rights (ie chapter 3 of the constitution, which provides for the protection of human rights);

• promoting a market-driven land reform process;

• ensuring that land was restored to communities dispossessed under apartheid legislation, provided that the land being claimed was owned by the state;

• respecting systems of land ownership other than freehold tenure, such as traditional communal tenure and lease agreements;

• promoting a deregulated, market-orientated, agricultural economic system ‘wherever possible’; and

• pursuing food self-sufficiency and food security.[2] [2 National Party (NP), *National Party Policy*, 1993]

Inkatha Freedom Party

At the time of writing the Inkatha Freedom Party had not yet published a document detailing its land and agriculture policy. However, it said that:

• the role of the government in redistributing land should be limited and that market forces should govern redistribution;

• state land as well as unproductive and underutilised land should be used for redistribution and full compensation should be paid for any land expropriated; and

• people whose land was restored to them should have the skills to farm productively.[3] [3 Fax communication from the Inkatha Freedom Party (IFP), undated]

POLICY

Land

Land Redistribution

The director of the Graduate School of Agriculture and Rural Development at the University of Pretoria, Mr Johan van Rooyen, said that wellstructured development programmes which provided effective support services would enable blacks to farm efficiently on both the subsistence and the commercial level. In certain conditions small-scale farming could be just as efficient as large-scale farming. Mr van Rooyen suggested that facilitating access to farming opportunities, ownership of land and other assets, shareholding and profit sharing formed part of the land reform process.[4] [4 *Farmer's Weekly* 24 June 1994]

Government Policy

The new minister of land affairs, Mr Derek Hanekom (previously the co-ordinator of land and agricultural policy of the African National Congress (ANC)), said in August 1994 that the government was committed to restitution to victims of forced removals, redistribution of land, ensuring security of tenure and providing support programmes to new farmers. He added that the government was drawing up legislation on land restitution, as proposed in the transitional constitution (see *African National Congress* below), and that a land claims court would be operational before the end of 1994.[5] [5 Ibid 12 August 1994] He also said that the Commission on Land Allocation would cease operating at the end of September 1994. Outstanding claims for land restitution would be forwarded to the new commission on the restitution of land rights which would be set up before the end of 1994, according to the Department of Land Affairs.[6] [6 *The Citizen* 10 September 1994; *Land Info* November/December 1994]

Mr Hanekom said in September 1994 that a commission of inquiry into rural financing would soon be established. The commission would investigate the provision of credit and other financial services for the acquisition and development of land.[7] [7 *Business Day* 12 September 1994] He also said that the Subdivision of Agricultural Land Act of 1970 (which blocks the sale of small land parcels which many black farmers require to expand in a 'manageable' way) would be repealed.[8] [8 *AFRA News* April/May 1994]

African National Congress

The document entitled *Reconstruction and Development Programme* (RDP), published by the ANC in March 1994, said that land reform would form a central part of a broader rural development programme. The RDP envisaged market-driven land reform that would provide residential and agricultural land to the 'poorest section of the rural population'.[9] [9 ANC, *Reconstruction and Development Programme*, 1994]

According to the programme, there were two aspects to land reform: redistribution of residential and agricultural land to those who needed it but could not afford it, and restitution to those who had lost land because of apartheid laws.[10] [10 Ibid] The government would have to provide 'substantial funding' for redistribution and favoured the institution of a land tax to free underused land, raise revenue for rural infrastructure and promote productive land use. Support services (such as water provision and basic

health care) and training had to be provided to further the productive use of land. All institutions, practices and laws that obstructed women's access to land would have to be revised. The diverse forms of land tenure in South Africa would have to be recognised in order to ensure secure tenure rights for all. The document also favoured instituting new forms of tenure such as community land trusts and other forms of group land-holding.[11] [11 Ibid]

Mr Hanekom identified the removal of obstacles in the market and the provision of state assistance for people who could not work through the market as two 'crucial areas' in land redistribution.[12] [12 *AFRA News* April/May 1994] According to the RDP, land redistribution would take place in various ways. These included strengthening the property rights of communities already occupying land, combining market forces and government intervention to provide land, and redistributing vacant government land to landless communities.[13] [13 ANC, *Reconstruction and Development Programme* 1994]

The ANC proposed that a land claims court be established as the principal mechanism through which restitution would take place. This proposal was adopted in the transitional constitution, which also provided for a land rights restitution act to address land claims (see *Legislation* below).[14] [14 ANC, *Agricultural Policy*, 1994]

A document entitled *Agricultural Policy*, published in 1994 by the ANC, emphasised that the land rights restitution act would deal only with claims arising out of the dispossession of land and that only those people with specific claims would be helped. An alternative policy of land redistribution would be required to address claims based on 'past exclusion and the general absence of land rights'.[15] [15 Ibid; *AFRA News* April/May 1994]

Conservative Party

Rejecting state involvement in land redistribution, the Conservative Party (CP) said in April 1994 that land should be acquired only through the market. It also favoured private ownership of land over communal ownership. Land claims had to be tested in a court of law and the full market value had to be paid to existing owners as compensation if land was expropriated. The CP argued that a land tax would disadvantage commercial farmers. However, if such a tax was instituted, it had to be applied to all land, including state-owned land.[16] [16 *Farmer's Weekly* 29 April 1994]

Democratic Party

In its 1994 election manifesto the Democratic Party (DP) said that suitable state-owned land should be identified for occupation by disadvantaged farmers. Ownership of such land could be transferred without great cost to the state.[17] [17 Ibid] Where this was not practical, other forms of compensation such as alternative land or cash payments should be considered.[18] [18 *Sowetan* 24 March 1994] The DP opposed the confiscation of property, but said the state could acquire land by paying compensation to willing sellers

or through proper court proceedings.[19] [19 Democratic Party, *Election Manifesto*, 1994] A property claims court should be established to adjudicate claims for restitution and compensation, the DP said. According to the leader of the DP at the time, Dr Zach de Beer, the government of national unity should consider subsidising black people to enable them to acquire land. The DP said that land was property and should be transferred on a 'willing buyer, willing seller' basis.[20] [20 *The Natal Witness* 9 March 1994]

The DP also said that no land should be made available to new farmers by the state until the new owners were properly trained in agriculture and had access to sufficient, affordable funding to enable them to farm successfully. The DP said that 'good productive farmland' should not be given to individuals or communities who might destroy its productive capacity 'through ignorance or greed'.[21] [21 *Farmer's Weekly* 29 April 1994]

National Party

According to the National Party (NP) spokesman on land affairs, Mr André Fourie, the NP's policy on land redistribution included the follow ing:

• private ownership of land should be protected in the charter of fundamental human rights;

• such ownership should be an indispensable element of a market oriented economic system;

• land reform should be market-driven and based on willing sellers and willing buyers and land-oriented support programmes should be promoted to enable people to retain or acquire land;

• equitable mechanisms should be created to meet justified land claims. There should be restitution of land or the offer of alternative state land to former land owners who had a valid claim; and

• expropriation of property for public use should be subject to agreed compensation at market-related values. However, there should also be a right of recourse to a competent court as protection against unjust practices.[22] [22 Ibid; Information supplied by Mr André Fourie, NP spokesman on land affairs, 15 August 1994; *Farmer's Weekly* 29 April 1994]

Pan-Africanist Congress

The Pan-Africanist Congress (PAC) rejected private ownership and market-based redistribution on the grounds that it would be an 'attempt to perpetuate the current imbalance in land ownership'. The PAC proposed that land be expropriated in terms of a land reform act and through a land claims commission. The expropriated land would then be divided up so that every family in the country had a piece of land.[23] [23 *The Natal Witness* 8 April 1994]

According to the PAC's secretary of health, Dr Selva Saman, 65m hectares of land would be made available for redistribution if farm sizes were limited to 300ha. Farms would be leased and would be transferred within the family. Dr Saman added that houses and the land on which they were built would be considered private property.[24] [24 Undated press clipping]

Other Views

In February 1994 a community land conference, convened by the National Land Committee, adopted a *Land Charter* which set out the demands of the delegates for rights to land and land redistribution. The charter said that the following land could be used for redistribution:[25] [25 *Land Charter* 1994]

• state land, especially land owned by the South African Defence Force;

• land owned by absentee landlords; and

• forestry land which was not being used productively.

In addition the charter said that:

• land and mineral rights should be returned to communities removed from their land;

• title deeds should be returned to people or updated;

• land claims should date back to 1652 (when the first Dutch settlement was established at the Cape);

• a representative land claims court should replace the Commission on Land Allocation;

• the government should allocate at least 10% of its annual budget to land reform;

• the property rights and restitution clauses in the transitional constitution should be repealed as they made expropriation of land for community purposes too expensive; and

• government should investigate imposing a land tax on under-used land and regulating the price of private land to encourage the best use of such land.[26] [26 Ibid]

The president of the South African Agricultural Union (SAAU), Mr Boet Fourie, labelled the claims as 'ridiculous and exorbitant'. He said that such demands would undermine investor confidence and heighten uncertainty among farmers concerning a future land policy.[27] [27 *Business Day* 15 February 1994]

The Transvaal Agricultural Union and the Orange Free State Agricultural Union said the demands conflicted with free-market principles and created 'unrealistic expectations' among the landless.[28] [[28] *Farmer's Weekly* 25 February 1994, 27 May 1994]

The co-ordinator of the land and agricultural policy of the ANC, Mr Derek Hanekom (later minister of land affairs), said in February 1994 that the ANC regarded 1913 (when the Black Land Act restricted black access to land to a small proportion of the total area of South Africa) as an acceptable cut-off date for land claims and that it was unlikely that the property rights and restitution clauses in the transitional constitution would be set aside. The ANC proposed using market and state-assisted processes for redistribution, rather than expropriating land.[29] [[29] *Weekly Mail and Guardian* 18 February 1994]

The National African Farmers' Union (Nafu) said in March 1994 that where people had been forcibly removed by the government in the past and their land was still intact, it should be returned to them. Where developments, capital and productive investments had been made and private individuals were committed to productive activity on the disputed land, fair compensation should be paid to the victims or their dependants. The government should carry full responsibility for the process and should also be involved in making statand parastatal-owned land (for example by the Land Bank) available to committed emerging farmers. Nafu believed that a special legal institution should deal with all land claims of victims of forced removals.[30] [[30] *Farmer's Weekly* 11 March 1994]

Nafu added that unproductive land in potentially good commercial agricultural areas should be rented, leased or taxed annually. The Subdivision of Agricultural Land Act of 1970 should be repealed so that unutilised land could be taxed. Land should not be sold to foreigners unless they had acquired full South African citizenship and rescinded their previous citizenship. However, foreigners could own land as part of a joint venture where they held less than 40% of the shares. Nafu also suggested that a limit be placed on the number of farms owned by an individual legal entity.[31] [[31] National African Farmers' Union (Nafu), *Land and Agricultural Policy*, March 1994]

The SAAU said in March 1994 that land reform had to ensure that agricultural production was maintained. The establishment of small farmers should be based on 'proven successful models' of commercial farming. The SAAU was opposed to communal land use because it did not promote 'commercial agricultural production'. Communal land use should gradually be converted to private land ownership.

According to the SAAU, the role of the state should be limited. It should neither own nor buy agricultural land to establish farmers, nor should it intervene in land transactions. The SAAU supported the settlement of land claims by way of a legal process but was opposed to a 'politically appointed body such as the Advisory Commission on Land Allocation' handling the matter. The SAAU further opposed the redistribution of land by means of nationalisation, confiscation or expropriation. Expropriation should be for public purposes only and the owner should be compensated at market prices.[32] [[32] South African Agricultural Union (SAAU), *Summary of Policy Viewpoints and Related Motivations*, March 1994]

Land Tenure

All political parties, with the exception of the PAC, said individual ownership of property should be protected while also recognising communal, tribal and other forms of tenure. However, they disagreed on whether private property was the best form of tenure in the long term.[33] [33 *The Natal Witness* 8 April 1994]

Various forms of tenure should be protected in the short and long term, including communal ownership as it would be agriculturally productive and support a number of people, the ANC said.[34] [34 ANC, *Reconstruction and Development Programme*, 1994; *Weekly Mail and Guardian* 10 June 1994; *Business Day* 29 June 1994]

The Inkatha Freedom Party said that communal tenure should gradually be converted to freehold tenure, but that the process had to be acceptable to rural people and could therefore take decades to occur.[35] [35 *The Natal Witness* 8 April 1994]

The NP also said that communal tenure should be converted to freehold as this would give people access to loans and banking facilities. It envisaged the process taking place over a period of five years. However, the various customary uses and patterns of ownership, such as traditional communal tenure, lease agreements and time-sharing schemes, had to be respected.[36] [36 Ibid]

The DP said that private ownership should be promoted wherever possible. Dr de Beer said that poor farming methods associated with communal land ownership had led to irreparable damage to land.[37] [37 *Ibid*]

The PAC, by contrast, said that all private ownership of property should be abolished.[38] [38 *Ibid*]

Nafu said that other forms of tenure should be recognised legally so that credit facilities were not biased in favour of freehold title and ‘so-called full-time farmers’. The other forms of tenure which should be recognised included:

• leasehold over a period of between five and 99 years, the lessee having first option to buy the property;

• renting, subletting and share-cropping (especially on unused land);

• independent farming operations (to end the system whereby farmers in the former homelands became ‘executive labourers’ while farming for companies);

• syndicate, company and co-operative farming;

• traditional land tenure and ‘bogoshi’ (ie traditional leadership); and

• individual land ownership.

Nafu said that it supported a state-assisted land purchase scheme to avoid expropriation of land and unofficial agricultural land occupation.[39] [39 *Nafu, Land and Agricultural Policy*, March 1994]

Mr Hanekom said in June 1994 that a white paper dealing with land reform and security of tenure would be published at the beginning of 1995 after the completion of an investigation into these issues.[40] [40 *Weekly Mail and Guardian* 10 June 1994, *Business Day* 29 June 1994]

Agriculture

Government Policy

The Department of Agriculture published a draft white paper on national agricultural policy in August 1994.

It said that improving income, food security, employment and the quality of life were the main objectives for agriculture. These objectives could be achieved by developing both largand small-scale farming, ensuring access for all farmers to natural resources (eg water) and services (eg training and research) and by the economically and environmentally sustainable utilisation of agricultural resources, production and marketing. The white paper also said that new farmers should be 'push-started' through affirmative action programmes that gave them access to agricultural resources, credit and farmer-support services.[41] [41 Department of Agriculture, *Draft White Paper on Agriculture*, 1994]

The new deputy minister of agriculture, Ms Thoko Msane, said in July 1994 the new government would ensure that agricultural institutions no longer discriminated against the disadvantaged, and would review all laws affecting farming. Black people in the agricultural sector could be viable agricultural producers only if they had access to support and production services. She said that the national policy on agriculture would be instituted over the next three-and-a-half years.[42] [42 *The Star* 18 July 1994]

African National Congress

In a document entitled *Agricultural Policy*, the African National Congress (ANC) said that it aimed to improve support for the 'neglected' small-scale farming sector, promote household food security (enough food for every household, whether food was imported or produced locally) rather than national food self-sufficiency (the country produced enough food for every household without needing to import), boost rural employment and promote more sustainable farming practices.[43] [43 ANC, *Agricultural Policy*, 1994]

The ANC said that it would improve food security by ensuring low and stable prices on the basic foods of low-income consumers. Measures could include:

• replacing quantitative import controls with tariffs;

• state storage of food to improve and stabilise prices;

• exempting all basic foods from value added tax;

• additional food subsidies, particularly in the case of maize-meal, which was primarily consumed by the poor; and

• targeted direct income transfers in the form of food stamps or vouchers or social security benefits in cash.[44] [44 Ibid]

Legislation would be passed to make it easier for small farmers to create co-operatives. The special privileges of co-operatives which had moved into areas other than farming, such as insurance, would be re-examined, the ANC said.[45] [45 Ibid]

The ANC believed that the emphasis in financial aid had to be shifted from the provision of agricultural credit to the provision of broad financial services in rural areas. The role of the state would be to create a stable lending environment, to enact legislation that would encourage new forms of rural finance and to develop state-guaranteed schemes to provide finance to help poor farmers. Credit subsidies and grants to help commercial farmers who were insolvent had to end. Public finance institutions had to redirect grants and lending towards poor farmers. The ANC said it would evaluate the roles of the Land and Agricultural Bank of South Africa (Land Bank), the Agricultural Credit Board of Southern Africa, the Independent Development Trust and other public sector financiers and committed itself to setting up a rural finance inquiry 'within its first 100 days' of office. Members of the inquiry, called the rural financial services commission, would be appointed early in 1995, according to the Department of Land Affairs (See *Government policy* under *Land redistribution* above.)[46] [46 Ibid; information provided by the Department of Land Affairs, 14 December 1994]

The ANC said that the rights of farmworkers would be protected and the growth of their organisations fostered. The focus of support services would be widened to include improving farmworkers' skills and knowledge. The ANC would also address farmworkers' needs for housing, services and access to land.[47] [47 ANC, *Agricultural Policy*, 1994]

An 'early warning system' unit would be created to collect and monitor all information relating to drought, the ANC said. The unit would also assist in targeting drought relief programmes. Drought subsidies to large-scale farmers would be removed. Less intensive technologies would then be used,

which would in turn reduce the damage to the environment, the ANC said.[48] [48 Ibid]

According to the ANC, agricultural extension (or support) services, which were divided between the large-scale commercial sector and producers in the former homelands, had to be consolidated on a provincial basis. Such services should target both small and new farmers. Local agricultural councils should be established to co-ordinate farming activities within their area of jurisdiction and control extension services.[49] [49 Ibid]

Conservative Party

The Conservative Party said that food self-sufficiency should be a high priority as South Africa could not afford to import basic products on a large scale. It added that it preferred direct feeding schemes to food subsidies. This was because subsidies paid to agricultural industries distorted market signals and could become ‘a bottomless pit which could cause the fall of governments’. The Land Bank and the Directorate of Financial Aid should assist farmers in trouble, while organisations such as the Small Business Development Corporation and the Industrial Development Corporation should provide aid to young (or new) farmers.[50] [50 *Farmer’s Weekly* 29 April 1994]

National Party

The National Party (NP) said that it would ‘ensure national and domestic food security and optimum foreign exchange earnings through the promotion of an economically viable farming community of smaland large-scale farmers’.[51] [51 Information supplied by a spokesman for the NP, Dr Manie Schoeman, 11 August 1994]

Ten steps had to be taken in order to realise food security and rural upliftment, according to the NP:

• a white paper setting out the major policy issues and a plan for the development of agriculture should be drawn up and accepted;

• a comprehensive survey should be conducted to identify areas where there were deficiencies in nutrition and food security and to develop a strategy to alleviate these problems;

• structures should be established between the Department of Agriculture and the Agricultural Research Council on national and regional levels to prevent duplication;

• additional funding should be made available for new small farmers, while viable commercial farmers should be supported to sustain food production and foreign exchange earnings;

• settlements of disadvantaged farmers should be identified so that development plans could be formulated;

• new settlement areas should be identified so that resource and land use planning could take place;

• a special task group should be established to identify areas of immediate environmental concern to prevent further deterioration and to start a rehabilitation process;

• training programmes should be developed and trainees identified by consultation at grassroots level;

• market and pricing mechanisms should be re-examined critically on an ongoing basis (see *Agricultural marketing* below); and

• a study of the living conditions of farmworkers should be conducted to develop recommendations regarding remuneration, housing and general farm labour practices.[52] [[52] Information supplied by Dr M Schoeman, 11 August 1994]

Other Views

In 1994 the South African Agricultural Union (SAAU) published a comprehensive document on agricultural and rural development policy.[53] [[53] SAAU, *Summary of Policy Viewpoints and Related Motivations*, March 1994] The SAAU said that the existing agricultural financing institutions were ‘adequate’. It accepted market-related interest rates subject to government intervention under ‘certain circumstances’. A land tax to facilitate the redistribution of land was ‘totally unacceptable’, it said. The SAAU believed that both commercial and emerging farmers should benefit from a servicing structure that provided research, extension, information and training. However, developing agriculture should not be ‘over-accentuated’ at the cost of commercial agriculture.[54] [[54] Ibid]

In its *Land and Agricultural Policy*, published in March 1994, the National African Farmers’ Union (Nafu) said that commercial production contributed largely to the country’s economic growth and should therefore not be disrupted. It suggested that commercial farmers be responsible for supplying the export market while emerging farmers be responsible for satisfying domestic food needs. Nafu said that the input manufacturing and supply sector (which provided capital equipment and machinery) should be deregulated and trade measures liberalised in order to reduce the costs of agricultural inputs. Great emphasis was placed on the provision of agricultural support services such as farmer training, marketing information and the extension of credit facilities to farmer entrepreneurs. Nafu advocated a young-farmer entrepreneur development scheme to foster an interest in farming among young black South Africans.[55] [[55] Nafu, *Land and Agricultural Policy*, March 1994]

Agricultural Marketing

In January 1994 the first report of the Agricultural Marketing Policy Evaluation Committee (Ampec) was published by the minister of agriculture, Dr Kraai van Niekerk. The second report was published in

April 1994. Dr van Niekerk had appointed an evaluation committee, led by the chairman of the National Marketing Council (NMC), Mr Gerhard Basson, to evaluate the proposals made in 1993 by the committee of inquiry headed by Professor W Kassier, and set up to investigate the marketing of agricultural products in South Africa under the Marketing Act of 1968 (see 1993/94 Survey, p241).[56] [56 *Financial Mail* 28 January 1994, *Finance Week* 3 February 1994] Ampec comprised representatives from the Afrikaanse Handelsinstituut, the South African Chamber of Business, the National African Federated Chamber of Commerce and Industry, consumer bodies, organised agriculture, control boards and the government.[57] [57 *Business Day* 25 January 1994]

The first report said there should be one umbrella marketing policy to serve commercial and developing agriculture and to provide full and free access to markets for both sectors.[58] [58 Ibid]

Agricultural marketing should be subject to minimum government intervention, the report advised, and the minister's powers should be limited to the application of measures which had been investigated and approved by the NMC.[59] [59 *Ibid 25 January 1994; Farmer's Weekly* 4 February 1994]

Furthermore, all marketing schemes should be revised regularly by the NMC. The purpose of the NMC should be to evaluate whether marketing schemes should be established, amended or continued. It should investigate, among other things, the impact of a scheme on farmers' incomes, producer prices and consumers. Farmers operating under a control board should be able to request the amendment or dissolution of a scheme at any time. Schemes should be evaluated by the NMC between three and eight years after establishment, the report said.[60] [60 Ibid]

The report further proposed the restructuring of the NMC to include members representing consumers, developing agriculture, commerce and industry, as well as producers and the state.[61] [61 *Ibid*]

Although the report recommended that agricultural marketing should be deregulated, it did not rule out single-channel marketing systems and control boards in 'certain' circumstances. However, it objected strongly to producer-dominated bodies' fixing prices.[62] [62 *Ibid*] Agricultural boards should be more accountable to interested parties for approval of business schemes, budgets and levies, the report said.[63] [63 *Ibid; Farmer's Weekly* 4 February 1994, 4 March 1994]

The nature of agricultural levies should be evaluated regularly to see if they were necessary and in the public interest. Levies would be imposed where control boards legitimately applied special interventions such as surplus removal or single-channel marketing. The report found, however, that levies should not automatically fund activities which had no direct bearing on the main functions of control boards. Levies could also be used to fund certain product research, promotional activities and representative organisations which were involved in agricultural production or marketing on a national level.[64] [64 *Farmer's Weekly* 4 February 1994]

According to the report, the quota and tariff permit system of quantitative import protection was administratively time-consuming, ineffective and 'largely in contravention of the rules of the General Agreement on Tariffs and Trade'. It proposed the establishment of a price band as a basis for fixing tariffs. This would expose the local market to international prices, but would limit the negative effects of large fluctuations on international markets.[65] [65 *Business Day* 25 January 1994]

The second Ampec report made detailed proposals for changes to each of the marketing schemes.[66] [66 Agricultural Marketing Policy Evaluation Committee, *A Framework for a Future Agricultural Marketing Policy for the RSA and the Implementation Thereof*, April 1994]

There was mixed reaction to the first Ampec report. The president of the SAAU, Mr Boet Fourie, welcomed it. He said that the union had believed for some time that further deregulation of agricultural marketing was necessary. However, the inherent instabilities which characterised agricultural production and marketing made it essential that a variety of statutory measures remained to manage such risks. The Ampec report, according to Mr Fourie, gave a usable framework for statutory measures to manage such risks.[67] [67 *The Citizen* 25 January 1994]

An agricultural economist at the University of Pretoria, Mr Jan Groenewald, said, however, that a basic problem existed because Ampec consisted of representatives of the very industries and bodies that had to be reformed. It was very unlikely that the committee would make recommendations that would entail their 'voting themselves out of their jobs'.[68] [68 *Financial Mail* 1 January 1994]

In September 1993 the Land and Agricultural Policy Centre, the land and agriculture policy research unit of the ANC, published a report entitled *Agricultural Marketing and Pricing in a Democratic South Africa*. The report made the following recommendations for reform of agricultural marketing and pricing:

• all remaining statutory restrictions and control over movement of products, except bona fide minimum health and hygiene regulations, should be removed;

• equality of, and improved access to, marketing services should be promoted, as well as alternative small-scale marketing channels;

• the legislative framework should be reformed to provide a uniform regulatory and legislative system for marketing throughout South Africa and to curtail the institutionalised lobbying powers of producers;

• resources (including land) and services (but not generalised subsidies) should be made available to smallholders so that they could improve their productivity;

• an active competition policy should be used to monitor and prevent the emergence of monopoly power; and

• voluntary collective action in the provision of marketing services should be encouraged. For example, support could be given to smallholding co-operatives so that their marketing costs could be reduced and their bargaining power improved.[69] [69 Land and Agricultural Policy Centre, *Agricultural Marketing and Pricing in a Democratic South Africa*, September 1993]

With regard to trade and pricing policy, the report recommended the following:

• sufficient incentives should be provided to producers to increase productivity and to support smallholders and resettled farmers. However, economically costly levels of protection should be avoided. Tariff reductions on agricultural imports should be accompanied by reductions in protection on agricultural inputs;

• tariffs on external trade in agricultural products should be the main mechanism used by government to influence agricultural prices and to protect farmers against dumping;

• mechanisms which did distort pricing, such as uniform national pricing, should be abolished immediately;

• a trade strategy for agriculture in the southern African region should be developed; and

• export marketing schemes, such as the statutory single channel-system, should be reformed to ensure that a wider range of producers had access to them. A system of export licensing might play a role as a transitional control measure before a fully liberalised export marketing system could be introduced.[70] [70 Ibid]

In its *Reconstruction and Development Programme*, published in March 1994, the ANC said that marketing boards and agricultural co-operatives had to be deregulated and that unnecessary controls and levies had to be removed.[71] [71 ANC, *Reconstruction and Development Programme*, 1994] The ANC argued, however, that there remained a need for some government intervention to achieve the broader objective of food security (see *Agriculture* above). It might have to intervene to correct market failures and improve market efficiency. According to the ANC, the state had an important role to play in:

• upgrading rural infrastructure to facilitate farmers' access to markets;

• guaranteeing a floor price for certain strategic commodities;

• monitoring and publishing market information;

• establishing and enforcing laws to regulate trade;

• taking action against monopolies or 'discriminatory practices';

• improving access to credit and training; and

• intervening where the private sector failed to achieve certain public interest objectives, such as holding strategic grain reserves and stabilising prices.[72] [72 ANC, *Agricultural Policy*, 1994]

The ANC said it would establish a uniform legislative system for marketing throughout South Africa. Smallholders were probably best served by encouraging a diversity of marketing channels. Most of the remaining statutory powers of all control boards would be removed. Export reforms would be directed at allowing new entrants to the market. Uniform national pricing would disappear, allowing market forces to regulate prices. This would bring domestic producer prices more in line with international markets. The composition of the National Marketing Board and individual control boards would be made more representative of all interest groups, the ANC said.[73] [73 Ibid]

Regarding trade policy, the ANC said tariffs should replace import quotas as the main means of protecting farmers against unfair dumping and international competition. However, the ANC favoured the long-term, phased reduction of tariff protection, subject to a careful assessment of its effects on employment and growth in agricultural production. This process would be accompanied by a relaxation of import controls on agricultural inputs. Export incentives, limited to a specific period and related to performance, would be used to encourage exports.[74] [74 Ibid]

The SAAU said in March 1994 that it supported the abolition of quantitative import control on agricultural inputs, the imposition of tariff control, and the lowering of tariff levels on agricultural inputs in accordance with the provisions of the General Agreement on Tariffs and Trade (Gatt).[75] [75 SAAU, *Summary of Policy Viewpoints and Related Motivations*, March 1994]

Both tariff and quantitative protection measures should be used to protect local agricultural commodities against the 'distorting influences which government assistance and competition (especially in the United States and the European Union) had on international trade in agricultural products'. The SAAU accepted the Gatt proposals but added the following conditions:

• tariff measures resulting from Gatt had to be investigated and determined in consultation with the relevant organisations of the commodities concerned;

• effective anti-dumping measures were essential;

• effective border control was a prerequisite for the successful implementation of tariffs; and

• the possibility of a reclassification of South Africa's development status, in terms of more favourable conditions for market access, had to be investigated.[76] [[76] Ibid]

Maize

In June 1994 Dr van Niekerk announced the appointment of a committee, under the chairmanship of the chief director of marketing in the Department of Agriculture, Mr Attie Swart, to investigate a new maize marketing and pricing system. The committee was to canvass the opinions of all interest groups and to submit proposals for a new maize marketing scheme. Attention was to be given to market pricing, the gap between the producer price and the market price, cross subsidisation, handling and storage facilities, tariffs on maize, and the composition of the Maize Board and its future functions.[77] [[77] *Daily Dispatch* 9 June 1994]

The National Maize Producers' Organisation announced in August 1994 that a new marketing plan for maize had been approved and that it would replace the single-channel marketing scheme. In terms of the new system, maize would be traded domestically in a free market. The Maize Board would be responsible mainly for the export of surplus maize and the single-channel system would still apply to the export market. Levies would remain on all maize transactions but they would be determined according to new formulas.[78] [[78] *Business Day*, *The Citizen* 26 August 1994]

Milk

A Milk Board (representing farmers only) replaced the Dairy Board (representing producers, processors and the trade) in January 1994. The Milk Board would provide statistical information and funding for milk and livestock improvement. It would also fund the Milk Producers' Organisation, make recommendations about tariffs in terms of Gatt and assist in locating and prosecuting illegal importation of milk.[79] [[79] *Farmer's Weekly* 3 January 1994]

Oilseeds

The Oilseeds Board and the National Oilseed Producers'Organisation decided in April 1994 to adopt two different oilseed marketing systems. Sunflower and soyabean products would be marketed through the single-channel pool system and controls would be lifted on the marketing of groundnuts, although the Oilseeds Board would handle exports. A floor price system would be instituted for groundnuts. Levies would be payable to the Oilseeds Board at the first point of disposal (ie the first buyer had to pay the levy). According to the Oilseeds Board, both marketing systems were voluntary. In 1994 only 40% of groundnuts were sold through the board and 30% of sunflower and soyabean products were sold outside of the board.[80] [[80] Information supplied by the Oilseeds Board, 20 October 1994; *Farmer's Weekly* 1 April 1994]

Potatoes

The Potato Board and the potato scheme were officially disbanded in December 1993 after a countrywide vote in which 98% of the 2 000 potato farmers voted in favour of establishing a new producers' organisation. The new Potato Producers' Organisation would be a voluntary nonprofit operation. Producers also voted unanimously in favour of retaining a production levy in terms of the Marketing Act of 1968.[81] [81 Ibid 14 January 1994]

Sorghum

A new voluntary pool scheme for sorghum producers was established on 1 May 1994.[82] [82 Information provided by the Sorghum Board, 20 October 1994] In terms of the new arrangement, farmers who participated in the pool scheme would receive advance payments from their co-operatives for their sorghum when the advance prices were published. Farmers who could not sell directly to buyers would be able to sell to pools between 1 May and 31 July 1994.[83] [83 *Farmer's Weekly* 13 May 1994]

Sugar

The chairman of the South African Sugar Association (SASA), Mr Glyn Taylor, announced in January 1994 that the sugar industry would be deregulated. Sugar quotas would be phased out, land registration would be removed, and the number of new and small cane-growers would be increased. In April 1994 the marketing of sugar would be taken over by the milling companies, said Mr Mike Matthews, the executive director of SASA.[84] [84 Ibid 21 April 1994, *The Citizen* 22 January 1994]

Wheat

The Wheat Board said in February 1994 that a single-channel marketing system of wheat should be retained for local sales of wheat and that quantitative import controls should be replaced by a system of tariff protection.[85] [85 *Farmer's Weekly* 4 March 1994] Earlier, in January 1994, wheat farmers, trade unions, millers, bakers, statutory organisations and consumers had established a national wheat forum to formulate a new economic strategy for the industry. The forum said that it would 'investigate, develop and recommend policies to provide bread to consumers at the lowest realistic price while promoting growth in all areas of the South African wheat industry'.[86] [86 Ibid 22 April 1994]

LEGISLATION

Legislation to restore the rights of black people dispossessed of their land by apartheid laws was passed by Parliament in November 1994. The Restitution of Land Rights Act set out the process to be followed for restitution of land and provided for the establishment of an independent commission on restitution of land rights and a land claims court. The commission would investigate and mediate all claims and the land claims court would settle disputes. The act provided for all claims for restitution to be registered within three years after a date announced by the minister in the *Government Gazette*. The act stipulated

that only claims dating back no further than 19 June 1913 would be considered.[87] [87 *Restitution of Land Rights Act, no 22 of 1994*, *Government Gazette* no 16106, 25 November 1994] According to the minister of land affairs, Mr Derek Hanekom, all applications made to the former commission on Land Allocation which had not been dealt with, would be referred to the new commission. Applications for land that fell outside the scope of 'forced removals' would be dealt with by the Department of Land Affairs while 'other solutions' would have to be found in cases where claims predated the 19 June 1913 cut-off date. The minister, however, did not say what the 'other solutions' would be.[88] [88 *The Citizen, Sowetan* 18 November 1994]

The head of the task force that drew up the bill, Mr Geoff Budlender, estimated that between 90 and 100 rural communities, comprising some 700 000 people, were entitled to restitution.[89] [89 *Business Day* 19 August 1994] Professor Harriet Ngubane MP (Inkatha Freedom Party) opposed the legislation, saying that it was 'inherently discriminatory and, therefore, unconstitutional'. The legislation did not cater for landless people who were removed for development purposes or under the 'guise of urban renewal'. It also restricted the claims of African people as it did not include claims preceding 1913, Professor Ngubane said.[90] [90 IFP, Letter to Advocate S P Holomisa, Standing Committee on Land Affairs, 24 October 1994]

The president of the South African Agricultural Union (SAAU), Mr Boet Fourie, said that the three-year period in which claims had to be submitted should be shortened to 18 months to ensure stability in agriculture. He also said that the SAAU should be represented on any bodies dealing with land issues.[91] [91 *Business Day* 19 August 1994]

Labour Legislation

See 1993/94 Survey, p60.

FINANCE

In May 1994 Mr Hanekom estimated that land reform would cost R10bn over the next six years.[92] [92 *Sunday Times* 29 May 1994] He said that he would ask for at least 10%, (R250m) of the R2,5bn 1994/95 reconstruction and development programme (RDP) fund, most of which would be used for compensation and a land restitution programme.[93] [93 *Cape Times* 30 June 1994]

In August 1994 the minister without portfolio, Mr Jay Naidoo, announced that R26,6m had been allocated to land reform pilot projects for rural development in one district of each of the nine provinces and R62m over three years to support the restitution of land to ten communities in the Eastern Cape, the Eastern Transvaal, KwaZulu/Natal, the North-West and the Northern Cape.[94] [94 *The Citizen, Sowetan* 7 September 1994] These projects would form part of the RDP. The pilot projects would act as test sites for identifying appropriate financing mechanisms for planning, land transfers and service delivery, and

appropriate systems and institutions to administer land, according to the Department of Land Affairs.[95] [[95] *Afra News*, October/November/ December 1994]

Budget

In 1993/94 and 1994/95 the following amounts were allocated to agriculture in the budgets of the central government and the then ten homelands:[96] [[96] Republic of South Africa, *Estimate of Expenditure to be defrayed from the State Revenue Account During the Financial Year Ending 31 March 1994*, RP2-94; Various estimates of expenditure of the former self-governing territories and independent states]

Agriculture budgets: 1993/94 and 1994/95

1991994/95 R(000)

IncHomelands

Bophuthatswana[a]

301 900

223 800

(25,9%)

Ciskei[b]

132 474

125 055

(5,6%)

Gazankulu[c]

86 416

88 153

2,0%

KaNgwane[c]

45 726

96 700

111,5%

KwaNdebele[d]

28 468

26 990

(5,2%)

KwaZulu[c]

154 360

183 864

19,1%

Lebowa[e]

273 616

252 075

(7,9%)

QwaQwa[c]

24 625

34 369

39,6%

Transkei[c]

331 564

312 888

(5,6%)

Venda[c]

52 160

67 686

29,8%

Sub-total

1 431 309

1 411 580

(1,4%)

Department of Agriculture

1 336 225

1 306 687

(2,2%)

Total

2 767 534

2 718 267

(1,8%)

a

Includes natural resources.

b

Includes forestry and rural development.

c

Includes forestry.

d

Includes environmental affairs.

e

Includes environmental conservation.

The biggest increase in the amount allocated to agriculture from 1993/94 to 1994/95 was in KaNgwane (111,5%), followed by QwaQwa (39,6%), while the biggest decrease was in Bophuthatswana (25,9%). The amounts allocated to the various homelands in 1994/95 differed greatly: R313m was allocated to agriculture in the Transkei but only R27m in Kwa-Ndebele. The national agricultural budget (excluding the homelands) as a proportion of national expenditure decreased from 11,8% in 1993/94 to 9,9% in 1994/95. This trend continued in the homelands with the exception of KaNgwane, KwaZulu, QwaQwa and Venda, where agricultural expenditure as a proportion of homeland expenditure increased.

Loans and Grants

The minister of agriculture, Dr Kraai van Niekerk, announced in February 1994 that stock farmers, many of whom had suffered losses as a result of drought in previous years, would be paid R30m by the government. This payment would be in the form of a lump-sum subsidy to alleviate production carry-over debt owed to commercial banks and co-operatives. Another R20m would be paid to the Agricultural Credit Account and used by the Agricultural Credit Board for loans to stock farmers for debt consolidation and debt settlement.[97] [97 *Business Day* 4 February 1994]

The following table provides a breakdown of the financial assistance given to farmers by the Department of Agriculture in the period 1984/85–1993/94:[98] [98 Information supplied by the Department of Agriculture, 30 September 1994]

Financial assistance to farmers: 1984/85–1993/94[a]

Year

Loans
R(000)

Increase
(decrease)

Subsidies
(R000)

Increase
(decrease)

1984/85

163 047

N/A

225 126

N/A

1985/86

145 718

(10,6%)

283 601

26,0%

1986/87

160 053

9,8%

174 025

(38,6%)

1987/88

216 676

35,4%

254 208

46,1%

1988/89

261 448

20,7%

492 732

93,8%

1989/90

199 783

(23,6%)

318 780

(35,3%)

1990/91

181 343

(9,2%)

239 188

(25,0%)

1991/92

270 744

49,3%

294 342

23,1%

1992/93

242 394

(10,5%)

2 960 607

905,8%

1993/94

185 876

(23,3%)

581 344

(80,4%)

a

Real prices

Loans increased by 14% from 1984/85 to 1993/94 and subsidies increased by 158% over the same

period (excluding 1992/93). In 1992/93 the government allocated an additional R1,7bn to farmers for drought aid (see 1992/93 *S*

Debts and Sequestrations

According to the Department of Agriculture, agricultural debt was estimated to be R18,12bn at the end of December 1993, an increase of 5,3% over the previous year (R17,20bn).[99] [[99] Department of Agriculture, *Economic Review of the South African Agriculture 1993*, March 1994]

The chief economist of the South African Agricultural Union, Dr Koos du Toit, said that this compared with an average annual increase of 12,8% since 1980.[100] [[100] *Business Day* 23 March 1994] An agricultural economist at the Standard Bank, Mr Rudy Wilsenach, attributed the lower increase to government aid, a fall in interest rates and improved performances in the sector. He added that since 1980 agricultural debt had increased at a lower rate than inflation and that it had therefore decreased in real terms.[101] [[101] Ibid]

According to an agricultural manager at Volkskas Bank, Mr Chris Mostert, 33% of farmers did not owe anything to the banks. He added that only 30% of farmers owed 70% of the total debt, which meant that most farmers owed 'relatively small amounts'.[102] [[102] *Ibid*]

The debt-asset ratio (ie farming debt in relation to farming assets) had gradually deteriorated from 12,8% in 1979 to 26,7% in 1993. The short-term component of the debt increased from 41,8% in 1979 to 54% in 1993. The Department of Agriculture said that the value of farming assets increased by an average of 7,6% a year between 1983 and 1993 and farming debt by 8,3 % a year over the same period.[103] [[103] *Department of Agriculture, Economic Review of the South African Agriculture 1993*, March 1994]

Farmer's Weekly reported that in 1992, 30% of all farming debt was owed to commercial banks (compared with 21% in 1980). The increase was attributed to farmers' greater need for short-term credit, which could be obtained only from commercial banks. Co-operatives were owed 23% of all farming debt at the end of 1992 (the same proportion as in 1980). The proportion of total farm debt that was owed to the Land and Agricultural Bank of South Africa (Land Bank) increased from 18% in 1980 to 22% in 1992 and the share owed to the Agricultural Credit Board increased from 5% in 1980 to 8% in 1992. The remainder of the debt (34% in 1980 and 18% in 1992) was owed to private people and other financial institutions.[104] [[104] *Farmer's Weekly* 14 January 1994] The following table gives a breakdown of the debt owed by farmers to different institutions:[105] [[105] Information supplied by the Department of Agriculture, 30 September 1994]

Total debt of farmers: 1980-1993

Year

Land Bank Rm

Commercial banks

RmCo-operatives Rm

Agricultural credit and land tenure Rm

Private persons Rm

Other Rm

Total[a] *Rm*

1980

676

802

867

180

577

735

3836

1981

856

1055

1130

202

601

995

4 839

1982

989

1600

1368

247

634

949

5 786

1983

1331

2254

1780

309

670

1066

7409

1984

1923

2969

2234

443

720

1207

9495

1985

2338

3315

2754

549

792

1369

11118

1986

2649

3437

3081

684

890

1672

12412

1987

2808

3355

3224

789

940

1764

12880

1988

2924

3478

3412

921

925

1703

13361

1989

3149

4650

3587

972

987

1566

14910

1990

3441

4950

3780

1013

1209

1581

15974

1991

3S13

5116

4301

1168

1302

1528

16927

1992

3711

5182

3901

1349

1396

1659

17197

1993

3990

5905

4308

1481

1466

1219

18368

a

Figures may not add up owing

In July 1994 African farmers in KwaZulu/Natal applied for Finance from the Agricultural Credit Board.

According to the assistant director of the board, Mrs Rosa d'Assonville, it was the first time African farmers had applied for financial help from the board in its 28-year history even though they were able to apply for help previously.[106] [106 *Farmer's Weekly* 29 July 1994]

A spokesman for the Department of Land Affairs, Mr Hellmuth Schlenter, said in August 1994 that a presidential project was to be established to facilitate the granting of credit by commercial banks to small farmers. He said that the project could involve changes to the mission of the Land Bank (to give small farmers access to credit) and changes to the methods commercial banks used in determining credit ratings for small farmers.[107] [107 Ibid 16 August 1994]

RURAL AREAS AND THE ECONOMY

Farmers

The chief economist of the South African Agricultural Union, Dr Koos du Toit, estimated that in 1994 there were about 65 000 commercial farmers who earned more than R50 000 a year, and approximately 40 000 small commercial farmers earning less than R50 000. Of the 40 000 small farmers, 30 000 were in KwaZulu/Natal (see also chapter on *Business*).[108] [108 *Information supplied by the chief economist of the SAAU, Dr Koos du Toit, 1 September 1994*]

Professors Bamey Erasmus and Johan Hough of the Department of Business Economics at the University of South Africa said, however, that there were approximately 60 000 commercial farmers in South Africa (ie farmers who produced crops for sale on the broader market). There were about 1,2m small farmers (including subsistence farmers and emerging commercial farmers) and some 30 000 part-time farmers who supplemented their income by farming.[109] [109 *Erasmus B J and J Hough, 'South Africa: future training needs for commercial and small farmers', Africa Insight*, vol 24 no 2, pp111–112]

The following table gives a provincial breakdown of the number of commercial farming units in South Africa (excluding the 'independent' homelands) from 1965 to 1991, according to the Central Statistical Service:[110] [110 Fax communication from the Central Statistical Service (CSS), 1 September 1994]

Commercial farms in South Africa: 1965-1991

1965

1971

1976

1981

1986

1991

Cape

Units

35 658

32 535

29 268

25 238

25 140

24 070

(000) ha

56 733

57 438

55 418

55 516

55 224

53 195

Natal

Units

9 266

8 646

7 482

6 446

6 310

6 106

(000) ha

4 338

4 525

4 022

4 288

4 235

3 933

Transvaal

Units

32 673

33 137

24 855

20 989

22 030

20 654

(000) ha

15 140

15 682

14 737

14 621

14 575

14 029

Orange Free State

Units

17 841

16 104

13 957

11 757

11 330

11 070

(000)ha

11 584

11 654

11 542

11 842

11 843

11 384

Total units

95 438

90 422

75 562

64 430

64 810

61 900

(000)ha

87 795

89 299

85 719

86 267

85 877

82 541

Ave920

988

1 134

1 339

1 325

1 333

The total number of farm units decreased by 35% from 1965 to 1991. The biggest decrease was in the Orange Free State (38%) and the lowest in the Cape (32%). However, the total commercial farming area dropped by only 6% (2% in the Orange Free State and 9,3% in Natal). The average size of farming units in 1991 was 1 333ha, compared with 921ha in 1965 (an increase of 45%).

Farm Labour

According to an agricultural survey conducted by the Central Statistical Service, the agricultural sector employed 1,05m people in 1992. Of these 657 000 were regular employees (a decrease of 6,4% on the previous year) and 394 000 were casual workers (a decrease of 4,6% on the previous year). However, total annual cash wages rose by 16,6% and 20,2% for regular employees and casual workers respectively.[111] [111 CSS, *Agricultural Survey 1992*, Statistical Release, P1101, 2 February 1994] The survey said that payments in kind (eg housing and grazing rights) to regular workers had increased from a total value ofR615m in 1991 to R645m in 1992. Payments in kind to casual workers had increased in value from R31 m in 1991 to R3 5m in 1992. The following table gives a breakdown of the number of agricultural employees in 1991 and 1992:[112] [112 Information supplied by the Farmworkers Research and Resource Project, September 1994]

Agricultural employees: 1991 and 1992[a]

1991

1992

Regular employees

703 000

656 772

Casual and seasonal workers

413000

394425

Total

1116000

1051197

a

Excluding the former homelands

The director of the Farmworkers' Research and Resource Project, Mr Simon Norfolk, said that the above statistics were 'hiding a more complex picture'. He said that the average cash wage of regular farmworkers in 1992 was R256 a month, compared with R227 in 1991 (an increase of 12,8%). During 1992 the average inflation rate was 13,9% which meant cash wages had decreased in real terms. Mr Norfolk added that research in the western Transvaal showed that in addition to increased lay-offs, farmworkers often received neither wages in kind nor annual bonuses.[113] [[113] *Business Day* 3 February 1994] The following table gives a breakdown of remuneration of agricultural employees in South Africa in 1992

Remuneration of agricultural employees: 1992[a]

Cash wages, salaries and cash bonuses

Rm

Regular employees

2 092 286

Casual and seasonal workers

286

Sub-total

2 378

Other remuneration, including payments in kind[b]

Regular employees

645

Casual and seasonal workers

34

Sub-total

679

Total

3 057

a

Excluding the former homelands.

b

Payments in kind refer to goods, services and forms of social security (eg housing and medical se

During the period under review there were a number of allegations of unfair treatment of workers by farmers. In the Eastern Transvaal, in particular, farm labourers complained of evictions from land and housing when retrenched, as well as assaults. After meetings between the premier of the Eastern Transvaal, Mr Mathews Phosa, representatives of the Congress of South African Trade Unions (Cosatu) and Mr Boet van Rensburg from the Eastern Transvaal District Agricultural Union, it was agreed that a forum would be established to explain the government's standpoint on farmworkers' tenure of land and housing. Mr Phosa said his administration might buy empty farms to accommodate evicted farmworkers.[115] [115 *Business Day* 23 August 1994] However, Mr van Rensburg said that the complaints were 'being blown out of proportion by organisations bent on fomenting trouble on farms'. [116] [116 *Sowetan* 10 August 1994]

In April 1994 the first sitting of the agricultural labour court took place in Cape Town. A dismissed farmworker from Stellenbosch brought a charge of unfair labour practice against his former employer. The former employer, a farmer, was found guilty of the charge and ordered to reemploy the labourer.[117] [117 *Land Update* September 1994] The court was established in terms of the Agricultural Labour Act of 1993.[118] [118 *The Argus* 16 April 1994] A total of 31 cases of unfair labour practice had been heard in the court by September 1994. These cases came from the Western Cape, KwaZulu/Natal and the Pretoria-Witwatersrand-Vereeniging province.[119] [119 *Land Update* September 1994] Cosatu announced in August 1994 that it would launch a trade union for farmworkers in February 1995. The co-ordinator of the Cosatu Farmworkers' Project, Mr Dickson Motha, said that the need to organise farm labourers stemmed from

poor wages and employment conditions, including a lack of retirement planning and other employment benefits. He said illiteracy was a serious constraint faced by the union in that fewer than a quarter of farmworkers could read pamphlets distributed by the union.[120] [120 *Business Day* 12 August 1994]

Water

In May 1994 the new minister of water affairs and forestry. Professor Kader Asmal, announced that his immediate aim was to create a national water and sanitation programme which would ensure that all households had a clean, safe daily water supply of 20-30 litres per person within a radius of 200m.[121] [121 *Land Update* May/June 1994] He also announced that the Water Act of 1956 would be amended. A directorate of rural water supply and sanitation would be established to assist rural communities in achieving water security (ie ensuring that all citizens had access to enough water) and safe sanitation. A national water council, representative of all consumers, would also be established to advise the minister on water affairs.[122] [122 *Farmer's Weekly* 3 June 1993; *Eastern Province Herald* 20 June 1994] A white paper, entitled *Water Supply and Sanitation Policy* and published in November 1994, set out the policy on water supply and sanitation services (see chapter on *Housing and Infrastructure*).[123] [123 Department of Water Affairs and Forestry, *Water Supply and Sanitation Policy,* White Paper, November 1994]

According to Professor Asmal, some 12m South Africans did not have access to clean drinking water.[124] [124 *The Star* 27 July 1994] A survey carried out by the Community Agency for Social Enquiry for the National Progressive Primary Healthcare Network found that 54% of African people had no water supply in their home or yard. It took 61% of those who fetched water in rural areas more than 15 minutes to reach a water source and in some instances it took up to an hour.[125] [125 Ibid 21 March 1994]

According to the survey, 21m people in South Africa did not have adequate sanitation. Only 10% of African respondents (including those in semi-urban areas) had a flushing lavatory inside their dwelling, while 12% did not have any lavatories.[126] [126 Ibid]

At the beginning of 1994 dam levels were on average 45% full, slightly higher than the previous year (41%).[127] [127 *Department of Agriculture: Directorate Agricultural Economic Trends, Economic Review of the South African Agriculture for the Year Ended 30 June 1994*, August 1994] By June dams were on average 66% full. The table below shows the average level of the 24 biggest dams in March and June 1994, compared with the same months in 1993:[128] [128 *Farmer's Weekly* 25 March 1994, 1 July 1994]

Dam levels: 1993 and 1994

Proportion of capacity

MaCapMarMarJunJunEastern Cape

Lake Mentz (Darlington)[a]

187

24%

59%

30%

51%

Paul Sauer (Kouga)

128

73%

88%

69%

90%

Wriggleswade

97

12%

61%

11%

70%

Eastern Transvaal

Braam Raubenheimer (Kwena)

161

22%

31%

28%

34%

Fanie Botha (Tzaneen)

157

7%

6%

2%

4%

Loskop

348

36%

75%

36%

70%

Witbank

104

55%

94%

43%

89%

KwaZulu/Natal

Albert Falls

290

37%

51%

26%

57%

Inanda

242

95%

91%

89%

86%

Midmar

178

62%

100%

64%

98%

Pongolapoort

2 446

32%

50%

32%

54%

Upper Orange River

Hendrik Verwoerd (Gariep)

5 670

29%

83%

33%

74%

Kalkfontein

320

50%

86%

44%

78%

P K Le Roux (Vanderkloof)

3 236

32%

78%

32%

87%

Vaal River

Bloemhof

1 269

22%

39%

14%

32%

Grootdraai

359

58%

100%

59%

92%

Sterkfontein

2 617

87%

71%

78%

76%

Vaal

2 529

19%

55%

20%

46%

Western Cape

Brandvlei

289

47%

36%

58%

28%

Theewaterskloof

480

62%

70%

84%

61%

Western Transvaal

Hans Strijdom (Mokolo)

146

52%

100%

48%

100%

Hartebeespoort

186

38%

78%

36%

77%

Roodeplaat

41

98%

100%

95%

99%

Vaalkop

55

18%

28%

14%

20%

a

Professor Asmal announced new names for some of the dams in November 1994. These are given in brackets.

In early July 1994, 19 districts and parts of districts were listed under the Disaster Drought Assistance Scheme, compared with 83 in 1993. In the former Cape province the number of districts listed decreased from 50 to 15, in KwaZulu/Natal from seven to none, in the former Transvaal from 14 to four and in the Orange Free State from 12 to none.[129] [[129] Department of Agriculture: Directorate Agricultural Economic Trends, *Economic Review of the South African Agriculture for the Year Ended 30 June 1994*, August 1994]

In June 1994 it was reported that the Eastern Transvaal faced a water crisis as the Komati River, which served the area, had stopped flowing. Professor Asmal said that many farmers faced bankruptcy, which would leave thousands of farmworkers unemployed.[130] [[130] *Sowetan* 22 June 1994] Approximately 8 410ha of banana and citrus crops, cash crops and sugar cane crops were at risk.[131] [[131] *Farmer's Weekly* 1 July 1994] To alleviate the situation an agreement was reached between Eskom and the farmers in which Eskom agreed to release water from two of its dams in the Eastern Transvaal in return for payment by the farmers using the water.[132] [[132] *The Star* 25 June 1994] A spokesman for Transvaal Sugar Limited, Mr Leon van Rensburg, said that the prolonged drought in the Eastern Transvaal would cut the 1994 sugar crop in the region by almost half.[133] [[133] *Business Day* 21 July 1994]

By August 1994 more than 10 000 farmworkers had lost their jobs because of the drought. The Letaba District Agricultural Union said that about 350 000 citrus trees out of 3,8m trees had died and another 100 000 could die soon.[134] [[134] Ibid 23 August 1994; information provided by Mr Freek Dreyer, Outspan International, 27

October 1994] This was the third successive year of drought in the Transvaal lowveld and it was described as the worst the region had experienced in nearly 90 years.[135] [135 *The Star* 4 June 1994, 21 July 1994]

About 40 000 small-scale sugar farmers in KwaZulu/Natal, KaNgwane and the Transkei had been the 'hardest hit' by the drought, according to the South African Cane Growers' Association.[136] [136 *Business Day* 3 August 1994]

Various water provision projects were approved during the period under review. In June 1994 the cabinet approved an initial amount of R3m for a special drought programme to bring relief to communities in KwaZulu/ Natal and the Northern Transvaal.[137] [137 *Farmer's Weekly* 1 July 1994]

Professor Asmal announced in August that two dams would be built in the Eastern Transvaal and KwaZulu/Natal. The proposed Injaka Dam (which would cost R275m) and the associated Bosbokrand transfer pipeline would improve the water supply mainly to rural domestic users in the Sabie and Sand River basins in the Eastern Transvaal. In KwaZulu/Natal, the Tugela-Mhlatuze water transfer project (which would cost R260m) would pump water into the upper reaches of the Goedetrouw Dam.[138] [138 *The Citizen* 26 August 1994]

The chief executive of Umgeni Water, Mr Graham Atkinson, said in July 1994 that the organisation would spend R300m over the next five years on its rural areas water and sanitation programme. Water had already been supplied to more than 300 000 people who previously had no secure water sources. Plans were being drawn up to provide water to a further 400 000 people, Mr Atkinson said.[139] [139 *The Natal Witness* 14 July 1994, *The Star* 27 July 1994]

In August 1994 Mr Piers Cross, the executive director of the Mvula Trust, said that more than 400 communities had submitted applications for help with water supply projects. The trust was set up in December 1993 by the Development Bank of Southern Africa, the Kagiso Trust and the Independent Development Trust to provide financial assistance to such schemes. By August it had committed R30m to various projects.[140] [140 *Business Day* 4 August 1994, *Beeld* 12 August 1994]

Professor Asmal also announced several projects in September 1994 to supply water to rural communities as part of the reconstruction and development programme. The projects aimed to improve and stabilise water supply in the former Bophuthatswana, the Eastern Transvaal, KwaZulu/ Natal, the North-West, the Northern Transvaal, the Orange Free State, the former Transkei and Venda. More than 1,2m people would be supplied with water through these schemes, the first of which was scheduled to be implemented in October 1994.[141] [141 Department of Water Affairs and Forestry, News Release, 9 September 1994]

Electricity

See chapter on *Housing and Infrastructure*.

Production Levels

According to the Department of Agriculture, the estimated volume of agricultural production in 1993/94 was 7,6% higher than the previous year. The volume of field crops produced increased by 22,1%. Horticultural production increased by 1,1% and animal production by 0,5%. Producer prices in 1993/94 were on average 1,9% higher than in 1992/93, compared with an increase of 12,2% from 1991/92 to 1992/93.[142] [142 Department of Agriculture: Directorate Agricultural Economic Trends, *Economic Review of the South African Agriculture for the Year Ended 30 June 1994*, August 1994]

The value of agricultural production for the year ended 30 June 1994 was estimated to be R27bn, an increase of 4,1% over the previous 12-month period. The increase was attributed mainly to an increase in the volume of field crop production.[143] [143 Ibid]

The following table compares estimated summer field crop production in South Africa (excluding the former homelands) in 1994 with the actual yield in 1993:[144] [144 Ibid]

Summer crop production: 1993 and 1994

1993

1994

Actual yield (000 tonnes)

Estimate (000 tonnes)

Increase

Dry beans

61

66

8%

Groundnuts

119

128

8%

Maize

9 077

12 143

34%

Sorghum

428

432

1%

Soya beans

60

72

20%

Sunflower seeds

364

43

Livestock

The number of cattle in South Africa (excluding the former homelands) decreased from 8,6m at the end of February 1993 to 8,4m at the end of February 1994, according to the Department of Agriculture. The number of sheep decreased from 25,7m to 24,6m and goats from 2,36m to 2,27m over the same period. The number of pigs remained unchanged at 1,24m.[145] [145 Ibid]

An executive member of the Merino Stud Breeders' Association, Mr Pikkie van den Heever, said that wool production dropped to 60m tonnes in 1994 from about 100m tonnes in 1992. A further drop could be expected as farmers were changing from wool-producing merinos to meat-producing dorpers.[146] [[146] *Business Day* 22 August 1994] However, according to Mr Carl Paul, president of the Merino Stud Breeders' Association, wool prices have recovered significantly and it was estimated that the demand for wool would outstrip supply, which would encourage farmers to change back to wool-producing merinos.[147] [[147] Communication with Mr Carl Paul, President of the Merino Stud Breeders' Association, 26 October 1994]

Maize

According to Mr Kobus van der Walt, the national sales manager of the Maize Board, the 1994 maize crop just exceeded 12m tonnes. This was the third largest maize crop ever produced in South Africa (the two highest being 1981 and 1989). Some 6m tonnes of maize would be used domestically, 4,5m tonnes would be exported and 1,5m tonnes would be retained by the farmers for future domestic use.[148] [[148] Information provided by Mr Kobus van der Walt, national sales manager at the Maize Board, 4 January 1995]

Sorghum

The Sorghum Board said in March 1994 that a crop of between 350 000 and 450 000 tonnes could be expected in 1994 if favourable conditions continued. The board expected the producer price of sorghum to be lower than in the previous two years because of the size of the crop.[149] [[149] *Farmer's Weekly* 4 March 1994] It was reported in August 1994 that the sorghum crop had increased to 432 000 tonnes in 1994 from 428 000 tonnes in 1993 (an increase of 0,9%).[150] [[150] *Business Day* 22 August 1994]

Sugar

The sugar crop was expected to yield 1,7m tonnes of sugar in the 1994/95 season. Although this was an increase of 42% over the 1993/94 crop of 1,2m tonnes, it was still below the average yield of 2,2m tonnes. The chairman of the South African Sugar Association, Mr Glyn Taylor, said in June 1994 that the drought had caused the loss of about 2m tonnes of sugar over the previous three years, worth R1,8bn in foreign currency.[151] [[151] *The Citizen* 23 June 1994, 28 July 1994] However, according to the chairman of the South African Sugar Millers' Association, Mr Dick Ridgeway, sugar production was expected to increase to 2,4m tonnes in the near future, 40% of which would be exported.[152] [[152] Ibid 23 June 1994]

Wheat

According to the Department of Agriculture, about the same number of hectares of wheat was planted in 1994/95 as in 1993/94, ie just more than 1m. However, this was still much smaller than the average area planted annually prior to 1992, when close to 2m hectares were planted. The decrease in the number of

hectares planted was mainly attributed to the drought.[153] [153 *Department of Agriculture: Directorate Agricultural Economic Trends, Economic Review of the South African Agriculture for the Year Ended 30 June 1994*, August 1994; information supplied by the Wheat Board, 25 October 1994] The National Crop Estimates Committee said in November 1994 that 2m tonnes of wheat was harvested in 1993/94 and it estimated that the 1994/95 crop would yield some 1,7m tonnes.[154] [154 Information provided by the National Crop Estimates Committee, 22 November 1994]

Contribution to Gross Domestic Product

Agriculture contributed R15bn (or 4,1%) to gross domestic product (GDP) in 1993/94, an increase of 16,2% over the previous year (R13bn).[155] [155 *Business Day* 26 August 1994; Department of Agriculture: Directorate Agricultural Economic Trends, *Economic Review of the South African Agriculture for the Year Ended 30 June 1994*, August 1994] The Central Statistical Service attributed the growth in real GDP of 1,1% in 1993 (compared with a decline of 2,1% in 1992) to better agricultural yields in 1993 than in 1992.[156] [156 *The Citizen* 14 February 1994] Similarly, the South African Reserve Bank attributed the decline in GDP of 3,5% in the first quarter of 1994 to a decline in agricultural output to approximately the same production levels as in the first quarters of the four preceding years. The bank said, however, that the downward movement in agricultural production could be reversed in the following two quarters because of the favourable 1993/94 season expected in the summer rainfall areas.[157] [157 South African Reserve Bank, *Quarterly Bulletin*, June 1994]

The gross income of farmers increased from R22bn in 1992/93 to R25bn in 1993/94 (ie by 12,5%). This increase was mainly attributed to the higher income from field crops. The following table shows the income from certain agricultural products in 1992/93 and 1993/94:[158] [158 Department of Agriculture: Directorate Agricultural Economic Trends, *Economic Review of the South African Agriculture for the Year ended 30 June 1994*, August 1994]

Income from agricultural products: 1992/93 and 1993/94

1992/93 Rm

1993/94 Rm

Increase (decrease)

Field crops

5 887

8 299

41,0%

Horticultural products

5 357

5 274

(1,5%)

Animal products

11 144

11 613

4,2%

Total

22 388

25 186

12,

Imports and Exports

In June 1994 the minister of agriculture, Dr Kraai van Niekerk, approved a plan to implement tariffs on imported agricultural products. Mr Attie Swart, the chief marketing director of the Department of Agriculture, said that the plan was drawn up in consultation with the Board on Tariffs and Trade and the Department of Trade and Industry. The General Agreement on Tariffs and Trade obliged South Africa to introduce tariffs on all agricultural products, to lift quantitative import restrictions before 1 January 1995 and subsequently to reduce tariffs by an average of 36% over the next six years.[159] [[159] *Business Day* 17 April 1994; *Farmer's Weekly* 25 February 1994]

Dr van Niekerk said that the decision to implement tariffs meant that state support to farmers would be cut by 20%.[160] [[160] *Business Day* 14 January 1994] Local farmers would also face increased international competition as imported goods would be subject to minimal tariffs. Conversely, South African produce could find greater access to markets in Europe, Africa and the Far East.[161] [[161] *The Star* 25 February 1994] The value and volume of subsidised exports would drop by 36% and 21% respectively, according to Mr

Steve Shone, director of the Natal Agricultural Union.[162] [[162] *Developer* April 1994]

The following table gives a breakdown of the value of agricultural products as a proportion of total exports and imports between 1988 and 1993:[163] [[163] Information supplied by the Department of Agriculture, 9 September 1994; 1993/94 Survey, p239]

Agricultural products as a proportion of exports and imports: 1989–1993

	1989	1990	1991	1992	1993
	Rm	*Rm*	*Rm*	*Rm*	*Rm*
Exports					
Total	58 728	60 770	61 146	69 197	

79 481

Total agriculture

5 707

5 290

5 448

5 410

5 491

Proportion agriculture

9,7%

8,7%

8,9%

7,8%

6,9%

Imports

Total

44 742

44 141

44 195

52 594

59 079

Total agriculture

1 079

2 203

2 439

4 489

3 794

Proportion agriculture

4,7%

5,0%

5,5%

8,5%

6,4%

As a proportion of total exports, agricultural products thus dropped from 9,7% in 1989 to 6,9% in 1993, while agricultural imports rose from 4,6% to 6,4% of total imports.The value of agricultural exports dropped by 3,8%, while the value of agricultural imports rose by 82,5% over the same five years.

The following table shows the value of the most important agricultural exports from 1989 to

Value of the most important agricultural exports: 1989–1993

1989

1990

1991

1992

1993

Rm

Rm

Rm

Rm

Rm

Citrus fruit

401

336

460

540

540

Deciduous fruit

413

596

794

965

1 156

Groundnuts

68

50

48

37

45

Maize

881

607

135

261

134

Mohair

63

39

60

36

27

Sunflower seeds

1

0

0

1

1

Wool

923

833

832

6

In 1989 maize and wool were the two biggest agricultural exports in terms of value. By 1993 deciduous and citrus fruit were the major agricultural exports.

The South African Sugar Association announced in June 1994 that the prolonged drought had hampered South Africa's ability to establish new sugar export markets. Normally South Africa exported raw and refined sugar. However, no sugar was exported during the 1993/94 season while about 115000 tonnes of sugar were imported.[165] [[165] *The Star* 28 July 1994] Nevertheless, the association said South Africa would meet its export commitments for the 1994/95 season.[166] [[166] *Business Day*, *The Citizen* 16 June 1994]

The marketing director of the Koöperatiewe Wynbouers Vereniging (KWV), Mr Jannie Retief, expected total wine exports to amount to 3,5m cases in 1994, an increase of 40% on such exports in 1993 (2,8m cases).[167] [[167] *The Citizen* 22 April 1994] In 1991 only 850 000 cases had been exported. The amount exported to the United Kingdom, South Africa's biggest export market, had grown from 190 000 cases in 1990 to more than 1m cases in 1993, Mr Retief said.[168] [[168] *Business Day* 1 July 1994; *Farmer's Weekly* 15 July 1994]

According to the managing director of Outspan International, Mr John Stanbury, 39,5m cartons of citrus fruit were exported in 1994 despite the drought in the Northern Transvaal. Approximately 31m cartons were exported in 1993. Gross export earnings in 1994 would amount to R1,5bn, according to Mr Stanbury.[169] [[169] *Farmer's Weekly* 9 December 1994]

The managing director of Unifruco, Mr Louis Kriel, said that exports of deciduous fruit were expected to increase by 20% in 1994 to 44m cases.[170] [[170] *Business Day* 13 April 1994]

South Africa could expect to export 5,5m tonnes of maize from the 1994 crop, which had been estimated at more than 12m tonnes.[171] [[171] Ibid 24 March 1994] The Land and Agricultural Policy Centre said that maize would be exported at between R120 and R140 less per tonne than the price on the domestic market.[172] [[172] *Sunday Times* 5 June 1994]

Exports of ostrich products were expected to amount to R161,4m in 1994, according to the Klein Karoo Agricultural Co-operative. Over the previous five years there had been a steady increase in the value of such exports and income had almost doubled to R189,9m in 1993 from R95,7m in 1989 (by 98%).[173] [[173] *Business Day* 22 July 1994]

The following table shows the value of the most important agricultural imports from 1989 to 1993:[174]
[[174] Information supplied by the Department of Agriculture, 27 July 1994]

Value of the most important agricultural imports: 1989–1993

1989

1990

1991

1992

1993

Rm

Rm

Rm

Rm

Rm

Cotton

31

61

85

141

165

Maize and maize products

7

9

60

1 181

345

Oil seeds

9

24

69

146

201

Rice

242

225

323

302

324

Tea

34

38

33

49

57

Vegetable oils

270

231

161

354

424

Wheat

25

244

236

2

Promotion and Development of Agriculture

In April 1994 the sugar industry raised R67m on the capital market by issuing sugar stock to, among others, African Life Assurance Company, Fedsure, Metropolitan Life and Old Mutual. According to the manager of the Small Cane Growers' Financial Aid Fund (FAF), Mr Richard Bates, the proceeds of the issue would be controlled by the FAF which would provide loans to African and Indian small cane-growers who had no access to 'conventional avenues of finance'. The finance would be used to establish some 15 000 new small-cane growers on 30 000ha of new cane fields and to maintain another 15 000ha of cane land. The loans were structured in such a way that interest payments on loans were partially fixed and partially variable. The variable part was linked to the value of production, the international

dollar price of sugar and the rand-dollar exchange rate. The loans had to be repaid over a period of six years.[175] [[175] *Financial Mail* 22 April 1994; South African Sugar Association, media release, *Innovative Funding for Small Cane Grower Development*, 19 April 1994]

A Small Farmers' Development Corporation (SFDC) was launched in April 1994 with the aim of helping to establish small farmers and enabling them to secure private ownership of land and to farm commercially (see also chapter on *Business*). According to the chairman of the SFDC, Mr Louis Kriel, the corporation aimed to establish 'at least' 10 000 new commercial farmers by 2000. The corporation was set up with funds from the private sector and had raised R10m by the time it was established. It consisted of divisions for technical advice and marketing, social empowerment and financing, and funding services.[176] [[176] *Business Day*, *Cape Times* 22 April 1994]

In June 1994 five pilot projects were established in which rights to land ownership, decision making and farming profits were transferred from farmers to farmworkers. The farmworkers, together with farmers, set up a trust which took up shares on behalf of the workers in farming business. The 'farmworker equity pilot projects' were initiated by the Development Bank of Southern Africa (DBSA) which also provided finance at a concessional interest rate of 8%.[177] [[177] *Farmer's Weekly* 24 June 1994] The Independent Development Trust provided interest-free finance and commercial banks financed the balance at a negotiated rate. Mr Craig McKenzie, a policy analyst for the DBSA, said the projects involved a fruit farm in Grabouw in the Western Cape, a cattle farm in the Northern Transvaal, a citrus farm and a timber plantation in the Eastern Transvaal, and a vineyard on the Orange River in the Northern Cape. Mr McKenzie said the scheme would increase the total income of participating workers; give them better work facilities and a stake in ownership, decision making and profits; increase security of tenure; and provide a way to accumulate capital and a guaranteed market for sale of shares at an agreed formula price if the workers left the scheme. The scheme would also save money as it was unnecessary to resettle workers on other farms in order to give them rights to land ownership.[178] [[178] Development Bank of Southern Africa, Mr Craig McKenzie, Divisional Manager, 'Farm worker equity model: A possible mechanism to broaden the ownership box in agriculture', 1994; *Farmer's Weekly* 24 June 1994]

The Association for Rural Advancement reported in June 1994 that large forestry companies in South Africa were increasingly becoming involved in small-scale afforestation projects with rural communities. About 1 400 growers were managing 2 100ha of land in northern KwaZulu/Natal for Mondi's forests division and some 6 000 growers were managing forests for Sappi, also in KwaZulu/ Natal. The Sappi project was aimed at subsistence farmers. Sappi backed the farmers by providing them with funds and trees, helping them to manage the plantations and guaranteeing a market for the trees when they were felled.[179] [[179] *AFRA News* June/July 1994; *The Star* 2 September 1994]

During the period under review Sappi announced the development of the Community Forest Project in Impendle, Highflats, Winterton and Edendale in KwaZulu/Natal and the former Transkei. The project's purpose was to persuade communities in the area to provide between 500ha and 1 000ha of their land for afforestation in partnership with Sappi. The plantations would be under communal ownership and would

be run as co-operatives, according to a human resource manager of Sappi, Mr Neville Perry. Sappi would provide the initial finance and would pay the community for its labour in maintaining the plantations. Mr Perry said that a plantation of between 500ha and 1 000ha could earn as much as R100 000 a year and up to about R500 000 when the trees were felled.[180] [[180] Ibid]

The chairman of the Tongaat-Hulett group, Mr Chris Saunders, announced in August 1994 that the group was to start a programme to sell part of its land to its employees for sugar-cane farming. Initially five farmers would be given between 60ha and 70ha of land each. The scheme would eventually involve 3 500ha and 65 to 70 medium-scale farmers. The farmers buying the land would benefit from subsidised interest rates in the first five years of their bond repayments.[181] [[181] *Business Day* 1 August 1994; *The Star* 14 August 1994; information provided by the Group Executive Director, Tongaat-Hulett, Mr J B Magwaza, 26 October 1994]

LAND ISSUES

Current Allocation of Land

See 1993/94 Survey, p214.

Land Disputes

In February 1994 the Natal Provincial Division of the Supreme Court dismissed an application by Mr Andries Radebe, representing the Crimen community in Natal, for return of land from which the community had been removed in 1978 as part of the government's policy of 'black spot' removals. The community challenged their removal, saying that a number of irregularities had occurred at the time. In view of these irregularities, the evictions should be set aside, the title of the present owners declared invalid and the community allowed to return. However, according to Mr Justice Willem Booysen, the community should have brought the application years earlier. At the time of writing lawyers acting for Mr Radebe had started appeal proceedings in the Appellate Division of the Supreme Court in Bloemfontein and were also considering taking the claim to a future land claims court.[182] [[182] *AFRA News* January/February 1994; *Supplement to the Weekly Mail and Guardian* March 1994]

In April 1994, two days before the general election of 27–29 April 1994, about 3m hectares of land in KwaZulu/Natal were signed over to a trust of which the king of the Zulus, King Goodwill Zwelithini, was the sole trustee. The transfer was effected in terms of the KwaZulu Ingonyama Trust Act of 1994. It was passed by the KwaZulu Legislative Assembly and assented to by the state president, Mr F W de Klerk.[183] [[183] *Weekly Mail and Guardian* 20 May 1994, *Weekend Star* 21 May 1994] The act provided for King Goodwill Zwelithini to administer all land in the area administered by the KwaZulu Legislative Assembly as well as land acquired by the Kwa-Zulu administration.[184] [[184] *AFRA News* April/May 1994]

The African National Congress (ANC) criticised the transfer on the grounds that neither the Transitional

Executive Council nor the ANC had been consulted before the act was passed. It claimed that the transfer was in violation of a moratorium on the disposal of state land. The ANC feared that the transfer gave added powers to the king and that it could jeopardise future land reform programmes.[185] [185 *Sunday Times* 22 May 1994, *New Nation* 16 June 1994] The transfer was allegedly part of an agreement reached between Mr de Klerk and the president of the Inkatha Freedom Party (IFP), Chief Mangosuthu Buthelezi, to bring the IFP into the election.[186] [186 *The Citizen* 23 May 1994; *AFRA News* April/May 1994] The IFP and Mr de Klerk maintained, however, that the deal was legal and open.

After the election a cabinet committee was appointed to investigate the implications of the deal. The committee decided that the trust would remain and that the king should remain the guardian of the transferred land. A new act would, however, be drafted to outline the king's functions and powers. The committee found that the goal of establishing the trust was to ensure that rights to land occupied or owned by tribes in KwaZulu/Natal would continue to vest with them when the transitional constitution became effective.[187] [187 *Business Day* 16 June 1994; *AFRA News* June/July 1994]

In May 1994 the National Land Committee (NLC) appealed to the government to review 'urgently' the property rights and restitution clauses of the transitional bill of rights or to face 'unprecedented chaos in rural areas with landless communities forcibly reoccupying land'. The NLC said that the clauses severely limited land reform and that it was particularly concerned about the entrenchment in the constitution of market-related compensation for farmers whose land could be expropriated. Such payment of compensation would leave no resources to continue with an effective redistribution programme.[188] [188 *The Natal Witness* 10 May 1994]

The Department of Land Affairs said in July 1994 that an accord had been reached between Gencor, the Johannesburg Consolidated Investment Company (JCI) and the Baphalane tribe over disputed land near the Rustenburg Platinum Mines (North-West). The land, which was expropriated in 1963, had been reoccupied by the Baphalane tribe in 1993 after making representations to the Commission on Land Allocation since December 1992 for the return of its land. The accord between the tribe, Gencor and JCI stated that the Baphalane could remain on the land until a final agreement had been reached. It also specified that:[189] [189 *Finance Week* 28 July 1994, *Farmer's Weekly* 29 July 1994]

• no new people could settle on the land;

• alternative adjacent land would be looked for as compensation for the Baphalane;

• the state would become involved in the planning of the community's return as well as in the provision of infrastructure and services; and

• the tribe would establish a committee that represented all interest groups.

The parties also agreed that JCI, Gencor and the government would build a village for the community.[190] [190 *Business Day* 26 July 1994]

The minister of land affairs, Mr Derek Hanekom, said that by August 1994 the new government had received 2 314 claims for the return of land: 63 of these came from communities in rural areas and 2 251 from individuals and urban communities. He added that 22 communities were involved in negotiations with the department. These negotiations involved state and privately owned land and were in various stages of completion at the time of writing.[191] [191 Ibid 10 August 1994; *Sowetan* 11 August 1994]

Speaking at the annual general meeting of the Transvaal Land Restoration Committee earlier, in July 1994, a senior research officer at the Centre for Applied Legal Studies at the University of the Witwatersrand, Ms Aninka Claassens, appealed to some 33 rural communities not to reoccupy their land but to give the proposed land claims court 'a chance to prove its worth', after the communities had expressed impatience at the slow pace of land restoration. Ms Claassens argued that people who tried to reoccupy land would not receive as much public support as they would have under the old government, because of the establishment of the land claims court and other structures to deal with land restitution.[192] [192 *Land Update* July 1994]

Labour Tenants

The conflict between labour tenants on the farm Gannahoek near Colenso (KwaZulu/Natal) and the owners, Shonalanga Safari Lodge (see 1993/94 Survey, p228), was resolved towards the end of 1993 when the lodge ran into financial difficulty. The Absa financial services group took over the farm and agreed to sell part of it to the tenants. The sale agreement entitled the families to buy 578ha of the farm for R210 000. The tenants collected more than R80 000 towards the purchase by selling off cattle and took a loan from the Independent Development Trust to cover the rest.[193] [193 *AFRA News* April/May 1994]

In June 1994 labour tenants on the Mooibank farm (northern KwaZulu/ Natal) signed an agreement with Mondi Forests and the Anglo American Coal Corporation (Amcoal) giving them legal ownership of part of the farm they had worked on for generations. The agreement gave the 14 tenant families legal ownership of 260ha (or 25%) of the Mooibank farm. In exchange for ownership, the families would grow one crop of gum trees, planted by Mondi, on 25ha while using another 25ha to graze their cattle. Mondi would also help the families rebuild their houses by levelling sites, giving them 240 building poles and providing transportation for materials. Mondi and the families would form a joint management committee to monitor maintenance of the tree plantation. While the families would be responsible for maintenance of the plantation, Mondi would provide technical advice and harvest the plantation when it was ready in 2000.[194] [194 *AFRA News* June/July 1994; *Land Update* July 1994; *Sunday Times* 7 August 1994]

A director of Amcoal, Mr Roger Whittaker, said that the company would deal similarly with labour tenants elsewhere. Mr Dave Husy, the director of the Farmworkers' Research and Resource Project

(FRRP), said that other forestry companies were also willing to recognise labour tenants' rights by ceding portions of company-owned land to them. The companies were, however, not yet prepared to consider extending land rights to people already evicted. A spokesman for the Association for Rural Advancement, Mr Sithembiso Gumbi, said that it was the first time that such an agreement had been entered into between labour tenants and present legal titleholders.[195] [195 *AFRA News* June/July 1994; *Land Update* July 1994]

A spokesman for the NLC, Mr Abie Dithlake, said in July 1994 that although the system of labour tenancy was outlawed in 1979, it had survived in the Eastern Transvaal and the Natal Midlands.[196] [196 *Business Day* 18 July 1994]

In July 1994 some 7 000 farm tenants and workers marched through Piet Retief (Eastern Transvaal) to present a memorandum of demands to the provincial premier, Mr Mathews Phosa. It was the first time that farm tenants in the district had mobilised themselves in such a way to express their grievances. Their demands included:

• an end to the eviction of tenant communities;

• a moratorium on the sale of farm land until the status of farm tenants was resolved;

• the immediate return of all impounded livestock; and

• the rebuilding of tenants' houses destroyed by farmers or police.[197] [197 *Weekly Mail and Guardian* 5 August 1994]

Mr Dithlake warned that labour tenants could resort to violence if the government did not act to protect them from evictions and harassment. Most of the tenants received only 'subsistence' compensation, often earning less than R30 per month.[198] [198 *Business Day* 18 July 1994]

The Eastern Transvaal Labour Tenant Committee and the FRRP called on the government in August 1994 to amend the constitution to ensure security of tenure for labour tenants. The two organisations said that the property clauses in the constitution gave an 'inordinate amount of power to the white farmers to the detriment of farm tenants' rights', including the right to evict tenants without prior notice.[199] [199 *Sowetan* 18 August 1994] Labour tenants felt that the government was not doing enough to address their problems. The organisations added that white farmers were able to ill-treat tenants living on their farms because there were no mechanisms to monitor the farmers' actions. The NLC said that the government should set up a farm inspection programme to enforce the Basic Conditions of Employment Act of 1983. Retaliation by tenants against farmers who had evicted or assaulted them would be inevitable if the government did not ensure that the labour law was implemented, the NLC said.[200] [200 *Business Day* 18 July 1994]

The Eastern Transvaal Labour Tenant Committee and the FRRP also called for:

• an immediate end to evictions and the impounding of stock;

• the return of evicted tenants and impounded stock;

• an end to the expulsion of farmworkers' children from farms;

• the firm implementation of labour law on farms;

• a minimum wage level in line with the minimum living levels;

• the rebuilding of destroyed houses; and

• an end to police harassment of farmworkers and police collaboration with white farmers.[201] [[201] *Sowetan* 12 August 1994]

According to Mr Husy, labour tenants were frustrated by the failure of the government to recognise their status as a separate constituency from wage-earning farmworkers and as communities with claims to land which should be addressed in the government's land reform proposals. Instead, the government regarded them as a constituency whose needs for land could be addressed by a market-driven process. Mr Husy said that the distinction between the two categories was crucial because, although such communities would be assisted to buy land through government grant schemes, the costs involved would place land ownership beyond the reach of many tenants. Most tenant communities had lived on the farms for so long that they considered their portion of farm land to be their own. According to Mr Husy, the right of labour tenants to such land should be recognised and the land reform process adjusted and applied accordingly.[202] [[202] *Weekly Mail and Guardian* 5 August 1994]

Mr Hanekom said in July 1994 that the position of labour tenants would be addressed as a matter of priority. He added that his office was in the process of arranging a meeting with all interested parties. Mr Hanekom emphasised that the government was committed to providing security of tenure for all South Africans as an integral part of a broader land reform process.[203] [[203] *The Natal Witness* 29 July 1994]

Reallocation of Land

Claims for reallocation of land were being dealt with in terms of three broad categories during the period under review. The first category referred to claims being handled by the Commission on Land Allocation (CLA) (formerly the Advisory Commission on Land Allocation), which investigated land claims and made recommendations to the minister of land affairs (see 1992/93 *Survey*, p56). According to the secretary of the CLA, Mr Jan Barnard, the commission had received numerous applications in

1994 from various tribes, communities and individuals. However, only 144 claims fell within the mandate of the commission and were, therefore, being investigated.[204] [[204] Information provided by the secretary of the Commission on Land Allocation, Mr Jan Barnard, 14 September 1994] Until its dissolution in September 1994 (to make way for the commission on restitution of land and the land claims court) the CLA was involved in discussions with 22 communities.[205] [[205] Information supplied by the Department of Land Affairs, 20 September 1994] The second category referred to situations where other agreements had been reached, for example, cases where the state had agreed to buy land for the dispossessed community. The third category comprised labour tenants (see *Labour tenants* above).

The government announced in December 1993 that the Alcockspruit community near Newcastle (KwaZulu/Natal) would have their land restored to them (see 1993/94 Survey, pp226–227). However, land owners who had received compensation at the time of their removal would have to repay the money (at present value) to the government. The Alcockspruit community said that the government had no right to demand the repayment of compensation and that the government's demand that compensation money be repaid would cause further unnecessary delays in the restoration of the community's land. The Alcockspruit community warned that if such delays occurred, Alcockspruit could be occupied in an 'uncontrolled way by landless people from the area'.[206] [[206] *AFRA News* January/February 1994; *Land Update* February 1994]

In March 1994 the Bakubung Ba Ratheo tribe returned to their ancestral land in the Boons area (North-West). This was the first government-approved relocation of a dispossessed community in the Transvaal and it occurred in response to the CLA's recommendation that the land be returned to the tribe.[207] [[207] *Land Update* February 1994; *Business Day* 1 March 1994]

The director of the Department of Town and Regional Planning of the former Transvaal Provincial Administration (TPA), Mr Henricus van der Walt, said that a committee would be established comprising the Bakubung tribe, organised agriculture, and central and provincial government departments to draw up a development programme for the area.[208] [[208] *Weekend Star* 5 March 1994] The TPA also undertook to provide boreholes and sewerage, although a shortage of funds meant that this would not be possible in the near future.[209] [[209] *Business Day* 2 March 1994]

In April 1994 the Batswana people succeeded in getting back their ancestral land after direct intervention by the National Land Committee (NLC) and the premier of the Northern Cape, Mr Manne Dipico. Earlier in the month the CLA had rejected an application by the community for the return of its land in Schmidtsdrift (Northern Cape). As a result the community attempted to reoccupy the land and 150 people were arrested.[210] [[210] *Sunday Times* 24 April 1994] The NLC and Mr Dipico arranged a discussion with the South African National Defence Force (SANDF) (who owned the land in question) and the Department of Land Affairs and the parties agreed that Schmidtsdrift belonged to the Batswana people. A working group was set up to look for suitable land for the SANDF, which said that it was willing to move provided suitable land was found. At the time of writing the community had not yet returned to its land.[211] [[211] *Land Update* February 1994, July 1994]

Also in April, the freehold communities of Cornfields and Tembalihle in Estcourt (KwaZulu/Natal) signed agreements with the Department of Regional and Land Affairs that gave them title to 8 500ha (thus increasing the size of their land to 9 342ha).[212] [[212] Spotlight No 5 1994] The agreements gave the communities access to an amount of R25m (set aside under the Government Provision of Certain Land for Settlement Act of 1993, which subsidised 80% of the cost of the land). The communities had to raise a deposit of 5% and pay back a further loan of 15% of the purchase price. As a result each family would have to contribute between R194 and R240 a year over the next five years.[213] [[213] *AFRA News* April/ May 1994; *New Ground* Winter 1994]

In April 1994 an agreement was reached between the Mfengu community, farmers and the government to restore the community's land, which was being used for highly productive dairy farming in the Tsitsikamma area (Eastern Cape) (see 1993/94 Survey, p229).[214] [[214] *Business Day* 25 March 1994] In terms of the agreement 19 farmers who owned the land sold their farms to the Mfengu-controlled Tsitsikamma Development Trust, which had been established to administer the settlement. The government had agreed to pay compensation of R35m to the farmers. The agreement was the first settlement on land reallocation involving privately owned land.[215] [[215] *Farmer's Weekly* 8 April 1994, *Land Update* May/June 1994] It was reported, however, that neither the departing farmers nor the Mfengu people were satisfied with the agreement. The compensation of R1,96m which the state had agreed to pay to the Mfengu people would not be enough to build proper housing for the community and to purchase the mechanical equipment and herds accumulated by the farmers over their ten-year tenure—which were worth almost as much as the fixed assets but not included in the deal. The farmers, who had bought the land from the government for an average of R230 a hectare with 100% subsidies in the early 1980s, said the average of R6 288 a hectare that they were paid would not be enough to buy farms of a similar standard elsewhere.[216] [[216] *Sunday Times* 27 March 1994]

In May 1994 the Riemvasmaak community of the Northern Cape became the first community to be given back their land under the new government (see 1993/94 Survey, p227). Their return followed a recommendation from the CLA in February 1994 that their land rights be restored. The Department of Land Affairs said initially that 20 000ha of their land would be reserved for the defence force. However, in May, the SANDF announced that it had decided to withdraw altogether.[217] [[217] *Land Update* May 1994] The commission also recommended that the community be given agricultural assistance and suggested that a trust should be established to oversee the process.[218] [[218] Ibid]

According to the NLC, an agreement was reached in July 1994 between the communities of Thornhill (Merino Walk), the Macbride, Brakkloof and Tambo villages and the Department of Land Affairs over Released Area 60 (RA60) (near Queenstown in the Eastern Cape) (see also 1992/93 *Survey*, p387). RA60 was an area of 12 000ha bought by the South African Development Trust in 1980 and earmarked for incorporation into the then Ciskei. The farms were never handed over and remained in the hands of the South African Defence Force under the Department of Development Aid.[219] [[219] *Land Update* July 1994]

Prior to this, in 1976, the Thornhill community had left the Herschel area to avoid being incorporated into the Transkei, but it decided to occupy empty farms at RA60 in 1990. A recommendation by the CLA that the land be returned to the Zulukama tribal authority was rejected by the villages (which rejected the tribal authority) and by the Thornhill community. After negotiations with the department it was agreed that the land would be divided into five areas, one for each of the four communities and one to be shared by the Macbride, Brakkloof and Tambo villages (whose people belonged to the Zulukama). Independent community trusts were to be set up for each of the areas.220 [220 *Farmer's Weekly* 15 July 1994]

In August 1994, the minister of land affairs, Mr Derek Hanekom, overturned a recommendation by the CLA and returned Hartbeeslaagte (North-West), the second of two farms, to the Mogopa community. In 1991 the government had returned title of the first farm, Swartrand, to the community. The community was, however, unable to grow crops and to support itself without the use of the second farm. Unemployment was high and the community was very poor, according to the Transvaal Rural Action Committee (Trac). The CLA turned down an application for the return of the second farm, saying that the community would have to buy it. According to Trac, the Department of Land Affairs had committed itself to help the community plough the land and to supply the resources necessary for development of the area.221 [221 *The Star* 15 August 1994]

In December 1994 the first 200 members of the Doornkop community of about 20 000 returned to their farm near Middelburg (Eastern Transvaal). Doornkop was declared a 'black spot' in 1964 and in 1974 the community was forcibly removed from the area to Bothashoek and other areas in the Northern Transvaal. According to Mr Hellmuth Schlenter, spokesman of the Department of Land Affairs, the department provided water, lavatories, transport and other facilities to the community and had allocated funds for planning purposes and for permanent settlement of the community. A formal working group was also established comprising the department, Trac and the Transvaal Restoration Committee to ensure effective communication with the community and to solve potential problems.222 [222 *Business Day* 11 November 1994; *Weekend Star* 3, 4 December 1994; *The Star* 21 December 1994]

PARTICULAR RURAL ISSUES

Housing

In 1994 a report published by the National Land Commission (NLC) and entitled *Farm Worker Housing in South Africa* found that between 1,2m and 1,5m people were employed on South African farms. If their dependants were taken into account, some 5m to 6m people relied on farms for their survival. However, there was no co-ordinated strategy to provide housing for farmworkers, insufficient funds were allocated for this purpose and little research had been conducted into alternatives for effective provision of housing.223 [223 Payne B, *Farm Worker Housing in South Africa*, 1994]

The Department of Agriculture had started a housing loan scheme for farmers to provide workers' housing in 1969, but introduced a subsidy scheme in 1990 when farmers could no longer repay loans

after the drought of the 1980s. Between the 1983/84 and 1992/93 financial years a total of R45m was spent on loans and since 1990 some 20 140 houses had been built or improved under the subsidy scheme at a cost of R128m. However, the subsidy scheme was unable to keep pace with escalating building costs or with the increasing need for farmworker housing.[224] [[224] Ibid; Department of Agriculture, *Report on Housing Subsidy Scheme for Farm Workers*, 1994]

According to the report, the Department of Agriculture allocated only R29m in terms of the subsidy scheme to white commercial farmers in 1994 for housing, while an estimated R50m was needed to provide adequate rural housing. Furthermore, according to Rural Foundation estimates, it cost an average of R450 per square metre to build a house and the Department of Agriculture's subsidy amounted to only R350 per square metre, which was 'hopelessly inadequate'. However, the granting of full housing subsidies to rural people was not financially feasible, according to the report.[225] [[225] *Business Day* 4 January 1994]

The report said that housing schemes could be divided into two categories, namely off-farm home ownership and on-farm housing. Off-farm home ownership was a new form of housing provision for farmworkers and it was not clear how widespread such provision would become as it relied on farmworkers having regular employment and high wages. No agricultural villages were functioning at the time of writing the report, although attempts had been made to establish them. The report said that agricultural villages were best suited to areas of intensive agriculture where there was a large work force, such as the Western Cape. It noted that even less research had been conducted into such villages than into housing for permanent workers living on the farms.[226] [[226] Payne B, *Farm Worker Housing in South Africa*, 1994]

Farmworkers were dependent on individuals or single organisations to push for housing provision as there were no organised lobbies in agriculture which could do this for them. The report added that programmes stemming from the working group on rural housing of the National Housing Forum (NHF) might facilitate the formation of such a group among nongovernmental organisations and development bodies.[227] [[227] Ibid]

The report suggested that the views of full-time farmworkers as well as migrant and seasonal workers be obtained before any housing policy was drafted. Furthermore, it suggested that a uniform policy enforced by the central government might prove 'disastrous' for local communities as the needs of farmworkers varied from province to province. Building subsidies could be co-ordinated with job creation schemes and public works programmes to stimulate employment and rural development. The granting of 100% subsidies was not financially feasible for the 5m to 6m people needing housing, the report concluded.[228] [[228] *Business Day* 4 January 1994]

During the period under review the issue of farmworker housing was discussed by a joint technical committee of the NHF. The committee said in a discussion paper that there should be security of residential tenure for farmworkers and that the use of housing to tie farmworkers to employment on a

farm should be combated. The discussion paper also made the following suggestions:

• farmworkers and other rural dwellers should both qualify for a shelter/ basic needs subsidy at the same level;

• farmworkers should have the choice of investing the subsidy either on the farm or off the farm where they work;

• farmers should continue to be responsible for providing seasonal workers with accommodation; and

• farmers should receive tax incentives to invest in social infrastructure on their farms.[229] [[229] *Report of the Joint Technical Committee on Rural Housing Policy and Programmes*, September 1994]

The South African Agricultural Union (SAAU) and the Department of Agriculture expressed different opinions on the subject. The department said in January 1994 that responsibility for farmworkers should be shifted to the Department of Housing. The SAAU believed that housing was the joint responsibility of farmers and the government and that it should depend upon the worker being employed on the farm.[230] [[230] *Business Day* 4 January 1994]

The Department of Agriculture proposed a new housing subsidy scheme for farmworkers and labour tenants. It said that farmers should receive a subsidy of a maximum of R9 500 per family to provide housing and adequate services for farmworkers.[231] [[231] Department of Agriculture, *Report on Housing Subsidy Scheme for Farmworkers*, 1994]

The white paper on housing, published by the Department of Housing in December 1994, said that the unresolved issues of security of tenure (ie traditional forms of tenure as opposed to freehold or leasehold) and the linkage between housing and employment effectively excluded farmworkers from the proposed housing subsidies set out in the white paper. The paper envisaged subsidies for farmworker housing provided by the Department of Agriculture to be replaced by 'end user subsidies provided by the Department of Housing' (see chapter on *Housing and Infrastructure*). Mechanisms to separate farmworker housing from employment and several housing schemes for farmworkers, such as 'agri-villages' (ie agricultural villages) on a pilot basis, sectional title and security of investment were still being investigated, according to the white paper.[232] [[232] Department of Housing, *White Paper: A new housing policy and strategy for South Africa*, 1994]

The government announced in November 1994 that the German Ministry of Economic Co-operation and Development had given a grant of R115m for farmworker housing. Some of the money was likely to be spent on several pilot projects to develop, test and implement a new policy on farmworker settlement support.[233] [[233] *The Citizen, The Star* 17 November 1994]

Rural Development

In June 1994 the Land and Agricultural Policy Centre convened a workshop, attended by interested parties and the government, to examine and develop proposals for grants, subsidies and credit facilities which the government could provide to assist rural people to acquire land, plan settlements and improve living conditions.[234] [234 Land and Agricultural Policy Centre, *Land Reform Pilot Initiative, Proceedings of a Consultative Workshop*, 29 and 30 June 1994]

The following proposals were made:

• a fixed, once-off grant to communities for rural settlement planning should be provided. The grant could be used by communities who had acquired land or a settled community who wished to upgrade and replan its use of land;

• a rural basic-needs grant should be made available to rural households who had acquired land or who wished to upgrade their living conditions;

• assistance should be given to people who wanted additional land for residential or agricultural purposes. They would be required to contribute a certain amount and the government would provide assistance in the form of either a sliding subsidy or a lease with the option to purchase; and

• production investment credit should be provided. This option was not discussed at the workshop as it was the subject of an independent, inquiry.[235] [235 Ibid]

The proposals which arose from the workshop were to be used by:

• communities or groups acquiring land for farming or residential purposes in rural areas;

• communities who wished to upgrade their living conditions; and

• communities who were awarded land by the land claims court.[236] [236 Ibid]

KEY PROJECTIONS

• The minister of land affairs, Mr Derek Hanekom, estimated that land reform would cost R10bn over the next six years.

• Between 90 and 100 rural communities, comprising about 700 000 people, were entitled to restitution of land, according to Mr Geoff Budlender, head of the task force that drew up the Restitution of Land

Rights Act of 1994.

• Sugar production was expected to increase to 2,4m tonnes in the near future, 40% of which would be exported, according to Mr Dick Ridgeway, the chairman of the South African Sugar Millers' Association.

SECURITY

KEY POINTS

• In March 1994 the government appointed a team, including international detectives, to investigate allegations made by the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation (the Goldstone commission), implicating high-ranking police officers of the South African Police (SAP), the KwaZulu Police and senior officials of the Inkatha Freedom Party of involvement in 'third force' activities and gun-running. Following investigations by the team, two SAP generals implicated in the report retired in May, and a number of SAP members were arrested.

• The Office for Serious Economic Offences said in February 1994 that white-collar crime such as the misappropriation' of funds through fraud, foreign exchange control transgressions and security violations had increased by more than 100% from R15,3bn in 1992 to R30,9bn in 1993.

• The minister for safety and security, Mr Sydney Mufamadi, said in August 1994 that armed robberies had increased by 97% and murders by 48% since 1989.

• In August 1994 police said that cases of illegal gun smuggling had increased by 227% between 1992 and 1993.

• According to the SAP, more than 100 drug syndicates were operating in South Africa in 1994. The country was serving both as a transit destination for drugs to Europe and as an important drug market.

• An amendment to the Correctional Services Act of 1989, passed in October 1994, prohibited the detention of unconvicted children, while allowing such children to be held in jail as an emergency measure only when they could not be admitted immediately to a place of safety.

• South Africa had a prisoner/population ratio of 393:100 000 (one of the highest in the world) in 1994, according to Human Rights Watch.

• In August 1994 the chief of the South African National Defence Force, General Georg Meiring, said that the integration and ration-alisation of the force over the next three years would cost some R7bn.

• Defence spending dropped from 4,3% to 2,7% of gross domestic product between 1989 and 1994, according to the minister of defence, Mr Joe Modise.

ELECTION COMMITMENTS

Parties in Government

In February 1994 the president of the African National Congress (ANC), Mr Nelson Mandela, said that the ANC did not want to lower the standards of the South African Defence Force and that members of the armed wing of the ANC, Umkhonto we Sizwe, who were to be integrated into the defence force, should have at least a matriculation certificate.[1] [1 *The Citizen* 26 February 1994]

An ANC candidate for the National Assembly and former general secretary of the Congress of South African Trade Unions, Mr Jay Naidoo, said in March 1994 that the ANC was committed to the rule of law and that after the general election no member of the Afrikaner Volksfront would be allowed to 'walk around town with a gun and holster'.[2] [2 Ibid 7 March 1994]

Opposition Parties

In April 1994 the law and order spokesman for the Democratic Party (DP) in the Pretoria-Witwatersrand-Vereeniging (PWV) area, Mr Peter Leon, said that the DP would call upon the PWV legislature to create a special police unit which would, among other things:

• track down and confiscate illegal weapons;

• co-operate effectively with the police forces of neighbouring provinces and countries to counter arms smuggling;

• impose stricter penalties (including minimum sentences) for the illegal possession of weapons;

• introduce an enhanced system of weapons licensing; and

• crack down on illegal arms possession by private armies.[3] [3 *The Star* 20 April 1994]

POLICY OF GOVERNMENT

In November 1993 the minister of law and order, Mr Hernus Kriel, said that 11 000 additional South African Police (SAP) *personnel* (including reservists, new recruits and ex-police officers) would be deployed in the week of the election in April 1994. He added that some 60 000 police in total would be deployed during this period (see *Initiatives to ensure a free and fair' election* below).[4] [4 Ibid 20 April 1994]

The state president, Mr F W de Klerk, said in early March 1994 that the government would do 'all in its power' to ensure that the general election was 'free and fair' and went ahead as planned. Replying to a question in Parliament, Mr de Klerk said that the government had prepared a contingency plan to combat violence or any threat to the election.[5] [[5] *The Citizen* 3 March 1994]

The deputy chairman of the standing committee on public safety and security in the Pretoria-Witwatersrand-Vereeniging province, Mr Obed Bapela, said in August 1994 that the internal stability unit of the SAP, which had been withdrawn from the east Rand, would be incorporated into standard police units, while the role of the South African National Defence Force in the townships would be reviewed in November 1994. Members of African National Congress-aligned self-defence units and of self-protection units aligned to the Inkatha Freedom Party would be trained and integrated into the police reserve force to staff mobile police stations. Mr Bapela added that community policing forums would be established soon.[6] [[6] *Business Day, The Citizen* 3 August 1994]

LEGISLATION

In October 1993 the Dangerous Weapons Amendment Act was passed, in terms of which the Dangerous Weapons Act of 1968 was amended to extend the definition of gatherings to include an assembly or procession of any number of people, to increase fines for the illegal possession and manufacture of weapons, and to impose sentences of up to two years' imprisonment for the carrying of dangerous weapons and of up to three years' imprisonment for the manufacturing of such weapons.[7] [[7] *Business Day* 21 September 1993; *The Citizen* 24 September 1993; Dangerous Weapons Amendment Bill, September 1993; Dangerous Weapons Amendment Act of 1993,*Government Gazette* no 15177, 15 October 1993]

The Explosives Amendment Bill was tabled in November 1993 and passed in December 1993. The act, which amended the Explosives Act of 1956, increased frees and sentences for illegal possession of commercial explosives from one to two years' imprisonment and increased fines and sentences for the negligent handling of explosives (resulting in the endangerment of lives or property) from two to four years' imprisonment, and from four to six years' imprisonment if death resulted.[8] [[8] Explosives Amendment Act of 1993, *Government Gazette* no 15356, 17 December 1993; *The Citizen* 30 November 1993] The Regulation of Gatherings Act, tabled in December 1993 and passed in January 1994, aimed to regulate marches and gatherings, while allowing the right to peaceful public expression and assembly.[9] [[9] *The Citizen* 13 December 1993; Regulation of Gatherings Act of 1993, *Government Gazette* no 15446, 28 January 1994]

INITIATIVES AGAINST POLITICAL VIOLENCE

The minister of law and order, Mr Hernus Kriel, said in November 1993 that the internal stability unit (ISU) of the South African Police could not be withdrawn from strife-torn townships on the east Rand, including Tokoza and Kathlehong, as it was the only force preventing a fullscale war in these areas.[10] [[10]

The Citizen 16 November 1993]

In December 1993 a National Party (NP) MP, Mr Johan Steenkamp, called for a thorough inquiry into an alleged right-wing war plan. He said that the 16-page war plan, which included the provision of mass graves for blacks, outlined plans for the mobilisation of right-wing forces loyal to the Afrikaner Weerstandsbeweging. A spokesman for the Department of Law and Order, Captain Craig Kotze, said in the same month that right-wing organisations were being monitored and that action would be taken if there was any evidence of such organisations committing crime.[11] [11 *Business Day* 20 December 1993]

The government implemented a plan to try and reduce the incidence of violence on the East Rand in February *1994.* The plan had been approved by the state president, Mr F W de Klerk, the president of the African National Congress (ANC), Mr Nelson Mandela, and the Transitional Executive Council (TEC), following negotiations between the two leaders and the leader of the Inkatha Freedom Party (IFP), Chief Mangosuthu Buthelezi. The plan was to be overseen by a multiparty task group comprising representatives of the ANC and the NP, and individuals from civic structures, trade unions, and peace and church groups. The task group would work in consultation with the TEC.[12] [12 *Sowetan* 2 February 1994]

As part of the plan the ISU was withdrawn from the east Rand townships of Katlehong, Tokoza and Vosloorus in February 1994 and replaced by troops of the *South* African Defence Force (SADF). The troops were to be directed by the multiparty task group and would assist with the socio-economic reconstruction of the area (for example, the repairing of houses), while helping residents to return to their homes abandoned during the violence of the previous few months.[13] [13 *Business Day, The Citizen* 2 February 1994; *The Star* 14 February 1994]

The ANC representative on the TEC subcouncil on law and order, Mr Sydney Mufamadi, said in the same month that ANC-aligned self-defence units and IFP-aligned self-protection units should stop operating once normal policing conditions had been restored. Additional SADF troops would be deployed only on the *instructions* of the task group. Although the IFP had rejected the peace plan, Mr Mufamadi said that adapted versions of the plan would be implemented in strife-torn areas of KwaZulu/ Natal before the general election.[14] [14 *Business Day* 27 January 1994,3 February 1994]

An advance team of the National Peacekeeping Force (NPKF) was deployed in the east Rand townships in April 1994 to replace the SADF troops stationed there.[15] [15 Ibid 11 February 1994] However, the NPKF was unable to maintain stability in the area and the SADF resumed control later in April. The NPKF's role was scaled down to supportative and defensive tasks and the force was withdrawn from the east Rand in May (see *National Peace-keeping Force* below).[16] [16 *Sowetan* 22 April 1994, *The Citizen* 14 May 1994]

In March 1994 the government appointed a team, including international detectives, to investigate allegations made by the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation (the Goldstone commission) in its *Interim Report on Criminal Political Violence by Elements Within the South African Police, the KwaZulu Police and the Inkatha Freedom Party* which

had implicated high-ranking police officers of the SAP and the KwaZulu Police and senior IFP officials in 'third force' activities and gun-running. The team, which was headed by the attorney general of the Transvaal, Dr Jan d'Oliveira, included an advocate, Mr Arthur Chaskalson; an officer in the French police, Colonel Gilles Aubry; an assistant police commissioner in the Zimbabwe police, Major General Francis Mapuranga; and Major General Martin Nel of the SAP.[17] [[17] *Business Day, The Star* 25 March 1994 ;*The Citizen, Weekend Star* 26 April 1994; *Business Day* 12 April 1994]

Following investigations by the team, two of the generals implicated in the report, Lieutenant General Basic Smit, the deputy commissioner of the SAP, and Major General Krappies Engelbrecht, the head of the department of counterintelligence of the SAP, retired in May 1994.[18] [[18] *Sowetan* 4, 6 May 1994; *The Star* 3, 19, 20 May 1994] In the same month further arrests were made, including that of a former member of Koevoet and the commander of the Vlakplaas unit (a counterinsurgency unit to combat urban terrorism), Lieutenant Colonel Eugene de Kock.[19] [[19] *Sunday Times* 5 June 1994]

On 31 March 1994 the government declared a state of emergency in KwaZulu/Natal where escalating violence was threatening the possibility of a peaceful election. According to the Human Rights Commission (HRC), some 311 people had been killed in the province in March 1994, compared with 161 in February and 172 in January. The state of emergency came into force on 3 April and large numbers of troops were deployed in the province. Mr de Klerk said that security forces in the area would be increased if the situation so demanded.[20] [[20] *The Natal Witness* 1 April 1994, 18 May 1994] Although the number of killings in KwaZulu/Natal increased initially following the declaration of the state of emergency, according to the HRC, the violence decreased considerably after a decision by the IFP on 19 April 1994 to participate in the election.[21] [[21] Ibid 18 May 1994]

In July 1994 the new minister for safety and security, Mr Sydney Mufamadi, said that the state of emergency had lapsed with the new constitution although the government intended to announce formally when it would be lifted. In terms of the transitional constitution the state of emergency would lapse 21 days after the government of national unity took office. However, the formal announcement of the lifting of the state of emergency was delayed until September and was published in the *Government Gazette* that month.[22] [[22] *The Citizen* 3 August 1994; *Government Gazette,* 7 September 1994]

The MEC for public safety and security in the Pretoria-Witwatersrand-Vereeniging (PWV) province, Ms Jessie Duarte, announced in August 1994 that a programme to try and eradicate crime and prevent the killing of police officers in the area would be implemented. The programme provided for:

• the erection of regular road blocks in areas where violence had occurred, including the east Rand, Soweto and the Vaal Triangle;

• the random sealing off of urban areas to conduct searches;

• the use of traffic officers in patrols and joint raids; and

• initiatives to identify criminal elements in the six subregions of the PWV province—Johannesburg, Pretoria, Soweto, Vaal, and the east and west Rand.

The PWV legislature's standing committee on public safety and security said in August 1994 that more police stations and mobile satellite stations would be established on the east Rand. Speaking for the committee, Ms Duarte said that three satellite stations had been established and 20 more were being planned. She called on the community to assist the police in locating criminals.[23] [[23] *The Citizen* 3 August 1994; *Government Gazette,* 7 September 1994]

Initiatives to Ensure a 'Free and Fair' Election

In January 1994 the subcouncil on law and order of the Transitional Executive Council announced measures aimed at preventing violence and ensuring fair policing procedures during the election period. These included the establishment of:

• a national police inspectorate comprising five civilians, four officials of the South African Police (SAP) and four officers each from the police forces of the homelands to monitor police activities during the election;

• a national independent complaints mechanism which would fall within the ambit of the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation (the Goldstone commission), and receive and investigate all complaints about alleged police misconduct lodged by the public; and

• a transitional policing committee to ensure co-ordination and uniformity among the different policing agencies, to formulate joint strategies to prevent intimidation and to ensure impartial policing of political activities.[24] [[24] *Business Day* 31 January 1994]

The establishment of the National Peacekeeping Force in January 1994 was also aimed at quelling political violence in the townships before the general election (see *National Peacekeeping Force* below).[25] [[25] *Business Day* 31 January 1994]

A spokesman for the Department of Law and Order, Mr Craig Kotze, said in February 1994 that about 60 000 members of the SAP, using more than 30 000 vehicles, would be deployed during the election period and that all leave for police in April 1994 would be cancelled.[26] [[26] *Business Day* 25 February 1994]

Subsequently the chief of the South African Defence Force (SADF), General Georg Meiring, said in March 1994 that a 'significant number' of part-time soldiers (reservists and ex-soldiers)—as well as

soldiers from the army, and members of the airforce, the navy and the medical corps would be called up for a month's duty from 15 April 1994 to support the police during and after the election. The presence of troops would allow the police to concentrate on routine policing and protection of polling stations, Gen Meiring said.[27] [27 Ibid 22 March 1994]

The SADF said in April 1994 that some 57% of those called up for duty had not reported, adding, however, that there was sufficient military and police manpower to 'deal with any eventuality'. The reporting period for some units—particularly those in KwaZulu/Natal—was subsequently increased from 30 to 60 days.[28] [28 *The Star* 27 April 1994]

At the start of the election on 27 April 1994 the deputy minister of law and order, Mr Gert Myburgh, said that more than 100 000 police—40 000 more than originally planned—would be deployed to ensure the safety of voters, polling booths and stations countrywide. This followed a series of bomb blasts in Germiston (East Rand), Johannesburg and Pretoria on 24 and 25 April in which 21 people had been killed and almost 200 had been injured (see also chapter on Political Developments).[29] [29 *Sowetan* 26 April 1994; *The Citizen* 25, 26 April 1994]

National Peacekeeping Force

In January 1994 the subcouncil on defence of the Transitional Executive Council (TEC) resolved to create a joint controlling body, the National Peacekeeping Force Command Council, to oversee the establishment of the proposed National Peacekeeping Force (NPKF) in conjunction with the subcouncil (the establishment of the NPKF had been stipulated as one of the functions of the subcouncil on defence in terms of the Transitional Executive Council Act of 1993). The command council would comprise representatives of all the military forces and policing agencies participating in the NPKF ie the SADF, the SAP, Umkhonto we Sizwe (Umkhonto), and the defence and police forces of the 'independent' homelands of the Transkei and Venda. (The KwaZulu Police and the defence and police forces of the Ciskei and Bophuthatswana were initially excluded from the command council because of their non-participation in negotiations but some of them were later integrated into the NPKF.)[30] [30 *Business Day* 5 January 1994] 30 The NPKF would be composed of equal numbers of members of all military forces and policing agencies under the command of the TEC (see also 1992/93 *Survey*, p507).[31] [31 Transitional Executive Council Act of 1993, *Government Gazette* no 15184, 27 October 1993; fax communication from the South African National Defence Force, 9 December 1994]

In the same month the NPKF was established to assist in the maintenance of peace and public order in the period leading up to and during the general election (see *Initiatives to ensure a free and fair' election* above).[32] [32 *The Citizen* 26 January 1994]

In February 1994 the TEC adopted codes of conduct and discipline for the NPKF following reports of ill discipline, drunkenness and disobedience among its members. Punishment in terms of the codes included fines, confinement to barracks and return to the units from which members were seconded.[33] [33

The Star 9 February 1994] The commander of the NPKF, Brigadier Gabriel Ramush-wana, said in the same month that the force, originally due to complete its training by the end of March, would not be ready before the election.[34] [34 *The Star* 9 February 1994]

However, a spokesman for the NPKF, Captain Johan Loots, said at the end of March 1994 that the component of the force based at De Brug (Bloemfontein, Orange Free State) had completed its training and would be evaluated prior to deployment in the Witwatersrand.[35] [35 Ibid 23 March 1994] In the same month Brig Ramushwana said that 4 000 additional troops would be recruited in April, depending on the availability of training bases.[36] [36 *Business Day* 24 March 1994]

According to the police, during January and February 1994 at least ten members of the NPKF had been arrested on criminal charges ranging from murder and culpable homicide to the smuggling of firearms and assault. A spokeswoman for the peacekeeping force, Major Muff Andersson, said in March 1994 that the police were using the media to 'smear the NPKF' and that police reports to the media contained very little troth.[37] [37 *The Citizen* 28 March 1994] However, in April 1994 three senior officers of the NPKF, including its chief of staff, Colonel Duma Mdutyana, were dismissed for contravening the code of conduct.[38] [38 *The Citizen* 28 March 1994]

In April 1994 the NPKF was deployed in the east Rand townships of Katlehong, Tokoza and Vosloorus to replace SADF units. Speaking at Tokoza; Brig Ramushwana pledged that the peacekeeping force would maintain peace and uphold public order.[39] [39 Ibid 14 April 1994] However, a week after their deployment in the townships the NPKF troops had proved ineffective and were confined to barracks. The SADF was subsequently deployed in the townships and the NPKF was instructed to perform more routine functions such as providing escorts, controlling water provision and guarding polling stations.[40] [40 Ibid 21 April 1994, *Eastern Province Herald* 22 April 1994]

Maj Andersson said at the end of April 1994 that the NPKF contingent based at Koeberg (western Cape) —which consisted of 1 000 members—had not been involved in any military operations during the election.[41] [41 *Daily Dispatch* 3O April 1994]

In early June 1994 the NPKF was finally disbanded by the new minister of defence, Mr Joe Modise. According to Mr Modise, the demobilised members of the peacekeeping force would return to their respective units in preparation for the integration of 'all forces' into the South African National Defence Force (SANDF). Their demobilisation would be overseen by the chief of the SANDF, General Georg Meiring.[42] [42 *Business Day* 2 June 1994]

National Peace Accord

In August 1993 the chairman of the National Peace Secretariat (NPS), Dr Antonie Gildenhuys, said that

although the two-year-old *National Peace Accord* had shortcomings, it had done much to prevent the spread of violence. He said that leaders of 'warring factions' and the police had resolved 'to contribute to peace' and would preach peace to their communities (see 1993/94 Survey, p29).[43] [43 1993/94 Survey, p29]

The Internal Peace Institutions Amendment Act, passed in October 1993, provided for the following, among other things:

• a National Peace Secretariat, to consist of eight members appointed by the state president for a period of three years; and

• the entitlement of members of the secretariat and regional and local peace committees who were not in the full-time employment of the state to remuneration, allowances and other benefits .[44] [44 Internal Peace Institutions Amendment Act of 1993, *Government Gazette* no 15174, 15 October 1993]

The NPS established a special peace radio station—Peace 2000 FM—in February 1994 using the licence of 2000 FM and its transmitters in an attempt to 'provide hope and vision' for South Africa. The main focus of the new radio station was to be peace and the management of conflict in the form of discussion forums, prerecorded documentary programmes and talk shows, according to a spokesman for the peace secretariat.[45] [45 *The Citizen* 8 February 1994] The station closed temporarily in September 1994, owing to problems related to the use of Peace 2000 FM's licence. A spokesman for the NPS, Mr Hannes Siebert, said the station would reopen with its own licence in April 1995.

Mr Nick Koornhof MP (National Party), a member of the NPS, said in February 1994 that peace structures were under threat of collapse because nothing was being done to stop 'blatant transgressions' of their code of conduct. Political violence would seriously impede a 'free and fair' election and would 'make a mockery of democracy', Mr Koornhof said, adding that he feared that members of political right-wing groups in particular would resort to acts of terror to enforce their demands.[46] [46 Ibid 17 February 1994]

In April 1994 Dr Gildenhuys said that since the signing of the *National Peace Accord in* 1991, more than 11 regional and over 200 local peace committees had become operational and that in most areas the committees worked well and made a 'substantial contribution' towards peace. However, peace committees had encountered difficulties in politically tense areas such as many parts of KwaZulu/Natal and some areas on the Witwatersrand. Dr Gildenhuys said that in those areas where 'political parties reject, by word or deed, the political game rules, the peace committees cannot contribute much towards preventing political violence' .[47] [47 *Business Day* 13 April 1994]

In the same month Dr Gildenhuys said that the primary task of the peace committees would have been fulfilled by the time the election was over.[48] [48 Ibid 13 April 1994] It was essential that the committees

continued to operate after the election, and, if political tension eased, the committees would focus on 'reconciliation and the facilitation of socio-economic reconstruction and development in deprived communities'. According to Dr Gildenhuys, about 15 000 peace monitors had been trained by April 1994.[49] [49 *The Citizen* 13 April 1994]

In July 1994 the National Peace Campaign said that people should demonstrate their commitment to peace and unity by participating actively in countrywide events in September 1994. Schools, religious organisations, women's and youth groups, sports bodies and entertainers should arrange events to encourage co-operation, reconstruction and unity. Security forces should help repair the 'ravages of the past years', while the central and provincial governments should provide venues and resources to facilitate peace gatherings, the campaign said.[50] [50 Ibid 23 July 1994]

The NPS said in its annual report tabled in Parliament in August 1994 that there was no guarantee South Africa's post-election period of relative peace would last, particularly in view of the impending local government elections. The secretariat said that one of the biggest challenges facing peace structures was the 'nonchalance' with which South Africans had accepted violence, Peace structures were shifting their focus to long-term goals of reconstruction, reconciliation and nation building. However, they would maintain their monitoring and conflict resolution functions, the secretariat said.[51] [51 *Business Day* 10 August 1994]

Following the allocation of R5m by the Department of Home Affairs to the peace secretariat in August 1994, Dr Gildenhuys said that the secretariat would still need an additional R35,1m to continue operating on the same scale as in the past. The secretariat had been allocated a budget of R34, lm for the financial year 1994/95. Expenses during the election period had amounted to R18,8m and an additional R21,3m was needed for the establishment of peace committees in the former 'independent' homelands and for the allowances of committee members, Dr Gildenhuys said.[52] [52 *Business Day, Sowetan* 29 August 1994]

Dispute Resolution Committees

Regional

Dr Gildenhuys said in April 1994 that 11 regional peace committees had been created and were operating throughout the country since the establishment of the *National Peace Accord* in 1991.[53] [53 *Business Day* 13 April 1994] The regions included the Border/Ciskei, the eastern Cape, the eastern Transvaal, the far northern Transvaal, Natal, the northern Cape, the northern Transvaal, the Orange Free State, the western Cape, the western Transvaal and the Wits/Vaal region.[54] [54 *Report of the National Peace Secretariat,* 1993]

The chairman of the Wits/Vaal Peace Secretariat, Mr Rupert Lorimer, said in August 1994 that the secretariat would be unable to continue until the end of the financial year unless the government

supplemented the shortfall in the budget of the secretariat. Mr Lorimer added that the secretariat would only be able to pay the salaries of committee members until the end of October 1994.[55] [[55] *The Citizen* 27 August 1994] Mr Siebert said in November 1994 that the secretariat was in the process of disbanding and that its staff were joining organisations involved in implementing the government's reconstruction and development programme, the South Africa Peace Corps or other independent peace organisations.

Local

Mr Lorimer said in August 1994 that 263 local peace committees had been set up and had been in operation since the establishment of the *National Peace Accord* in 1991.[56] [[56] Ibid 27 August 1994]

In June 1994 the regional co-ordinator of the Kathorus Peace Secretariat, Mr Meverett Koetz, said that a ten-person safety and security committee would be set up in the same month to work for peace on the east Rand.[57] [[57] Ibid 6June 1994]

A spokesman for the South African Police, Warrant Officer Andy Pieke, said in August 1994 that a project which had been initiated by residents and police in Alexandra (Johannesburg) in 1992 under the auspices of the Deal peace committee to try and control crime in the area, had been successful. The police crime forum comprised members of the internal stability unit (ISU), political parties, church groups, the police and community leaders, who met once a week to discuss specific crime problems in the area. Members of the community had helped police identify criminal elements in the area and some had even volunteered to be trained as reservists. If people were afraid to approach the police, they would speak to political parties which relayed the information to the police. Although the ISU was still operating in the area, normal police units tended to handle the crime, WO Pieke said.[58] [[58] *The Star* 12 August 1994]

The NPS said in its annual report tabled in Parliament in August 1994 that local peace committees had managed to bring together political and other groups so that problems could be addressed.[59] [[59] *Business Day* 10 August 1994] However, in the same month an Inkatha Freedom Party MP, Mr Senzo Mfayela, said in Parliament during the budget vote of the Department of Home Affairs that many regional and local peace committees would be forced to close down by October 1994 if additional funding was not granted and that uncertainty over the future of peace structures had to be addressed urgently.[60] [[60] Ibid,*Sowetan* 10 August 1994] Funding was not forthcoming, according to Mr Siebert, and in November the committees started to disband, staff members joining other peace organisations.

Deployment of Troops

In January 1994 a spokesman for the Witwatersrand command of the South African Defence Force (SADF), Major Christo Visser, said that SADF troops had been deployed in the townships of Katlehong, Tokoza and Vosloorus (all on the east Rand) primarily to protect families returning to the homes they

had vacated during violence in these areas in the previous few months. According to Maj Visser, the African National Congress (ANC), the Inkatha Freedom Party (IFP), the SADF and the South African Police (SAP) had agreed to the deployment of the troops.[61] [61 *Business Day* 27 January 1994]

In February 1994 the state president, Mr F W de Klerk, and the president of the ANC Mr Nelson Mandela, agreed that additional SADF troops would be deployed on the east Rand to replace the internal stability unit of the SAP which was being withdrawn from the area.[62] [62 *The Star* 14 February 1994]

A spokesman for the Orange Free State command of the SADF, Captain L Mare, said in March 1994 that SADF troops from Bloemfontein and Bethlehem (both in the Orange Free State) had been deployed in Phuthadijhaba (QwaQwa) at the request of the QwaQwa commissioner of police to deal with unrest there.[63] [63 Ibid 30 March 1994] More than 200 people were arrested for looting in Phuthaditjhaba after a march by some 30 000 public servants on the offices of the QwaQwa administration.[64] [64 Ibid] The march had followed a rally organised by the National Education Health and Allied Workers' Union, which wished to express its grievances to the QwaQwa administration. (The grievances of the union included demands for promotions, the provision of benefits for casual workers in the public service, as well as calls for the resignation of the chief minister of QwaQwa, Chief Kenneth Mopeli, and his replacement with an administrator appointed by the Transitional Executive Council.) (See also chapter on *Labour Relations and Employment.*)[65] [65 *The Natal Witness* 29 March 1994;*The Citizen* 29, 30 March 1994]

In early April 1994, after the declaration of a state of emergency in KwaZulu/Natal (see *Initiatives Against Political Violence* above), a convoy of more than 600 SADF troops in armoured vehicles was deployed in Zululand (northern KwaZulu/Natal).[66] [66 *The Citizen* 8 April 1994] The commander of the troops in the region, Colonel Eddie Viljoen, said that the reinforcements had brought the total number of troops deployed in KwaZulu/Natal to more than 3 000. Hundreds of reservists were also being prepared for deployment to prevent further fighting between ANC and IFP supporters, and the flow of AK-47 machine guns into the province from Mozambique.[67] [67 Ibid]

Deployment of Troops in Bophuthatswana

Troops of the SADF were deployed in Mmabatho (.Bophuthatswana) in March 1994, following three days of continuous rioting, looting, burning and fighting, in which at least 60 people 'were killed and 300 injured. The minister of foreign affairs, Mr Roelof (Pik) Botha, said that the government had deployed SADF troops in Mmabatho also because of reports of the presence of heavily armed members of the Afrikaner Weerstandsbeweging (AWB) in the homeland.[68] [68 *The Star* 11 March 1994]

Although members of the Bophuthatswana Defence Force (BDF) and homeland residents had objected to the presence of the AWB forces, some 5 000 AWB members infiltrated Mmabatho and Mafikeng (at the apparent request of the president of Bophuthatswana, Mr Lucas Mangope). The chief of the BDF, Major General Jack Turner, said in March 1994 that AWB troops had fired at BDF troops at the Molopo

Military Base, although no one had been injured, and had also shot randomly in Mmabatho.[69] [69 *The Citizen* 12March 1994]

CRIME

Statistics and Trends

The Office for Serious Economic Offences (a body formed in 1992 to investigate serious cases of fraud) said in February 1994 that white-collar crime in South Africa had increased significantly and that the misappropriation of funds through fraud, foreign exchange control transgressions and security violations had more than doubled from R15,3bn in 1992 to an estimated R30,9bn in 1993.[70] [70 *Business Day* 17 February 1994] The director of the office, Mr Jan Swanepoel, said in the same month that the police had been unable to concentrate effectively on cases of white-collar crime because of the high incidence of violent crime.[71] [71 Ibid]

The head of exchange control at the South African Reserve Bank, Mr John Postmus, said in February 1994 that some people regarded fraud as a means of 'financial protection' in the wake of the political and economic situation. This predominantly white, middle-class reaction was due partly to the failure (until then) to include the Freedom Alliance in the electoral process (which could increase the levels of violence) and partly to fear of redistribution of wealth under a government led by the African National Congress (ANC).[72] [72 Ibid]

A spokesman for the South African Police (SAP), Major Louis le Roux, said in February 1994 that attacks on people in their homes across South Africa had increased by 69% between the periods November 1992-January 1993 and November 1993-January 1994, while the proportion of murders during these attacks had risen by 64%. In November 1993-January 1994, 804 people had been attacked and 176 people had been murdered in their homes in South Africa—compared to 555people attacked and 107 murdered in November 1992-January 1993.[73] [73 *The Star* 16 February 1994] Maj le Roux added that the figures did not include deaths from house-breakings or political violence.[74] [74 Ibid]

According to the Centre for the Analysis and Interpretation of Crime Information (CAICI) of the SAP, between January and June 1994, 307 people were murdered in their homes in South Africa, compared to 258 in the same period in 1993—an increase of 16 %.[75] [75 Fax communication from the Centre for the Analysis and Interpretation of Crime Information (CAICI), South African Police (SAP), 14 December 1994]

The following table gives a breakdown by region in South Africa of the number of murders of people in their homes which occurred between January and June in 1993 and 1994:[76] [76 Ibid]

Number of murders of people in their homes in South Africa: January-June 1993 and 1994

Number of murders

People under 49 years

People over 50 years

Region

1993

1994

1993

1994

Cape

Eastern Cape

1

4

22

3

Northern Cape

2

0

1

0

Western Cape

20

9

15

5

Natal

35

91

32

34

Orange Free State

4

2

8

7

Transvaal

Eastern Transvaal

10

12

10

13

Far nothern Transval

0

0

11

0

Northern Transval

5

9

10

5

Western Transvaal

2

0

5

0

Witwatersrand

36

78

29

35

Total

115

205

143

102

In February 1994 more than 300 police detectives participated in a countrywide crackdown on a major theft and fraud syndicate known as the 'Boere Mafia'. (According to police, the syndicate was known as the 'Boere Mafia' because some of the people involved were Afrikaans businesspeople.) Police arrested some 60 people in KwaZulu/Natal, the Orange Free State and the Transvaal, including the syndicate's alleged leader in KwaZulu/Natal, Mr Surrie Maharaj, and its alleged leaders in Johannesburg and Pretoria, Mr John Weichselbaumer and Mr Benjamin Mong, respectively. During the operation police recovered 22 stolen vehicles, a caravan and a large number of suspected forged identity documents. The suspects were arrested on the following charges which were estimated to involve between R120m and R150m:

• conspiracy to murder a state witness (Mr Maharaj allegedly attempted to pay police to murder a state witness, Mr Charl Daniel);

• vehicle and firearm theft;

• cheque, credit card and vehicle insurance fraud; and

• armed robbery.[77] [[77] *Business Day, The Citizen, The Star* 21, 22 February 1994; *Business Day* 23 February 1994]

The Pretoria magistrate's court heard in evidence in February 1994 that the syndicate was linked to international bank accounts and to a fraudulent Russian oil deal, vehicle thefts and fraud worth more than R250m. The syndicate was also associated with an Irish businessman, Mr Leslie Alan, wanted by the SAP for fraud. The case was continuing at the tim

An SAP spokesman, Major General Wouter Grové, said that in 1993, more than 90 000 vehicles, valued at R3bn, had been hijacked or stolen in South Africa—compared to 83 000 valued at R2,lbn in 1992 (an increase of 8,4%).[79] [[79] *Business Day* 16 March 1994,*The Star* 20 July 1994]

A former SAP officer and employee of Truck Fidelity (a company specialising in the research and combating of motor vehicle hijackings), Brigadier Willie Wentzel, said in February 1994 that 701 trucks, valued at more than R140m, had been hijacked in South Africa in 1993—an increase of 20%

over 1992, when 586 trucks worth about R117m had been hijacked. Brig Wentzel said that more than 900 trucks with an estimated value of Rl80m were expected to be hijacked in 1994.[80] [80 *The Citizen* 14 February 1994]

The attorney general of file Witwatersrand, Mr Klaus yon Lieres und Wilkau, said in his annual report in August 1994 that economic crime in the Witwatersrand had increased by 50% between 1992 and 1993. About 30% of his staff had been involved exclusively in dealing with commercial crime, Mr yon Lieres said. He added that in 1993 his fraud *investigation* unit (which comprised nine prosecutors and 18 investigators) had disposed of 1 *500* cases, with a success rate of 44%. Tile disposal of commercial cases had been slow because white-collar offenders tended to jump bail while their cases were being investigated, Mr yon Lieres said.[81] [81 *Business Day* 23 August 1994]

The attorney general of the Western Cape, Mr Frank Kaita, said in the same month that there had been a 'tremendous' rise in the number of high profile commercial cases handled by his office, and that white-collar crime had not only become more serious but also more sophisticated.[82] [82 Ibid]

An SAP spokesman, Warrant Officer Andy Pieke, said in July 1994 that some 25 cars were taken by force each day on the Witwatersrand alone. According to the CAICI of the SAP, 4 053 cars had been hijacked on the Witwatersrand (which has the highest incidence of car hijackings in South Africa) between January and June 1994, compared to 2 408 in the same period in 1993 (an increase of 41%). Between January and June 1994, 4 990 cars had been hijacked in South Africa, compared to 3 055 in the same period in 1993 (an increase of 39%).[83] [83 *Sowetan* 27 June 1994; *The Star* 20 July 1994; fax communication from the CAICI, SAP,14 December 1994]

The head of the vehicle theft investigation unit of the SAP in Sandton (near Johannesburg), Captain Dolph Jonker, said in July 1994 that at least 90% of vehicle hijackings had been carried out by crime syndicates. WO Pieke said in the same month that the high incidence of vehicle hijackings could be related to the large number of illegal weapons available in South Africa.[84] [84 *The Star* 2O July 1994]

The police said in August 1994 that 7 763 people had been shot dead in 1993, compared with 6 122 in 1992—an increase of 27%. In addition, police had investigated 503 cases of illegal gun supplying in 1993, compared with 154 in 1992. In the first seven months of 1994, 49 on-duty and 99 off-duty police officers were murdered in South Africa, most of them shot, the police said.[85] [85 Ibid 3 August 1994]

A spokesman for the SAP in the Witwatersrand, Colonel Dave Bruce, said that in 1993, 277 police officials had been murdered in South Africa—compared to 67 in 1987 (an increase of 313%). Furthermore, 67 police officials had been murdered in the country in July 1994 alone, most deaths occurring on the Witwatersrand, Col Bruce said.[86] [86 *Business Day, The Citizen* 24 August 1994]

A spokesman for the firearm investigation unit of the SAP, Colonel Hennie van der Merwe, said in the same month that gun-running, because of its profitability, was largely a product of socio-economic strife

and political upheaval in South Africa and Mozambique—from where most illegal arms were smuggled into South Africa (see also *Arms smuggling and caches* below).[87] [87 Ibid]

WO Pieke said in August 1994 that 2 374 people had been arrested for car theft and car hijackings in Johannesburg since April 1994. Some 14 039 people had been arrested for serious crimes (including car hijackings, child abuse, the killing of police, muggings, rapes and robberies) in the region in July 1994—compared with 7 567 in April. The number of arrests had increased because there had been more crime—not better policing, WO Pieke said.[88] [88 *The Star* 9 August 1994]

Also in August 1994, the minister for safety and security, Mr Sydney Mufamadi, said that armed robberies had increased by 97 % and murders by 48% in the country since 1989.[89] [89 *The Citizen* 23 August 1994]

Legislation

No legislation regarding crime had been tabled at the time of writing.

Other Government Initiatives

In December 1993 the minister of law and order, Mr Hernus Kriel, said in Parliament that the government had instituted steps to combat the flow of illegal arms into South Africa. These included the creation of 29 weapons inspection units countrywide and of intelligence networks; co-operation with the Mozambican, Namibian and Swazi police concerning smuggling; and intensification of the searching of vehicles and people at border posts,[90] [90 Ibid 9 December 1993]

In January 1994 the attorney general of the Witwatersrand, Mr Klaus von Lieres und Wilkau, said that a 21-member fraud squad, the ‘fraud-busters’, which had been established in June 1992 in the office of the attorney general of the Witwatersrand to fight escalating economic crime, could become a permanent unit because of its success. (According to an initial agreement between the Department of Justice and the police, the squad’s existence would be reconsidered annually.) The squad consisted of advocates and prosecutors as well as detectives from the fraud branch of the South African Police (SAP).[91] [91 *Financial Mail* 21 January 1994]

Mr von Lieres, who had initiated the establishment of the fraud squad, said in January 1994 that the squad had been formed to reduce the backlog of cases under investigation by the five police fraud branches on the Witwatersrand (fraud branch detectives usually faced between 70 and 100 dockets at a time). On average the ratio in the Pretoria-Witwatersrand-Vereeniging (PWV) area was 128 police officers per 100 000 people, compared to 250 per 100 000 in other areas of South Africa. Mr von Lieres added that he had asked authorities in the Department of Justice to amend the law so that assets suspected of having been obtained by criminals could be frozen.[92] [92 Ibid]

The leader of the squad and a senior state advocate, Mr Flip Stander, said in January 1994 that between June 1992 and December 1993, 3 337 dossiers had been registered with his unit and that investigations into 2 379 cases—involving alleged fraud of R71,1m—had been completed. According to Mr Stander, the investigations had resulted in 202 convictions, 546 warrants of arrest and, in 302 cases, suspects had been identified, but not tracked down because of false identity documents or addresses. The squad had recorded a success rate of 44% in terms of court-ready investigations.[93] [93 Ibid]

In May 1994 the MEC for public safety and security in the PWV province, Ms Jessie Duarte, said that discussions on measures to tighten gun control would be held with the PWV chairman of the South African Gun Association, Mr Johann Vermeulen. Ms Duarte said that the PWV government wanted to reduce the number of illegal weapons and restrict ownership of weapons by individuals.[94] [94 *Sunday Times* 29 May 1994]

In the same month the SAP announced that as from 1 July 1994 gun-licence holders who failed to lock away their weapons in places of safety would be guilty of a criminal offence. Furthermore, gun owners had to notify the local commissioner of police within 30 days if they changed their address.[95] [95 Ibid]

In July 1994 the new president of South Africa, Mr Nelson Mandela, signed a co-operation agreement with the president of Mozambique, Mr Joachim Chissano, covering, among other things, a joint security scheme. In terms of the scheme a joint security committee comprising Mozambican and South African defence and security officials would be set up to investigate arms and drug smuggling, cross-border cattle theft, illegal immigration and kidnapping. Mozambican and South African security forces would jointly ensure border security.[96] [96 *Business Day, The Citizen* 21 July 1994]

The security committee was set up later in July 1994 at a meeting in Nelspruit (Eastern Transvaal). Two technical advisory committees were also formed:

• a committee on policing to deal with weapons smuggling and stock theft; and

• a committee on defence to investigate border security.[97] [97 *Business Day* 26 July 1994]

In August 1994 the ANC in the PWV formulated a plan to combat crime in the province. The plan proposed close co-operation between communities and police and the involvement of the business sector, churches, shebeens and taxi associations. The deputy chairman of the standing committee on public safety and security in the PWV, Mr Obed Bapela, said that anti-crime forums would be established in conjunction with community policing forums comprising members of the community and the police. The forums would conduct joint patrols, searches, road blocks, and crime investigations in residential areas, townships and cities. Communities would be encouraged to give information on crime-related activities, Mr Bapela said.[98] [98 *The Citizen* 5 August 1994] The plan was implemented in October 1994 but had to be discontinued because members of the ANC involved in carrying out the plan were

being intimidated,[99] [[99] Telephonic interview with Mr Obed Bapela, deputy chairman of the Pretoria-Witwatersrand-Vereeniging standing committee on public safety and security, 13 December 1994]

Ms Duarte said in August 1994 that a council would be formed in the PWV to co-ordinate anti-crime activities in the province. Political parties would be invited to serve on the council, Ms Duarte said.[100] [[100] *The Citizen* 24 August 1994]

In the same month the ANC in the PWV objected to a statement by the minister for safety and security, Mr Sydney Mufamadi, that no amendments would be made to the current legislation pertaining to the licensing of legal weapons. Mr Bapela said that the clause allowing citizens to acquire licences for up to 12 firearms should be repealed, while the clause allowing for anyone who was 'competent' to obtain a gun licence was too broad. Stricter measures had to be enforced to control the proliferation of illegal weapons. Mr Bapela said in December 1994 that the ANC was drafting proposals on gun control and would present these to Parliament in January 1995.[101] [[101] Ibid 5 August 1994; telephonic interview with Mr O Bapela, 13 December 1994]

In August 1994 a spokesman for the Department for Safety and Security, Mr Craig Kotze, said that the department had set up a 'troubleshooting' team, the Interim Board of Commissioners, to investigate measures to combat crime, following talks between Mr Mufamadi, Mr Mandela, and the minister of justice, Mr Dullah Omar.[102] [[102] *The Star* 9 August 1994]

In the same month the premier of the Orange Free State, Mr Patrick Lekota, said that he would ask the central government to allow police to make direct appeals for assistance to the South African National Defence Force (SANDF).[103] [[103] Ibid] In August 1994 Mr Mandela said that police could request the assistance of the SANDF if this was necessary for the maintenance of national peace and order, and if the manpower and means were available.[104] [[104] Telephonic interview with a representative of the SAP, 12 December 1994]

The new minister of foreign affairs, Mr Alfred Nzo, said in August 1994 that South Africa, which was a signatory to all other multilateral treaties dealing with drug trafficking, would accede to the 1988 Convention Against Illicit Trafficking in Narcotic Drugs and Psychotropic Substances which dealt with co-operation among countries in the area of policing. Talks had been planned with Asian and Latin American countries to increase co-operation regarding the combating of drug trafficking, while drug enforcement agreements were being negotiated with Argentina, Brazil, Chile and Mexico (see also *Drug smuggling* below).[105] [[105] *Business Day*, *The Citizen* 12 August 1994]

Mr Mufamadi said in August 1994 that police manpower would be increased by 40% in high-crime areas in South Africa, while internal stability units (ISUs) and special task force members would be deployed in 'flashpoint areas'—such as the townships in the Eastern Cape, KwaZulu/Natal, the PWV and the Western Cape—to combat rising levels of crime. (The ISUs would escort police investigators to such areas since in the PWV, for example, 80% of police stations were in white .areas, one police

detective being responsible for between 60 and 70 cases at a time.) Mr Mufamadi said that the directive followed consultations with provincial MECs and the commissioners from South Africa's 11 police agencies. Other measures announced by Mr Mufamadi included:

• the launch of a national campaign to mobilise the public in actively preventing crime;

• the declaration of a national day of safety and security (still to be proposed to the cabinet) to stimulate community involvement in combating crime and violence;

• the circulation of lists and photographs of crime suspects, and those who had jumped bail, among communities, who would be asked to play an active role in their arrests;

• discussions with the Department of Justice about the granting of bail. Between February 1994 and August 1994, 10 353 of the 61 303 bail recipients (17 %) had jumped bail;

• the supplementing of manpower at under-resourced police stations in flashpoint areas to increase their effectiveness;

• the setting up of additional contact points and mobile police stations in flashpoint areas to improve accessibility;

• the tightening of border controls to curb the influx of illegal immigrants who were believed to be smuggling firearms into South Africa; and

• the focusing of available technology, such as police helicopter video units, on flashpoint areas.[106] [[106] *Business Day, The Citizen* 23 August 1994]

Also in August 1994, the new minister for welfare and population development, Mr Abe Williams, said that an additional Rlm would be allocated to a drug prevention campaign in South Africa which would concentrate on mobilising community and business support in fighting drug abuse. The fund would be in addition to R37m already spent on social services including those dealing with drug abuse and dependency. A drug advisory board comprising representatives of the police and the medical profession would also be set up to deal with the problem of drug dependency, Mr Williams said (see also *Drug smuggling* below).[107] [[107] *The Citizen* 20 August 1994]

Alternative Proposals

In October 1993 a report of a committee of the Commission of Inquiry Regarding the Prevention of Public .Violence and Intimidation(the Gold-stone commission)—set up to hear evidence on ways of curbing the illegal importing of weapons and their use in political violence—said that violence in South

Africa could reach critical proportions unless drastic measures were taken to curb the inflow of AK-47 machine guns from Mozambique. The report said that new legislation to control gun-running was not necessary but that sections of existing laws which had not yet been implemented should come into force as soon as possible. The Arms and Ammunition Act of 1969 should be amended to make it compulsory for anyone possessing a firearm to produce a licence on demand.

In February 1994 the president of the African National Congress (ANC), Mr Nelson Mandela, said that an ANC government would stress community policing, or 'consensus policing', as the most viable form of policing by a restructured police force. The focus would be on preventive and proactive policing. The ANC would implement training programmes to ensure that communities and police combated crime. Mr Mandela said that police should be accountable to 'local priorities and needs' and visible in the communities they served.[108] [[108] *The Star* 1 February 1994]

A committee set up by the Goldstone commission to investigate the effects of public violence on children proposed in August 1994 that mass educational campaigns, family programmes, school-based programmes and a mass youth employment initiative be created to reduce public violence and help its victims. It also proposed that a national committee be set up to monitor and address the effects of violence on children. The report of the committee said that South Africa had become a 'child-abusing' society. Violence had come to be expected, the report said.[109] [[109] Ibid 10 August 1994]

In August 1994 a project was initiated by the Johannesburg Chamber of Commerce and Industry to help curb the crime rate in the central business district (CBD) of Johannesburg. The public safety task group co-ordinator of the Central Johannesburg Partnership (CJP) (which was involved in this initiative), Mr Tony Peepal, said that patrols consisting of members of the CJP and Business Watch (a police unit) in the CBD had helped reduce the mugging rate by some 80%. The service which cost about R100 000 a month was paid for by businesses in the area, Mr Peepal said.[110] [[110] Ibid 12 August 1994]

Another project, initiated by residents of Gallo Manor (Sandton, near Johannesburg) in 1991, involved the formation of Sandton Superblock, a non-profit company and the country's first police station to be funded by the community. At the time of writing, residents had raised more than Rim with which they had built a police station and bought five police vehicles fitted with police equipment. The state paid only the police officers' salaries and the full-time staff were assisted regularly by 25 resident police reservists. The public relations officer of Sandton Superblock, Mr Stephen Margo, said in August 1994 that since the project's inception, crime had dropped by some 90% and the area had one of the lowest rates of car hijackings in the country.[111] [[111] Ibid]

In August 1994, in the first of a series of national crime combating initiatives, the South African Police (SAP), together with members of other policing agencies, the South African National Defence Force, traffic police and police reservists (a total of 18 000 security force members) arrested some 1 742 people and recovered stolen property to the value of R10m in a one-day operation. The SAP said that it would continue with similar operations until the level of crime in South Africa had been significantly

reduced.[112] [[112] *The Citizen* 29 August 1994]

Arms Smuggling and Caches

In January 1994 the South African Police (SAP) established a firearm investigation unit to combat the illegal possession and smuggling of firearms, particularly in the east Rand townships of Kathlehong, Tokoza and Vosloorus. By the end of January more than 230 illegal firearms had been confiscated. A spokesman for the SAP; Lieutenant Willie Brand, said that the arms had entered South Africa mostly from neighbouring states, including Botswana, Lesotho, Swaziland, Zambia and Zimbabwe.[113] [[113] *The Star* 1 February 1994]

Police said in August 1994 that cases of gun smuggling had increased by 227% between 1992 and 1993—from 154 cases in 1992 to 503 cases in 1993. Some 7 763 people had been shot dead in 1993, compared to 6 122 in 1992—an increase of 27 %.[114] [[114] Ibid 3 August 1994]

The following table shows the increase in the number of weapons seized in South Africa by the police between 1992 and 1993:[115] [[115] Ibid]

Number of weapons seized by the police in South Africa: 1992 and 1993

Number of weapons seized

Inc*Type of weapon*

1992

1993

AK-47 machine guns

891

1386

56%

Makarov pistols

136

174

28%

Tokarev pistols

24

77

221%

Other pistols

2 335

4 327

85%

Home-made firearms

1 417

1 994

41%

Hand grenades

381

230

(40%)

Mortars

5

326

624%

Mini limpet mines

46

3

(93%)

RPG7 projectiles

14

79

464%

Total

5 249

8 596

64%

The proportion of AK-47 machine guns recovered by the police between 1992 and 1993 increased by 56%, while that of pistols increased by 85%. The total number of weapons seized by police in the same period increased by 64%.[116] [116 Ibid]

In August 1994 a spokesman for the SAP, Warrant Officer Andy Pieke, said that at least 1 300 firearms, including 153 AK-47 machine guns, had been seized in Johannesburg since April 1994. During the same period 736 people had been arrested for possession of unlicensed firearms in the region.[117] [117 Ibid 9 August 1994]

The head of the firearm investigation unit of the SAP, Colonel Hennie van der Merwe, said in August 1994 that police had been confiscating an increasing number of illegal firearms every year, but were ‘nowhere near’ solving the problem, as they seized on average only 10% of the arms in circulation. Col van der Merwe said that there had been evidence of two gun-smuggling routes:

• from Mozambique through the Eastern Transvaal to the Pretoria-Witwatersrand-Vereeniging province, where most weapons had ended up in the strife-torn townships of the east Rand and had then been transported to KwaZulu/Natal; and

• from Mozambique through Swaziland to KwaZulu/Natal.

However, Col van der Merwe said that police did not know how many guns had entered the country.[118] [[118] Ibid 3 August 1994]

Drug Smuggling

A spokesman for the South African Police (SAP), Major General Wouter Grové, said in May. 1994 that more than 100 drug syndicates were operatingin South Africa and were being assisted by political instability, unemployment and insufficient border control.[119] [[119] *Business Day* 26 May 1999] The country was not only a transit destination for drugs to Europe, but was also rapidly developing into an important drug market itself. Drugs available on the South African market included cocaine, heroin, LSD and mandrax. Cocaine smuggling in particular was very profitable as it had a street value of between R200 and R400 a gram. Well-established smuggling networks in southern Africa and worldwide were also often used for cars, drugs, gemstones, ivory and weapons, Gen Grové said.[120] [[120] Ibid]

According to Gen Grové, drug syndicates operating in South Africa exchanged mandrax for stolen vehicles and vehicle spare parts from South Africa. Heroin smugglers from southeast and southwest Asia as well as mandrax syndicates from India had recently expanded their operations to South Africa via East and North Africa, while Colombian cocaine smuggling druglords had moved their operations to Nigeria from where they had started focusing on the South African market. Police in South Africa did not have the manpower or resources to deal with the increasing number of drug syndicates. Gen Grové said that all organisations involved in the prevention of drug abuse would have to start co-operating to combat the problem.[121] [[121] Ibid]

The national executive director of the South African National Council on Alcoholism and Drug Dependence, Dr Chris van der Burgh, said in May 1994 that despite the large quantities of drags seized by police in the preceding months, police had only confiscated ‘the tip of the iceberg’. Drug abuse in the country was reaching ‘alarming proportions’; however, prevention campaigns could not be undertaken as no funding was available. Dagga was cheap and easily available in both urban and rural areas, because it was cultivated in the country. For these reasons and because dagga had a high potency, it was a very popular drug, Dr van der Burgh said.[122] [[122] *The Citizen* 19 May 1994]

According to the narcotics bureau of the SAP, international drug smugglers operating in South Africa were increasingly being assisted by local and African (particularly Nigerian) couriers.[123] [[123] *Business Day* 6

May 1994, *The Citizen* 8 June 1994] A spokesman for the narcotics division at Jan Smuts Airport (Johannesburg), Lieutenant Colonel Stephanus Smith, said in June 1994 that South Africa's re-entry into the international community—accompanied by new international air links and increased trade and border traffic—had encouraged international drug barons looking for new markets.[124] [[124] *The Citizen* 8 June 1994]

According to police statistics released in June 1994, 77,5kg of cocaine had been confiscated by police in 1993—an increase of 605 % over 1992, when 11kg had been seized. Police said that the amount of heroin confiscated had risen from 1,3kg in 1992 to 1,8kg in 1993 (an increase of 38%), while that of dagga had risen from 253,7kg in 1992 to 841,4kg in 1993 (an increase of 232%). Arrests linked to drug dealing had risen from 2 509 in 1992 to 3 588 in 1993—an increase ,of 43%, according to police.[125] [[125] Ibid] Between July 1993 and July 1994 arrest rates for the trafficking of cocaine and mandrax in South Africa had increased by 118,5 % and 39,4% respectively.[126] [[126] *Business Day* 4 August 1994]

In June 1994 the convenor of the Drug Wise Counsellor campaign, Mr David Bayever, said that the level of drug abuse in South Africa was comparable to those of the United States and Holland, which had the worst drug problems in the world.[127] [[127] *The Citizen* 20 June 1994]

In August 1994 the new deputy minister of foreign affairs, Mr Aziz Pahad, said that South Africa had been identified as 'the main source for the transit of hard drugs [cocaine, heroin and mandrax from Asia to Europe and North America'. Southern Africa was becoming one of the most important areas of operation for international drug syndicates, indicated by the fact that in 1993 drags valued at some R1,2bn had been seized in South Africa, Mr Pahad said. However, according to police, this was only about 10 %-15 % of the drug traffic in the country.[128] [[128] Fax communication from the Department of Foreign Affairs, 8 August 1994; *Business Day, The Star* 4 August 1994]

In August *1994*, in the biggest drug recovery yet in Johannesburg, police arrested five Nigerians in connection with the possession of 13, lkg of cocaine worth R5m. According to an SAP spokesman, the recovery brought the total amount of cocaine confiscated on the Witwatersrand in 1994 to 50kg—more than three times the amount confiscated in the region in 1993. The Nigerians were believed to be part of a major drug syndicate operating in South Africa. (In August *1994* there were 120 known drug syndicates operating in the country.)[129] [[129] *The Citizen* 26 August 1994]

POLICE MATTERS

Legislation

In terms of the Police Second Amendment Act, passed in October 1993, the Police Act of 1958 was amended to regulate matters concerning labour relations in the South African Police, such as the resolution of disputes, and the rights of members regarding conditions of service, salaries and other

benefits.[130] [130 *Police Second Amendment Bill* ,September 1993]

Retraining and Restructuring of the Police Force

In April 1994 the South African Police (SAP) announced that plans for reconstituting the 'police force along federal lines' were being finalised (see also 1993/94 Survey, pp30, 302). The restructured police force, to be known as the South African Police Service, would operate on a two-tier system which would grant wide powers to provincial commissioners.[131] [131 *The Argus* 8 April 1994]

In terms of an agreement drawn up by a technical committee and accepted by the negotiating council in 1993, the nine provincial police commissioners would be appointed by the national police commissioner in consultation with the provincial MECs for safety and security. Public order policing—including normal detective, branch and internal stability unit functions—would fall under the command of the provincial commissioners.[132] [132 Ibid]

The minister for safety and security, Mr Sydney Mufamadi, said in May 1994 that the police force would be transformed into 'a user-friendly service' and that it was important that the top structures of the service were racially and sexually representative of the country's population.[133] [133 *The Star* 26 May 1994]

Mr Mufamadi said that plans for a demilitarised national and provincial police service included the following:

• an objective and carefully managed integration of the ten former homeland police forces with the SAP;

• a national crime-prevention programme developed in conjunction with organisations in civil society;

• more speedy and thorough investigation of crime and violence by the police;

• reforms in other sectors of the judicial system such as courts and prisons. In this regard, police co-operation with the departments of justice, correctional services, and welfare and population development would take place;

• the national and regional restructuring of police forces;

• the implementation of a new ranking system without military symbols and terminology; and

• police leadership would no longer be centred in Pretoria. Senior officers would be appointed to the nine provinces to manage community policing.[134] [134 *Eastern Province Herald, The Natal Mercury, The Star* 26 May 1994;*Financial Mail* 3 June 1994]

Mr Mufamadi added that the community would need to co-operate with both the government and the police if the transformation was to succeed. He emphasised that community participation would be decisive in making South Africa a safer and more secure country.[135] [135 *The Star* 26 May 1994]

However, according to an adviser to the Department for Safety and Security, Mr Peter Gastrow, the restructuring of the police service (including the amalgamation of the 11 policing agencies, the implementation of affirmative-action programmes, and the appointment of a national police commissioner and nine provincial commissioners) had been delayed as legislation being drawn up by an interim advisory team appointed by Mr Mufamadi had not been presented to Parliament.[136] [136 *Business Day* 17 June 1994, *Weekly Mail and Guardian* 1 July 1994] Mr Gastrow said in June 1994 that until the implementation of the police act, the SAP and the ten police forces of the former homelands would continue to operate separately.[137] [137 *Business Day* 17 June 1994] By November restructuring of the police force had started.

In July 1994 a discussion document containing proposals for a police bill was published for comment: According to the document, policing would be divided on a regional and national basis. The national police commissioner would be appointed by the president and, together with provincial commissioners, would serve a five-year term. The national commissioner would establish a national public order policing unit which would be sent to any part of the country where law and order needed to be restored. National policing would be responsible for specialised tasks, including the combating of organised crime and the illegal sale of diamonds or precious metals, the protection of endangered species and the investigation of international crimes.[138] [138 *Finance Week* 4 August 1994]

A national policing foundation would be set up to conduct research into and improve policing, while a national police training board would keep South Africa in line with international trends. Provincial commissioners would be able to promote officers in their regions up to the rank of lieutenant colonel and would be responsible for crime control on a daily basis. A community police forum would be set up at each police station together with members of the community served by that station. A non-partisan independent complaints directorate would investigate complaints against police officers. According to the document, police officers would not have the right to strike.[139] [139 Ibid]

The deputy chairman of the standing committee on public safety and security in the Pretoria-Witwatersrand-Vereeniging province, Mr Obed Bapela, said in December 1994 that the police bill would be published for comment in January 1995, and that the target date for the enactment of legislation was March 1995. If the bill had not been enacted by March, the date for its enactment would be extended to July 1995, Mr Bapela added.[140] [140 Telephonic interview with Mr O Bapela, 13 December 1994]

In August 1994 the commissioner of the SAP, General Johan van der Merwe, said that the amalgamation of the SAP and the police forces of the former homelands would cost R1,3bn. He told the parliamentary

standing committee on finance that 76,3% of the police budget went to salaries and that additional funds would have to be made available for the amalgamation of the various police forces.[141] [141 *Business Day* 10 August 1994]

The deputy commissioner of the SAP, General Johan Swart, said in the same month that there were no plans to enlist more personnel, but that the SAP was investigating the possibility of enlisting the self-defence and self-protection units as reservists. Gen Swart added that the SAP was considering remuneration to persuade police reservists (numbering some 90 600) to work longer hours so as to make the police more visible.[142] [142 Ibid]

Mr Mufamadi said in August 1994 that 2 000 police recruits from all over South Africa would undergo a special pilot training programme to produce constables who could perform the tasks of community policing adequately. The programme would emphasise the importance of human rights in police work. The project, devised by international advisers, had been approved by the Police Board (set up to co-ordinate the transition process in the police force) in November 1993, It would have a civilian rather than a military focus and would emphasise the practical skills of police work. Basic training would be extended from six months to one year.[143] [143 *The Star* 11 August 1994]

Mr Mufamadi added that he would soon amend police regulations on recruitment and training as he was concerned that some of these conflicted with constitutional provisions on equality, for example equal opportunities for policewomen at higher levels in the force.[144] [144 Ibid]

Inquiries into Police Misconduct

In January 1994 an inquest was set up by the attorney general of the Witwatersrand, Mr Klaus von Lieres und Wilkau, into the death of Mr Ismael Moloane—a bodyguard of the deputy president of the African National Congress (ANC), Mr Walter Sisulu—who had died after a high-speed car chase and shootout with the occupants of a South African Police (SAP) vehicle in July 1993. A judge of the Rand Supreme Court, Mr Justice M Stegmann, who was presiding at the inquest hearing, found in February 1994 that two policemen—Lance Sergeant Allan Kruger and Constable Stephanus van Rensburg—had been responsible for Mr Moloane's death because of behaviour amounting to culpable homicide. Judge Stegmann added that the two policemen had given false evidence and had conspired to mislead the court. (Sgt Kruger had asked a colleague, Sergeant David Mills, to make a false statement that he had seen a blue light flashing on Sgt Kruger's police vehicle which had been pursuing the car Of the ANC bodyguards on the Soweto highway. The ANC bodyguards had admitted to firing warning shots at the vehicle because, they maintained, they had feared an attack on Mr Sisulu's life.)[145] [145 *Business Day* 27 January 1994,8 February 1994;*The Citizen* 27, 28 January 1994, 1 February 1994;*The Star* 28 January 1994,21 February 1994]

Mr von Lieres said in the same month that his office would examine the inquest's findings and decide whether or not the two policemen should be prosecuted.[146] [146 *Business Day* 27 January 1994,8 February 1994;*The*

Citizen 27, 28 January 1994, 1 February 1994;*The Star* 28 January 1994,21 February 1994] In August 1994 the policemen appeared in the Johannesburg regional magistrate's court on charges of culpable homicide and perjury. The case was continuing at the time of writing.[147] [[147] Telephonic interview with the office of the attorney general, 18 August 1994;*The Citizen* 20 August 1994]

A committee appointed by the minister of law and order, Mr Hernus Kriel, in 1993 and headed by Mr Justice A P Burger, found in March 1994 that the police could not be held responsible for dereliction of duty during the raid on the World Trade Centre at Kempton Park (east Rand) by right-wing whites in June 1993. Its findings directly contradicted those of the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation (the Goldstone commission) which had said in July 1993 that the police had been guilty of dereliction of duty during the raid (see also 1993/94 Survey, p29).[148] [[148] *Business Day* 3 March 1994]

In April 1994 a report of the Transitional Executive Council (TEC) confirmed the existence of hit squads in the KwaZulu Police (KZP) and named 16 KZP officers accused of hit-squad complicity. (The TEC had established a task force to investigate hit-squad activities in the KZP following the findings of a subcommittee of the Goldstone commission set up to investigate the KZP in 1993. In March 1994 the report of the subcommittee had said that officials of the Inkatha Freedom Party (IFP) had given a KZP member a gun with which to kill ANC members.) The TEC report recommended a thorough probe into the activities of the 16 accused officers and the immediate suspension of seven of the officers, including the acting commissioner of the KZP, Major General Sipho Mathe.[149] [[149] Ibid 1 July 1994;*The Citizen, The Star* 27 July 1994]

A subsequent TEC report in July 1994 alleged that as many as 5 000 Zulus had been trained illegally at a camp at Mlaba (KwaZulu/Natal) to become 'soldiers for the Inkatha Freedom Party' and that the KZP's decision to convert the trainees to KZP special constables had to be 'closely scrutinised'. The president of the IFP, Chief Mangosuthu Buthelezi, confirmed the existence of the camp but denied the report's claim that the training of this force was illegal in terms of the Self-Governing Territories Constitution Act of 1971 (which prohibited the establishment of military units), saying he had discussed the Creation of self-protection units with the commissioner of the SAP, General Johan van der Merwe.[150] [[150] *Business Day* 1 July 1994;*The Citizen, The Star* 27 July 1994] Subsequently, the KwaZulu administration's refusal to recognise the TEC hindered the further collection of information and evidence.[151] [[151] *The Citizen, The Star* 27 July1994]

In July 1994, following his unofficial resignation from the force, the commissioner of the KZP, Lieutenant General Roy During (he resigned officially in December 1994), called for a more thorough investigation into hit-squad activities in the KZP, including allegations that at least one hit squad had operated from within the KZP during 1992 and 1993. Evidence of hit squads murdering members of the ANC suggested 'a campaign being waged by another political party' and instructions being given from a higher level, Lt Gert During said. In the same month a KZP station commander and one of 16 KZP officers accused of complicity in hit-squad activity, Major Owen Zama, was suspended from the

force.[152] [[152] *Business Day* 26 July 1994;*The Citizen, The Star* 27 July 1994;*Weekly Mail and Guardian* 29 July 1994]

In August 1994 the minister for safety and security, Mr Sydney Mufamadi, ordered an inquiry into the allegations of hit squads in the KZP. The team conducting the inquiry would comprise senior police officers and legal investigators assisted by an international expert. Mr Mufamadi added that a witness protection programme might be established for the probe.[153] [[153] *The Citizen* 11 August 1994;*The Star* 11, 12 August 1994] The investigation was still being conducted at the time of writing.

Chief Buthelezi said in August 1994 that Umkhonto we Sizwe, the former military wing of the ANC, should also be investigated for the presence of hit squads which had killed IFP supporters.[154] [[154] *The Citizen* 22 August 1994]

The MEC for public safety and security in the PWV, Ms Jessie Duarte, said in June 1994 that a commission of inquiry should be set up to investigate allegations of police torture at the murder and robbery squad at Vanderbijlpark Police Station (Vaal Triangle). Ms Duarte told the PWV legislature's standing committee on public safety and security that the inquiry was necessary because the police officer for the Witwatersrand, Mr Jan Munnik, who was investigating the allegations of torture, had received little co-operation from the police commissioner at the division under investigation. Ms Duarte said that the committee should make recommendations on the inquiry's terms of reference after hearing evidence from Mr Munnik and the Independent Board of Inquiry and after discussions with Mr Mufamadi.[155] [[155] Ibid 15 June 1994, 21 July 1994; *Business Day* 27 July 1994]

The chairman of the PWV standing committee on public safety and security, Mr Peter Leon, said that action should be taken against the SAP officers who had refused m co-operate with the investigation. Mr Munnik told the committee that some 100 complaints of police misconduct in the Vaal Triangle were being investigated. Of these 70 related to the findings of the Dutch Violence Observation Mission (see below) and 50 complainants were found to have received electric shocks. Approximately 70% of those complaints had been directed at the murder and robbery squad of the Vanderbijlpark Police Station. There had been isolated complaints against police members at other police stations as well as against the internal stability unit and the unrest and violent crime investigation unit. A further 100 cases were being dealt with by attorneys who had been instructed to pursue civil claims for damages for torture and assault. These would be brought within the ambit of the official investigation. Mr Munnik said that he had received 390.complaints of police misconduct, and, while some had proven false, incidents of police torture were much more common than perceived. The complaints had included 202 allegations of assault, 86 of torture, 33 of murder and 21 of attempted murder. Mr Munnik added that although torture was not official police policy, certain police officers had been singled out as responsible for such tortures.[156] [[156] *Business Day, Sowetan, The Citizen, The Star* 27 July 1994]

In July 1994 Gen van der Merwe said that investigations into allegations of torture involving SAP members in the Witwatersrand would be supervised by the attorney general of the Witwatersrand, Mr Klaus von Lieres und Wilkau. Mr Munnik and the Independent Board of Inquiry objected to Gen van

der Merwe's decision. The board of inquiry said that this was a clear breach of the *National Peace Accord,* which specified that complaints of police misconduct should be probed by the complaints investigation unit established under the accord. The board added that there was ongoing systematic abuse by police in the Vaal Triangle and that it was aware of at least 70 electric shock torture cases since the beginning of 1994.[157] [157 *The Citizen* 4 July 1994]

Gen van der Merwe's decision had followed the publication of a report by the Dutch Violence Observation Mission which had conducted an inquiry into allegations of torture by members of the police in the Vaal Triangle between February and May 1994. (The mission had included members of the Dutch police force, lawyers and members of the anti-apartheid movement and was funded by the Dutch government and a development organisation in Holland. The report entitled *Shocking Morals* had been broadcast by the South African Broadcasting Corporation in July 1994.) Following a raid on the Flora Gardens Police Station in Vanderbijl-park in May 1994, members of the mission claimed to have discovered a torture apparatus at the station's unrest and violent crime investigation unit.[158] [158 *Weekly Mail and Guardian* 13 May 1994] Subsequently, the report of the mission accused the police of, among other things, assaulting and giving electric shocks to detainees, and referred specifically to the De Deur, Klip River, Meyerton and Vereeniging police stations (all in the Vaal Triangle).[159] [159 *The Citizen, Weekend Star* 2 July 1994;*The Citizen* 21 July 1994]

In the same month Gen van der Merwe called on members of the police force to mm in colleagues who tortured and assaulted people in custody. He added that a permanent independent board of inquiry should be set up to investigate police misconduct, to free police from the burden of investigating it themselves.[160] [160 *Sunday Times* 10 July 1994] Also in July 1994, Gen van der Merwe said that investigations into allegations of police misconduct in the Vaal Triangle would be intensified with the addition of seven men to the three-man investigating team. The team would consist of SAP officers who were 'acceptable' to the community, investigators from international police agencies and community members nominated by file office of Mr Munnik.[161] [161 *The Citizen* 21 July 1994]

Mr Munnik said in July 1994 that the official investigation should culminate in a fullscale commission of inquiry which should take into account accumulated evidence rather than isolated cases of police misconduct so as to allow for successful prosecution.[162] [162 *The Star* 27 July 1994] In January 1995 Mr Munnik presented a report to Ms Duarte, in which he named four Vaal Triangle police officers accused of torture. Ms Duarte requested that Mr Mufamadi suspend the officers from the force. The four officers would stand trial on charges of murder and assault in March 1995, Ms Duarte said.[163] [163 *The Citizen* 13 January 1995]

In January 1994 detectives of the SAP were investigating allegations that members of the SAP vehicle theft unit, including officers, had been involved in several car theft syndicates. A police spokeswoman, Captain Nina Barkhuizen, said that members of the police force had apparently been selling stolen vehicles for their own profit and had also allegedly been selling cars stolen in neighbouring states, in

South Africa. In some instances stolen vehicles had not been entered into the SAP's computer records of motor thefts, enabling police to sell the documents of such stolen vehicles to syndicate members to be used on other cars.[164] [[164] *The Star* 12 January 1994]

An SAP spokesman, Lieutenant Colonel Eugene Opperman, said that five policemen had been arrested in connection with the armed hijackings of vehicles in two separate incidents in May 1994 in Johannesburg.[165] [[165] *The Citizen, The Star* 19 May 1994]

In June 1994, after appearing in the Johannesburg regional magistrate's court, two former policemen, detective constables Pierre Bonthuizen and Dolf Posthumus, were fined R10 000 each or two years' imprisonment for accepting bribes to issue false clearance certificates for vehicles.[166] [[166] Ibid 3 June 1994]

Five policemen and two motor technicians who had worked at the Langlaagte vehicle clearance office (PWV) appeared in June 1994 in the Johannesburg regional magistrate's court on 11 charges each of vehicle theft and fraud. Between February and September 1993 the policemen had allegedly relicensed stolen vehicles with false documents and illegally obtained clearance certificates.[167] [[167] Ibid 23 February 1994,23 March 1994, 22 June 1994]

In August 1994 three policemen from Mabopane Police Station (north of Pretoria) were arrested in connection with a R450 000 operation which had involved the sale of more than 1 000 stolen vehicles to the public through a fraudulent illegal 'auction'.[168] [[168] *Sowetan* 18 August 1994]

Trade Unionism in the Police Force

In January 1994 the South African Police Union (Sapu) called for the immediate resignation from the police force and the removal of the police rank of the spokesman for the Department of Law and Order, Captain Craig Kotze, saying that Capt Kotze had used the police as a springboard to attack political opponents. The union also demanded the resignation of the president of the Police and Prisons Civil Rights Union (Popcru) (a trade union comprising some 37 000 members from South Africa's 11 policing agencies and correctional services institutions), Lieutenant Gregory Rockman, as Lt Rockman had announced that he would stand in the general election in April and police are not permitted to align themselves with a political party.[169] [[169] *Business Day, The Citizen* 12 January 1994] In February 1994 Capt Kotze's rank was removed and he was made a civilian in the service of the SAP.[170] [[170] *Weekly Mail and Guardian* 11 February 1994]

In mid-February 1994 Lt Rockman resigned from Popcru to pursue a career in Parliament. The deputy president of Popcru, Mr Enoch Nelani, was unanimously elected president at a special conference in Soweto in the same month.[171] [[171] *The Citizen* 16 February 1994]

After his appointment Mr Nelani said that Popcru had agreed that a fundamental change in the role of

the South African Police (SAP) would be necessary, 'from a force in [the] service of the state to a [force in the] service [of] the people'. Lt Rockman said that Popcru would 'jealously guard' the support the union had enjoyed among the black community, but would also concentrate on developing a relationship of trust and commitment with whites.[172] [[172] Ibid]

About 400 African policemen at Protea barracks in Soweto went on strike in February 1994 protesting against the management of the barracks and 'bad food'. A spokesman for the group said that the policemen had been given only two meals a day and had been forbidden to cook their own food. Those who had brought stoves into the barracks had been dismissed. White policemen at the barracks, on the other hand, had separate quarters and enjoyed better food. The spokesman said that the striking police officers were not members of Popcru but still wanted the matter to be resolved. A spokesman for the SAP in Soweto, Major Joseph Ngobeni, said that while there had been problems at the barracks, they were being resolved internally.[173] [[173] Ibid 5 February 1994]

The assistant general secretary of Popcru, Mr Zwii Mdletshe, told a news conference in February 1994 that Popcru would draw up a policy document at its congress that month outlining the role of community policing after the general election. Popcru and not the future government should be responsible for the establishment of the community policing project. The union would also consider whether or not to affiliate to the Congress of South African Trade Unions. Mr Mdletshe added that some members of Popcru were in Europe undergoing training to enable them to take up administrative jobs in township police stations under the new government.[174] [[174] *Business Day* 9 February 1994]

In March 1994 Sapu called on the government and the Transitional Executive Council (TEC) to give public assurances to the police force regarding their job security after the general election. Sapu also said that the TEC should investigate the possibility of indemnity for police officers who had been penalised for their past actions, adding that drastic measures such as the forced leave of police generals allegedly involved in gun-running had demoralised the police force. Sapu suggested that the TEC investigate the possibility of a bill of rights for police members in consultation with the union.[175] [[175] *The Citizen* 21 March 1994] Sapu also demanded an 'immediate payout of pensions and leave money', saying it objected to earlier payouts made to officials of the non-independent homelands, while -police officers in South Africa had not been given the same option.[176] [[176] *The Star* 23 March 1994]

In the same month police and Popcru representatives held a meeting with the commissioner of the SAP, General Johan van der Merwe, to discuss overtime pay during the election and strike threats over pay as well as the issues of job security of special constables, the victimisation of union members and the reinstatement of dismissed members of the police force.[177] [[177] *Business Day* 25 March 1994] It was subsequently agreed that Popcru members would continue to receive training in the police force and to work as assistant police, irrespective of their education.[178] [[178] Telephonic interview with Mr Enoch Nelani, president of the Police and Prisons Civil Rights Union, 8 December 1994]

Sapu warned in April 1994 that its members would strike during the election unless they were paid

salaries equal to those of members of the National Peacekeeping Force (NPKF), who had been granted salary increases in March 1994. The national president of Sapu, Lieutenant Colonel Andy Miller, said that proposed salary increases for the police force made by the law and order subcouncil of the TEC and due to come before the management committee of the TEC later in April still did not match those of NPKF members.[179] [179 *Business Day* 5 April 1994]

However, in the same month the national organiser of Sapu, Mr Gerhard van der Merwe, denied that the union had threatened to go on strike over salary disparities, saying that strike action was forbidden by Sapu's constitution. Sapu would use consultation instead to urge the government and the TEC to grant Sapu members immediate salary increases, and it would consider off-duty peaceful protests and go-slows on 13 April if the office of the state president and the TEC had not responded to Sapu's demands by then.[180] [180 *The Star* 7 April 1994]

The TEC subsequently approved an increase in election allowances for Sapu members. However, in May 1994 the payment of these allowances was delayed by the Public Service Commission and Sapu members were finally paid out following a protest march in the same month.[181] [181 Telephonic interview with Mr Gerhard van der Merwe, national organizer of the South African Police Union, 13 December 1994]

Some 1 000 Popcru members marched to the offices of the TEC in Pretoria in March 1994 where they gave officials (as well as representatives of the SAP and the Department of Correctional Services) a list of demands which included the following:

• a 30% wage increase;

• the extension of an allowance of R670 for police during the election to all police members including those from the 'independent' homelands;

• the rehiring of those union members dismissed by the SAP and the Department of Correctional Services since 1990. (Popcru claimed that the dismissal of assistant police—without a formal hearing—on the basis of their not having the standard 8 or matriculation qualification required for permanent positions had been unfair);

• the end to disciplinary inquiries of most Popcru members;

• the inclusion of all union members from the 'independent' homelands in national labour relations acts; and

• a promotion review board to address promotions of union members. (Popcru said that it had been concerned about unequal treatment of racial groups regarding promotions.)

The Popcru members threatened to hold a national strike in police stations and prisons if these demands were not met by 22 April 1994.[182] [182 *Sowetan* 11 April 1994, *The Citizen* 16 April 1994]

Following a meeting between the TEC task force on the public service and representatives of all the policing agencies, the Department of Correctional Services, Sapu and Popcru, the TEC agreed that there should be parity in the payment of allowances for all police officials during the election. A special working group comprising representatives of the TEC, Popcru and Sapu would meet to finalise the agreement and would report back to the TEC task force later in April 1994. The TEC also agreed to set up a representative forum to speed up the establishment of structures which wouldddeal with issues such as alleged unfair dismissals, charges and suspensions, and the recognition of unions.[183] [183 *The Citizen* 18 April 1994]

At the time of writing, although no formal structure had yet been established to handle these issues, the interim advisory team—an advisory body to the minister for safety and security, Mr Sydney Mufamadi—had addressed certain of the issues, such as the reinstatement of police officers who had been dismissed. (While some officers had been reinstated, the applications of others had been rejected for reasons such as poor health and insufficient educational qualifications.)[184] [184 Telephonic interview with Mr G van der Merwe, 13 December 1994]

In terms of the first draft of a discussion document to act as a precursor to a police bill (the legislation which would effectively set up the South African Police Service (SAPS)), drawn up in May 1994 and based largely on suggestions by the legal department of the SAP, police were forbidden to strike and were bound to a code of conduct.[185] [185 *Weekly Mail and Guardian* 27 May 1994]

Following public hearings on the document, organised by the Pretoria-Witwatersrand-Vereening legislature in August 1994, a National Party (NP) MPL, Brigadier Kobus Bosman, said that the NP differed fundamentally from the African National Congress (ANC) and other political parties on the right of police to strike. Brig Bosman said that the NP 'adamantly' opposed granting the police this right.[186] [186 *The Citizen* 6 August 1994] The ANC, on the other hand, argued that the right of workers to strike was a fundamental right in the transitional constitution.[187] [187 Telephonic interview with Mr O Bapela, 13 December 1994]

In the same month an executive member of Popcru, Mr Roy Govender, said that the right of police to strike was a democratic right which should be enshrined in law and added that the police regarded themselves as workers with rights.[188] [188 *Sowetan* 8 August 1994]

In June 1994 Popcru and Sapu agreed to co-operate with a restructured *SAPS* and Mr Mufamadi in terms of working towards professional and impartial policing in South Africa. Mr Mufamadi invited the unions to serve on a task team which would develop proposals on SAPS labour relations for the minister. Members of unions should pay sufficient attention to the needs of the community before embarking on strike action. He added, however, that police force management should also be sensitive to the needs of

members of the police service so that grievances could be addressed amicably.[189] [189 *The Citizen* 11 June 1994]

Following a meeting with Popcru in June 1994, Mr Mufamadi said that he would review the dismissals of Popcru members who had lost their jobs in 1990.[190] [190 *The Star* 13 June 1994] In November 1994 these members were reinstated to the police force.[191] [191 E Nelani, 8 December 1994]

Police at the Delft and Belhar police stations (both on the Cape Flats) went on strike in August 1994 in protest against grievances which they felt the SAP management had not addressed adequately. Police agreed to resume work following a meeting between representatives of the SAP, police from the regional stations and community leaders at which a task group was set up to address the shortage of manpower, work dissatisfaction and the general security of the community. It was further agreed at the meeting that additional police officers would be assigned to the Delft and Belhar satellite stations.[192] [192 *The Citizen* 17 August 1994]

In the same month Sapu objected to a statement by the spokesman for the Department for Safety and Security, Mr Craig Kotze, that a de-facto moratorium be placed on all promotions in the police force, pending the amalgamation of the country's 11 policing agencies. Sapu accused the department of interfering in police matters.[193] [193 Ibid 25 August 1994] The commissioner of the SAP and the convenor of the Interim Board of Police Commissioners, General Johan van der Merwe, said in August 1994 that no moratorium had been placed on promotions within the SAP. Gen van der Merwe added that SAP members qualifying for promotion would not be prejudiced.[194] [194 Ibid 29 August 1994]

JUSTICE

Legislation

The Correctional Services Third Amendment Act, passed in December 1993, provided for certain amendments to the Correctional Services Act of 1959. The amendment act redefined the powers of parole boards, and placed regulations on the detention of prisoners in single cells and the application of mechanical means of restraint. The act also stipulated that the unauthorised removal of a prisoner from a prison was an offence and that facilities for prisoners to purchase merchandise should be provided in prisons.[195] [195 *Government Gazette* no 15351,17 December 1993]

The Correctional Services Amendment Act, which provided for the release of child detainees from prisons, was passed in November 1994. (In July 1994 there were 732 children under 18 years of age in jail awaiting trial in South Africa, according to the new minister of correctional services, Dr Sipho Mzimela.) The bill aimed to prohibit the detention of unconvicted children in prison, while allowing such children to be held in jail as an emergency measure when they could not immediately be admitted to a place of safety. The bill stipulated that the emergency detention should not exceed 24 hours and

should only take place on the order of a court.[196] [196 *The Star* 18 August 1994,*The Citizen* 25 August 1994]

In terms of the Promotion of National Unity and' Reconciliation Bill, published for comment in December 1994, a truth and reconciliation commission would be established to investigate, among other things, 'gross Violations of human rights'—relating to conflicts of the past—committed in or outside South Africa during the period 1 March 1960 to 5 December 1993; to try and restore the 'dignity' of victims of such violations; and to promote the granting of amnesty to people who had been penalised for acts associated with political objectives (see also chapter on *Government and Constitution*).[197] [197 Fax communication from Ms Susan de Villiers, Department of Justice,14 December 1994]

Sentencing Policy and the Judiciary

In May 1994 the president, Mr Nelson Mandela, said at the opening of Parliament that child detainees would be removed from prisons and placed in alternative care centres, so as to 'ensure that the system of criminal justice [is] the very last resort in the case of juvenile offenders'. In addition, he said, amnesty would be granted for various categories of prisoners such as those serving sentences for activities Carried out in furtherance of political objectives.[198] [198 *Daily Dispatch* 25 May 1994]

In September 1994 the minister Of correctional services, Dr Sipho Mzimela, announced that R35m from the reconstruction and development fund would be used to convert the Vryheid Coronation Colliery (KwaZulu/ Natal) into a 'youth offender development centre' (the colliery land and facilities had been donated in August 1994 by the Anglo American Corporation of South Africa as a contribution to keeping young offenders out of prisons)[199] [199 *The Citizen* 2 September 1994]

The attorney general of KwaZulu/Natal, Mr Tim McNally, said in May 1994 that under the new constitution provisions for bail applications had changed considerably and it was likely that more accused would be released on bail than previously. Section 25 of the transitional constitution stipulated that an accused had the right to freedom and release from detention, with or without bail, unless this conflicted with the interests of justice, or in cases when it was the onus of the state to produce proof for bail application. However, Mr McNally added that in the case of a serious crime, where the interests of justice required that the right of an accused to freedom be waived, the prosecution would continue to oppose bail as in the past, and each case would continue to be decided 'on its merits'.[200] [200 Ibid 6 May 1994]

Dr Mzimela announced in June 1994 that there would be a six months' remission for all common-law criminals, following discussions with Mr Mandela and senior government officials. Dr Mzimela said that the Department of Correctional Services had decided on the remission two weeks after the inauguration speech of Mr Mandela in May 1994. He denied that countrywide riots by prisoners in June had pressurised the government to make such a decision. (The unrest among prisoners had resulted from demands for amnesty for nonpolitical prisoners.)[201] [201 *City Press* 12 June 1994]

A spokesman for the South African Prisoners Organisation for Human Rights, Mr Golden Miles Bhudu, said in the same month that the announcement of the remission was a response to pressure from rioting prisoners. He said that his organisation had rejected the remission package because it was 'reduction and not amnesty' and would therefore not be accepted by prisoners serving long sentences.[202] [202 Ibid 12 June 1994]

In July 1994 the minister for welfare and population development, Mr Abe Williams, proposed that a national policy to combat crime in South Africa should include, among other things, the development of 'non-custodial measures' within the legal system and the reduction of the use of imprisonment. In addition, offenders should be assisted in their reintegration into society, Mr Williams said.[203] [203 *The Star* 28 July 1994]

The acting leader of the Democratic Party, Mr *Tony* Leon, said in August 1994 that the government should consider legislation to make life imprisonment mandatory for those convicted of a serious offence for a third time.[204] [204 Ibid 19 August 1994]

Prison Population Reduction and Releases

Human Rights Watch (an international organisation based in New York) said in February 1994 that South Africa had a prisoner/population ratio of 393:100 000—one of the highest in the world. The organisation added that the presence of child detainees was more significant: at the end of 1992 there were 16 459 juveniles in prison, 18 of whom were under the age of 13.[205] [205 *Business Day* 22 February 1994]

The organisation said that although there had been some significant reforms of the prison system, there was little alternative to incarceration for violent offenders in the short term because of South Africa's high incidence of violent crime, which was unlikely to change before the economic and social crisis in the townships had been addressed. Thus the prisoner/ population ratio would remain high, overcrowding remaining the norm for most prisons, the Human Rights Watch said.[206] [206 Ibid]

In May 1994 the president, Mr Nelson Mandela, said at the opening of Parliament that he had ordered the release from detention or prison of about 1 500 children younger than 18 years of age and of about 1 400 youths. The government, Mr Mandela said, would, 'as a matter of urgency, attend to the tragic and complex question of children and juveniles in detention and prison' (see also *Legislation* and *Sentencing policy and the judiciary* above).[207] [207 *Cape Times* 25 May 1994]

The commissioner of correctional services, General Hendrik Bruyn, said in the annual report of the Department of Correctional Services published in June 1994 that more than 114 000 prisoners had occupied cell accommodation for about 80 000 prisoners at the end of 1993, in spite of the building of additional prisons. Whereas the accommodation capacity of prisons had increased by 3,5% in 1993, the number of prisoners had increased by 4,9%. The department had been investigating cheaper options than the construction of new prisons, Gen Bruyn said, and these included converting other structures such as

unused mining complexes into prisons.[208] [208 *The Citizen* 29 June 1994]

Mr Mandela said in August 1994 that the government would embark on a 'crash programme' to ease overcrowding. The programme could involve building more prisons, in spite of the recognised need for more schools and clinics. Mr Mandela added that providing more prison space would be a ' stop-gap' measure.[209] [209 *Sowetan, Business Day* 24 August 1994]

A spokesman for the South African Prisoners Organisation for Human Rights, Mr Golden Miles Bhudu, said in the same month that building more prisons and making harsher laws were solutions taken by 'the short-sighted and ill-informed' as these would only increase crime levels.[210] [210 *Business Day* 25 August 1994]

A spokesman for the Department of Correctional Services, Lieutenant Rudi Potgieter, said in December 1994 that prisons in South Africa (including those in the former 'independent' homelands) were overpopulated by about 16 794 people. Prisons in the metropolitan areas were more crowded than those in the rural areas, owing to a denser population and the higher concentration of law courts in the metropolitan areas.[211] [211 Fax communication from Lieutenant Rudi Potgieter,Department of Correctional Services, 14 December 1994]

The following table gives a breakdown of the approved accommodation capacity of prisons in South Africa (excluding the former 'independent' homelands) and the actual number of prisoners being held in June 1994:[212] [212 Ibid]

Approved accomodation capacity of and number of prisoners in South African prisons: June 1994

Region

Prison capacity

Number of prisoners

Owercrowding

Eastern Cape

10 406

10 613

2,0%

Western Cape

14 748

20 645

40,0%

Nothern Cape and Orange Free State

11 273

11 790

4,6%

KwaZulu/Natal

9 035

10 367

14,7%

Central Transvaal

16 380

19 450

18,7%

Eastern Transvaal

9 899

10 326

4,3%

Northern Transvaal

12 534

14 366

14,6%

Total

84 275

97 577

15,8%

Prisons in South Africa (excluding the former 'independent' homelands) were thus overcrowded by some 16% in June

Death Sentence

According to a spokesman for the Department of Correctional Services, Captain Bert Slabbert, in August 1994 there were 509 prisoners on death row in South Africa, compared to 395 in January 1993 (an increase of 29%). Capt Slabbert said that no executions had taken place since 1989.[214] [214 Telephonic interview with Captain Bert Slabbert, Department of Correctional Services, 31 August 1994]

In August 1994 the minister of justice, Mr Dullah Omar, said in Parliament that the issue of the death penalty was 'sensitive' and not a simple 'yes' or 'no' question. He said that many groups, including religious groups, favoured the retention of the death penalty. The issue had to be seen in the context of 'closing the chapter on the past' and building a 'human rights culture'; this required respect for human life and the state had to set an example by not taking human life. The death penalty also conflicted with the chapter on fundamental rights in the transitional constitution, as well as the constitution's provision for amnesty emanating from past conflicts, Mr Omar said.[215] [215 Fax communication from Mr David Porogo, Department of Justice,1 September 1994]

Internal Security Act and Other Matters Affecting Civil Liberties

In March 1994 the Transitional Executive Council (TEC) agreed to the implementation of section 7 of the Abolition of Restrictions on Free Political Activity Act (see *Abolition of Restrictions on Free Political Activity Act* below), which allowed for the repeal of section 29 of the Internal Security Act of 1982. Section 29 had provided for detention without trial for a period of up to ten days (which could be

extended).[216] [216 *The Citizen, The Star* 9 March 1994] The decision of the TEC followed a recommendation by its subcouncil on law and order, 75 % of which had voted in favour of the immediate abolition of section 29. The subcouncil had said that adequate legal provisions existed to meet any possible security threat and that the retention of the section would create tensions between police and the community. The subcouncil had further recommended the repeal of corresponding legislation in the 'independent' and non-independent homelands.[217] [217 *Business Day* 8 March 1994] In April 1994 section 7 of the Abolition of Restrictions on Free Political Activity Act was implemented, resulting in the repeal of section 29 of the Internal Security Act.[218] [218 Telephonic Interview with Mr Peter Durante, Department of Justice,9 September 1994]

However, the Human Rights Commission (HRC) said in March 1994 that section 50 of the Internal Security Act—which provided for preventive detention for up to 14 days in situations of public disorder or threatened disorder—had remained intact. Furthermore, the HRC said, although section 50 was the last remaining detention clause in the act (which had originally contained five forms of detention without trial), there was still other legislation in place which provided for detention without trial. The Public Safety Act of 1953, for example, allowed for detention without trial in times of emergency. (Since 1990 the Public Safety Act had been used repeatedly to declare unrest areas or 'mini emergencies'.) The commission said that it was unaware of any proposed amendments to that act. In addition, the HRC said that the transitional constitution, which provided for the right of every person not to be detained without trial, specified that this right could be suspended during a state of emergency.[219] [219 *The Star* 25 March 1994]

In 1993 the HRC recorded 285 cases of detentions under unrest provisions.[220] [220 Ibid] However, in May 1994 the commission reported that for the first time since 1963 there were no people being held in detention without trial in South Africa or in the former homelands—with the exception of five people in KwaZulu/Natal who had been detained and released in May under the state of emergency in place in the province.[221] [221 *The Star* 25 March 1994]

The Department of Justice announced in the same month that the General Law Sixth Amendment Act had come into effect, resulting in amendments to section 205 of the Criminal Procedure Act of 1955 (which allowed for a magistrate to question any individual about an alleged crime, and to impose penalties if the individual refused to provide the information). The amendment to section 205 meant that an individual refusing to provide information would be penalised only if, in the absence of an 'acceptable excuse', the information was necessary for the administration of justice and the maintenance of law and order.[222] [222 *Business Day* 8 March 1994]

In June 1994 the chairman of the Press Council of South Africa, Professor Kobus van Rooyen, said that the application of section 205 of the Criminal Procedure Act should be 'extremely restricted'. He said that journalists should only be obliged legally to give evidence of what they gathered if the state could prove 'beyond a reasonable doubt that there is no reasonable way out'.[223] [223 *Business Day* 8 March 1994]

Professor van Rooyen also called on the new government to examine existing legislation which placed absolute liability on newspapers for printing defamatory statements. 'The rule that newspaper editors are guilty of contempt of court if they are negligent must also be revised. Unless a newspaper intentionally prints misleading information on the outcome of a case, there should be no criminal sanction,' he said.[224] [224 Ibid]

Abolition of Restrictions on Free Political Activity Act

The Abolition of Restrictions on Free Political Activity Bill was tabled in Parliament in December 1993. In terms of the bill, section 29 of the Internal Security Act—which provided for detention without trial—would be repealed. The bill also empowered the state president to repeal discriminatory legislation in the 'independent' homelands.[225] [225 Ibid 21 December 1993] The act was passed by Parliament in the same month and implemented in January 1994, with the exception of section 7 (which provided for the repeal of section 29 of the Internal Security Act as well as sections of the Publications Act of 1974, the Prohibition on Foreign Financing of Political Parties Act of 1968 and the Affected Organisations Act of 1974).[226] [226 *Daily Dispatch* 3 March 1994; *The Citizen, The Star* 9 March 1994]

SOUTH AFRICAN NATIONAL DEFENCE FORCE

Legislation

The Defence Second Amendment Act, passed in October 1993, provided for, among other things, the extension of enrolment for military service to people of all races in South Africa (the Defence Act of 1957 had restricted military service to white South Africans in terms of a clause in the Population Registration Act of 1950). The amendment act served as an initial step towards creating an integrated defence force in South Africa.[227] [227 *Defence Second Amendment Bill* ,September 1993]

Scaling Down the Defence Force

The minister of defence, Mr Joe Modise, announced in May 1994 that the permanent composition of the South African National Defence Force (SANDF) would be increased initially from its current size of 45 000 members to about 127 000 and would be reduced ultimately to 90 000 after the various defence forces in South Africa had undergone integration and rationalisation (see also *Reconstitution of the defence force* below). The integration process would cost some R2bn in 1994/95, in addition to the R10,6bn which had been allocated to the defence budget for the year.[228] [228 *The Star* 26 July 1994] The costs of integration would be expected to decrease gradually over the next five years with the absorption and demobilisation of excess numbers of soldiers.[229] [229 *Weekly Mail and Guardian* 20 May 1994, *Business Day* 25 May 1994]

In February 1994 the chief of the South African Air Force, Lieutenant General James Kriel, said that the

air force would remain an important part of the South African Defence Force. However, any further reduction in its forces or level of operations would weaken its capabilities.[230] [230 *Business Day* 3 February 1994] The chief of the South African Army, General J H Pretorius, said in July 1994 that the size of the army would have to be rationalised because of a lack of funds. Gen Pretorius said that more funds would be needed for the integration of members of other defence forces.[231] [231 *The Citizen* 26 July 1994]

In August 1994 the chief of the SANDF, General Georg Meiring, said that the integration and rationalisation of the force over the following three years would cost some R7bn. Gert Meiring said that most of the soldiers being integrated into the SANDF (including 19 000 members of Umkhonto we Sizwe, 6 000 members of the Azanian People's Liberation Army and 10 000 members from the armies of the former 'independent' homelands) would undergo a 42-month training programme to allow them to compete on an equal basis for places in a smaller defence force. Voluntary retrenchments and the completion of contracts would play a part in the process of finalising the force's composition. Gen Meiring said that the rationalisation process would be overseen by a British military team.[232] [232 *The Star* 4 August 1994,*Cape Times* 9 August 1994, *Business Day* 10 August 1994]

Following the announcement of the defence budget in June 1994, the SANDF drafted a report saying that further reductions in defence spending would not be feasible. (Although the budget of R10,6bn allocated to defence for 1994/95 represented a 4,8% increase on the 1993/94 budget, the 1994/95 amount had included R1,48bn for the integration of military forces and R313m for the establishment and running of assembly points where non-statutory forces would be integrated into the SANDF. The budget had thus been cut by 13% in real terms. In addition, the 1994/95 defence budget had had to provide 26% (R650m) of the initial R2,5bn needed to 'kickstart' the government's reconstruction and development fund in June.) According to the report of the SANDF, since 1989 there had been significant reductions in a number of areas of the defence force including:

• the number of armoured combat vehicles;

• the number of aircraft in the inventory of the air force, which had been reduced from 781. (A total fleet of 390 aircraft had been planned for 2000);

• the anti-aircraft capability of the army and the air force;

• the number of staff employed in the civil service of the defence force, which had been cut by 31% from 144 000 to 100 000; and

• the number of personnel employed in the defence industry (more than 50% had been retrenched between 1989 and 1993).[233] [233 *Business Day* 24 June 1994,*The Star* 23 June 1994]

The SANDF added that the cuts in the defence budget had been made in spite of an increase in the

number of defence force operations as a result of the deployment of soldiers in unrest areas to assist police. In addition, the SANDF said, the scaling down of the national service system had limited the use of part-time reservists and would necessitate the employment of more expensive manpower.[234] [234 *Business Day* 24 June 1994]

Mr Modise objected to further cuts in the defence budget in August 1994, saying that spending on defence had decreased by some 37% between 1989 and 1994 from 4,3% of gross domestic product to 2,7%. Defence spending as a proportion of state expenditure had halved—dropping from 15,7% to 7,8 %. He added that cuts in the budget would have to be absorbed by reduced spending on equipment to prevent further retrenchments of members of the SANDF. More than 9 000 full-time military personnel had been retrenched since 1989.[235] [235 *The Star* 28 June 1994; *Business Day* 11, 24 August 1994]

Reconstitution of the Defence Force

In January 1994 the Transitional Executive Council (TEC) established the Joint Military Co-ordinating Council. the main function of which would be to oversee the integration of the new South African National Defence Force (SANDF). The council's initial task would be to initiate the process of auditing all military personnel and equipment in South Africa. The coordinating council would also liaise with the TEC and the various armed formations it represented, including the South African Defence Force (SADF), Umkhonto we Sizwe (Umkhonto) and the defence forces of the Transkei and Venda. (The KwaZulu Police and the police and defence forces of the Ciskei and Bophuthatswana had been excluded from the co-ordinating council because they had not participated in formal negotiations at the time of the council's formation.) Other responsibilities of the co-ordinating council included:

• ensuring the TEC was informed of any internal regulations or directives regarding the conduct or deployment of any military force;

• formulating a code of conduct for the new defence force;

• liaising with all armed formations to ensure they adhered to the objectives of the TEC;

• researching the parliamentary control, composition, manpower policy, organisation and executive command structure of a new defence force;

• offering advice on the future of the arms and related industries; and

• administering assembly points of all armed forces within South Africa.[236] [236 *Business Day* 5 January 1994]

According to a plan drawn up by the Joint Military Co-ordinating Council in March 1994, the primary role of the SANDF would be to improve its combat quality by investing in research and development,

technology, sustainable far-reaching operations, mobility, war-gaming, and education and training. The secondary role of the SANDF would be to uphold law and order in conjunction with the South African Police (SAP), but only in circumstances where the SAP was unable to perform this function alone. Thc SANDF would also continue with many of the existing services of the SADF such as providing assistance in drought conditions, undertaking diplomatic initiatives, and providing education and training and emergency services.[237] [237 *The Star* 7 March 1994]

In April 1994 the co-ordinating council announced that three assembly points for the evaluation and training of defence force candidates had been identified at military bases at Wallmannsthal (north of Pretoria), Bourke's Luck and Hoedspruit (both in the Eastern Transvaal) as an initial step towards integration of the new defence force. The chief of staff of Umkhonto, Mr Siphiwe Nyanda, said that about 16 00OUmkhonto soldiers were expected to join the new defence force. Mr Nyanda said that some 200 officers from the SADF, Umkhonto and the defence forces of the homelands had begun negotiating the planning and budgeting of the new defence force early in 1993, and that consensus had been reached on a strategic planning programme, the identification of assembly points and the setting of time frames for training. In terms of the strategic programme, which had begun in January 1994, integration would occur in three phases: planning, the post-election integration of forces, and the rationalisation of the integrated force to a size and standard appropriate for the carrying out of the force's functions. A code of conduct for the force was also being finalised, Mr Nyanda said.[238] [238 *Business Day, The Citizen* 8 April 1994]

The first two phases of integrating the army, which included intelligence, logistical, operations, personnel, and strategic and financial planning for the air force, the army, medical services and the navy were concluded in January 1994.[239] [239 *Sowetan, The Citizen* 8 April]

The minister of defence, Mr Joe Modise, announced in May 1994 that General Georg Meiring had been appointed chief of the SANDF for the following five years and that his task would be to build a legitimate, credible and fully representative defence force for the country. 'Our defence has to be a balanced, modern and technologically advanced military force with internationally accepted professional norms and standards, capable of executing its functions in terms of the constitution,' Mr Modise said.[240] [240 *The Star* 25 May 1994]

In the same month the president of the Pan-Africanist Congress (PAC), Mr Clarence Makwetu, said that between 6 000 and 10 000 members of the AzanianPeople's Liberation Army (Apla), the armed wing of the PAC, wouldbe integrated into the SANDF.[241] [241 *Business Day* 27 May 1994]

Gen Meiring announced in June 1994 that Apla cadres would be 'drafted' into the SANDF on an individual basis rather than as a unit. Posts held by the current defence force officer corps would be regarded as temporary until the completion of the integration of the armed forces in about three years.[242] [242 *The Star* 3 June 1994] Gen Meiring warned that Citizen Force part-time soldiers who refused to report for camps would be prosecuted in terms of the Defence Act of 1957.[243] [243 Ibid]

In the same month Gert Meiring announced that the defence force would establish a service brigade to assist the government in its reconstruction and development programme. The brigade would comprise applicants who had not succeeded in becoming members of the SANDF and would acquire skills in building houses and digging trenches, It would also take over some of the non-military functions performed by the SADF in the past, such as drought relief and other civilian projects.[244] [[244] *Business Day* 3 June 1994]

According to an SANDF internal bulletin for June 1994, Mr Modise had approved the continuation of voluntary military service in the SANDF for 1995. Training would take place in the South African Army, the South African Navy and the South African Medical Service. However, there would be no intake for the South African Air Force for 1995. Recruits would undertake a 12-month training course, beginning in February 1995, followed by 30 days' service a year over an eight-year period.[245] [[245] Ibid 6 June 1994; *CNDF lnternal Communication Bulletin*, no 26,13 July 1994]

In June 1994 the African National Congress (ANC) objected to the way in which the integration process was being conducted, saying that Gen Meiring had failed to confirm the appointments of senior Umkhonto officers to oversee the integration of members of Umkhonto into the SANDF. 'Administrative errors' had. resulted in the names of many longstanding Umkhonto cadres not appearing on the official list. The ANC urged Mr Modise and Gen Meiring to pay special attention to the plight of these soldiers.[246] [[246] *Business Day* 10 June 1994] A spokesman for the SANDF, Major General Pieter Coetser, said in June 1994 that about 9 400 members of 'non-statutory' military forces would be ready for integration into the SANDF by the end of July. He added that there were some 3 300 Umkhonto members at Wallmannsthal and 613 at Hoedspmit. A placement board comprising members of a British military aid and training team, members of Umkhonto and former military officers from the 'independent' homelands would oversee the process of ranking non-statutory military members into military officer positions. Soldiers. who qualified as officers would then be trained at military academies, while others would remain in the SANDF as privates, Gert Coetser said.[247] [[247] Ibid 24 June 1994]

A spokesman for the SANDF, Major General P J Venter said in July 1994 that the SANDF would begin reducing its numbers by as many as 37 000 once the integration of all military forces had been completed in 1995. Gen Venter said that the integration of Umkhonto and Apla members into the defence force could swell ranks by between 115 000 and 128 000 members and that rationalisation would take place over a three-year period (until 1 April 1998).[248] [[248] *The Citizen* 29 July 1994]

In August 1994 an Apla spokesman, Brigadier Mpazamo Yonana, said that 600 Apla members had been integrated into the SANDF and that a further 600 members would be integrated at the end of August. Brig Yonana said that Apla was hoping to integrate 6 000 cadres into the defence force.[249] [[249] Ibid 4 August 1994] However, in the same month Mr Mandela said that it was not possible to accommodate all Apla members in the SANDF.[250] [[250] *Sowetan* 5 August 1994]

Mr Modise said in August 1994 that the SANDF had ten territorial commands which could be used by the nine provincial legislatures to assist communities. The defence force could assist in public works programmes such as the building of roads and dams, and the computerised medical information systems of the South African Medical Service could be used in areas where there was no infrastructure for the supply of primary health care. However, the provinces would have to make use of a centralised air force, Mr Modise said.[251] [251 *The Star* 24 August 1994]

BUSINESS

KEY POINTS

• The Department of Trade and Industry said in January 1994 that in terms of the Uruguay round of the General Agreement on Tariffs and Trade (Gatt), South Africa was obliged to implement by 1998 a one-third reduction in local tariffs on a wide range of goods, to apply a maximum duty of 15 % on imports and to eliminate formula duties.

• Gatt further stipulated that export subsidies on South African goods, such as the general export incentive scheme (GEIS), must be phased out by the end of 1998. A new formula for the revised GEIS was due to come into effect in April 1995.

• In April 1994 the minister of finance, Mr Derek Keys, signed a new world treaty on behalf of South Africa in Marrakesh (Morocco) which marked the end of the Uruguay round of the multilateral trade negotiations under Gatt. The agreement included liberalisation of international trade through lowering import tariffs and eliminating non-tariff measures; strengthening of international trade rules; and new agreements on issues hitherto not covered by Gatt (ie trade in services).

• The African National Congress (ANC) said in March 1994 that it would restructure the Small Business Development Corporation (SBDC) to facilitate access by black businesspeople to the formal and informal sectors. The SBDC would provide adequate finance for small business and serviced sites for small traders and informal markets, as well as training facilities to small businesses.

• The SBDC said in May 1994 that 91% of the approximately 800 000 businesses in South Africa could be classified as small or medium enterprises (SMEs). According to the SBDC, SMEs contribute some 45% to gross domestic product and employ 17% of South Africa’s economically active population.

• The South African Chamber of Business said in July 1994 that the ANC’s reconstruction and development programme had not clearly identified the proposed role of government vis-a-vis business, which should be to create an environment in which markets worked more effectively, rather than to intervene in business operations per se.

• The European Union (EU) announced in August 1994 that it had approved a generalised system of

preferences package for South Africa which would allow South African exports worth almost R31bn into the EU duty-free each year. The concessions came into effect in September.

AFRICAN BUSINESS

Statistics and Structure

A 1993 World Bank survey of 632 black-owned micro-enterprises in South Africa, incorporating a 1990 study of 5 000 black ventures in two black townships—Mamelodi (Pretoria) and KwaZakhele (Eastern Cape) stated that employment in black micro-enterprises established in 1993 had grown at an average annualrate of 46 % (micro-enterprises have a maximum of five employees). Enterprises in existence for two to three years had been growing by between 25% and 29% and those at least 11 years old, by 7%. Seventy-one percent of micro enterprises were operating from home, while some 50% of the remainder had no permission to occupy their premises. Most new firms were unregistered, their owners entering business because they were unemployed. These new firms had involved an average of 2,1 people, including the proprietor, and had relied on unpaid family labour, the survey stated.[1] [1 *Sunday Times* 16 January 1994; World Bank, *Charactertstics of and Constraints Facing Black Business*, 1993]

According to the survey, average monthly incomes were below the subsistence level of R650 a month, while mean monthly turnover was R1 502. The enterprises were largely commerce-orientated and trade-orientated. Street vendors accounted for 50 % of them and manufacturers (mostly of soft goods such as clothing, footwear and beer) for 17 %. The minibus taxi industry had been the dominant form of black enterprise (the average monthly income of taxi operators in 1989 was R2 800). A representative of the World Bank, Ms Thyra Riley, said thatblack micro enterprises had been squeezed *into* highly competitive market niches because they could not compete with mass-produced goods supplied by South Africa's formal sector.[2] [2 lbid]

A spokesman for the Small Business Development Corporation, Mr Dawie Crous, said in May 1994 that small businesses had flourished in the past ten years, and that of the approximately 800 000 businesses in South Africa, 91% or 720 000 could be classified as small or medium enterprises. Those businesses *contributed* some 45 % to gross domestic product (GDP) and employed more than 2,4m people, or 17 % of the economically active population. The informal sector involved another 4,4m people and accounted for a further 15 % of GDP, Mr Crous said.[3] [3 *Business Day* 30 May 1994]

Commercial Farmers

In January 1994 a report by the Agricultural Marketing Policy Evaluation Committee proposed *that* a national agricultural marketing policy should focus on deregulation of the farming sector and encouragement of black farmers, while adhering to the guidelines of the General Agreement on Tariffs and Trade (Gatt). (The committee, comprising representatives of the Afrikaanse Handelsinstituut, the National African Federated Chamber of Commerce and Industry, the South African Chamber of

Business, consumer bodies, organised agriculture, control boards and the government, was appointed by the government in 1993 to make recommendations regarding future agricultural policy.) It recommended one umbrella marketing policy to cater for the needs of the commercial and developing agricultural sectors. Deregulation of agricultural marketing should form part of an integrated liberalisation programme for the economy as a whole (see also chapter on *Land, Agriculture and Rural Areas*).[4] [4 Ibid 25 January 1994]

The report also recommended that obstacles to the entry of smaller farmers to commercial agriculture, such as lack of infrastructure and training and poor transfer of technology, should be addressed at regional level. The skills and infrastructure of commercial agriculture should be used to support developing agriculture. A spokesman for the Department of Agriculture, Mr Frans Loots, said in the same month that although the developing agricultural sector largely comprised subsistence and marginal farmers and produced only 10% of marketable produce, it also created substantial employment and non-marketable produce.[5] [5 Ibid]

The Small Farmers' Development Corporation (SFDC), designed to assist the development of some 10 000 small commercial farmers by 2000, was launched in April 1994 by agricultural interest groups in the Western Cape. The SFDC was funded by some R10m from the private sector. According to the chairman of the SFDC steering committee, Mr Louis Kriel, the programme would be based on commercial principles, with the private sector operating in partnership with the government. Business had pledged a further R10m towards the programme, which had the support of major agricultural concerns as well as the Development Bank of Southern Africa, the Independent Development Trust (IDT), the Industrial Development Corporation (IDC) and the World Bank.[6] [6 Ibid 22, 25 April 1994; *Sowetan* 28 April 1994]

The MEC for agriculture in the Western Cape, Mr Lampie Fick, said in May 1994 that the provincial government supported the SFDC and would try to balance the needs of established commercial agriculture with those of the 'new small farmers'. Procedures for finance applications would be eased for 'new' farmers, and a financial package for small farmers would be introduced at a regional level to replace the previous 'cumbersome' process of having to apply for credit to the Agricultural Credit Board. Priority would be given to formal and informal training in agriculture, Mr Fick said.[7] [7 *The Argus* 28 May 1994]

A consultant for the IDT, Mr Bonile Jack, said in the same month that the trust would donate R450 000 over a period of three years to fund training programmes in black farmers' associations in the Eastern Cape. The Progressive Farmers' Union of South Africa would manage the fund, and would form a task group with other relevant institutions to guide the training process.[8] [8 *Daily Dispatch* 6 May 1994]

The MEC for agriculture in the Eastern Cape, Dr Tertius Delport, said in the same month that the provincial government would encourage the development of a finance system for small farmers which would give them access to loans on favourable terms. Independent farmers had been the 'backbone of a rural economy', and a programme of support should be instituted for small-scale producers to make

them self-sufficient. It had become necessary to reinforce the existing survival strategies of rural communities and to integrate livestock production with the use of available land, Dr Delport said.[9] [9 *Eastern Province Herald* 24 June 1994]

The National African Farmers' Union (Nafu), an organisation representing African farmers, which sat on a committee appointed by the government to draw up a white paper on agricultural policy, objected in August 1994 to a proposal by the committee that market-related interest rates be implemented for land purchases. A Nafu spokesman, Mr Thabo Mokane, said that moving towards market-related interest rates would be 'totally unacceptable' since it could thwart attempts to widen land ownership by Africans.[10] [10 *Business Day* 2 August 1994]

The minister of agriculture, Dr Kraai van Niekerk, said in August 1994 that the extension services of the Department of Agriculture were being adapted to cater for small-scale farmers and that mobile training units had been introduced for these farmers. The department would promote land ownership wherever possible through financial assistance, 'with sound economic principles as the only prerequisite'. The department was writing a new marketing act for agricultural products which would create free access to markets, allow for farmers to market their own products, and dispose of single-channel fixed price systems.[11] [11 Ibid 9 August1994]

Dr van Niekerk added that problems relating to lack of expertise in cooperative farming had been eliminated and that smallscale farmers should form a special co-operative to link them with existing co-operatives. Furthermore, there should be a single agricultural union for black and white farmers. Financial institutions should accept production collateral (ie an undertaking to produce) when granting credit. However, steps to give small farmers access to state credit had already been implemented with the removal of all racially based preconditions from the Agricultural Credit Board.[12] [12 Ibid]

The president of Nafu, Mr Matome Maponya, said in the same month that Nafu supported an inquiry into the financing of rural communities; however, these communities should be informed and consulted about the financing process. African farmers had to be settled immediately on state land not in dispute, and land resources ofparastatals had to be released. The Land Settlement Act of 1956, which stipulated that state land be bought at market-related prices, promoted communal ownership of land and had been instituted by the previous government to deny Africans collateral, Mr Maponya said.[13] [13 Ibid]

The secretary of the Commission on Land Allocation, Mr Jan Barnard, said in August 1994 that the Agricultural Credit Board had called for wider African representation on local credit committees in the former homelands as a move towards the privatisation of state land there (in the past farmers had leased state land). More private ownership was likely and loans of between R1 000 and R5 000 had been granted to African farmers by the Department of Agriculture.[14] [14 Ibid 10 August 1994]

A spokesman for the Department of Land Affairs, Mr Hellmuth Schlenter, said in the same month that a project to facilitate credit from commercial banks to small and micro farmers would be established,

following an investigation into facilitating access to financial services by poorer rural communities. (The inquiry had involved discussions between private sector banks, the Land and Agricultural Bank of South Africa, the National Land Committee and the departments of agriculture, land affairs and housing.) The parties involved had agreed that loans should be provided to small farmers and that changes could be made to the mission statement of the Land Bank and to the methods used by commercial banks in determining credit ratings for small farmers, Mr Schlenter said.[15] [15 Ibid 16 August 1994]

In the same month a spokesman for the agricultural business unit of Volkskas Bank, Mr Andre Louw, said that the bank was placing more emphasis on small farmers, while the marketing manager of First National Bank of Southern Africa (FNB), Mr Edgar Blomeyer, said that FNB was developing new credit programmes to accommodate beginner farmers. The Agricultural Credit Board had approved loans to 10 000 small farmers in August.[16] [16 Ibid 31 August 1994]

Following a proposal in the same month by the new minister of land affairs, Mr Derek Hanekom, of a rural land tax of between 1% and 2%, Mr Maponya said that farmers represented by Nafu were already overburdened and should rather be given incentives so as to farm productively. Nafu had an agreement with the African National Congress that the 1 000 farmers renting state land in the former homelands from the now defunct State Trust Corporation be given the option of buying the land. Mr Maponya accused the government of trying to dodge the issue through the imposition of a land tax, since this land was still owned by the state.[17] [17 Ibid]

The MEC for conservation and agriculture in the Pretoria-Witwaters-rand-Vereeniging (PWV) province, Mr John Mavuso, said in October 1994 that at least one quarter of jobs created in the PWV through the reconstruction and development programme were likely to stem from small-scale farming, and that 660 000ha of municipal land in the province had been set aside for small farming projects.[18] [18 Ibid 5 October 1994]

Successes and Failures

Dr Nthato Motlana, chairman of Metropolitan Life (Metlife), a black-led life assurance company which had recently announced that it would be spreading its share ownership more widely among blacks, said in January 1994 that Metlife's income from the sale of single premium investments had exceeded Rlbn in 1993, while assets had exceeded R5bn for the first time since the company' s inception.[19] [19 *The Star* 26 January 1994] In April 1994 Metlife had R5,7bn in assets.[20] [20 lbid 22 April 1994]

It was estimated in January 1994 that Black Like Me Cosmetics (a black-owned manufacturer which produces cosmetic products specifically for blacks and is Africa's only producer of such products) controlled just over 50% of the hair care business. The company had links with 3 000 hairdressers and had offices in Cape Town, Durban, East London (Eastern Cape) and Johannesburg. According to its managing director, Mr Herman Mashaba, the company had focused on the market in southern Africa but would investigate opportunities for negotiating distribution rights and forming partnerships with

businesses in West Africa.[21] [21 *Business Day* 25 January 1994, *Weekly Mail and Guardian* 28 January 1994]

In February 1994 it was announced that the asset base of the African Life Assurance Company (Aflife), a life assurance company providing life cover for more than 2m South Africans, had grown from R75m in 1986 to R312,5m in 1993. The chief executive of Aflife, Mr Bill Jack, said in May 1994 that the premium income of the company had risen from R105m in March 1993 to R168m in March 1994, while investment income had increased from R19,8m to R22,9m in the same period.[22] [22 *Business Day, The Citizen* 6 May 1994]

The size and strength of 'successful' black companies in South Africa are difficult to assess because many are privately owned. Notable black companies in the year under review included African General Insurance, Alex Hair International, GaRankuwa Bakeries (with a turnover in 1993 of about R100m), Habakuk Cane Furniture, Khulani Holdings (which had sales of about R80m in 1993), the Kwacha Group (the holding company for Sizwe medical aid—South Africa's ninth largest medical aid fund), Thebe Investment Corporation, and XB Holdings (which in April 1994 controlled assets of R7bn and claimed to be South Africa's largest black financial services and insurance brokerage company).[23] [23 *The Star* 22 April 1994; *Tribute* May 1994]

In May 1994 the marketing manager of the Foundation for African Business and Consumer Services (Fabcos), Mr Mike Ntlatleng, said that black business had generally not succeeded in building powerful public companies. Although black business was 'still grappling with the development stage and continue [d] to represent businesses at the bottom rung of the economic ladder', there had been exceptions, such as National Sorghum Breweries, which reported an annual turnover of R543,5m in June 1994.[24] [24 Ibid; *The Citizen* 30 November 1994]

In August 1994 The African Bank reported growth in lending of 52% in 1993. However, whereas the bank had obtained a profit of R2,lm in March 1993, it reported a loss of R2,9m in March 1994. In the same period the bank's capital had risen by 49% to R625,7m, largely as a result of continued implementation of a five-year strategic plan, which included the issue of cheque books and credit cards, membership of the Clearing Bankers Association of South Africa and seeking a listing on the Johannesburg Stock Exchange.[25] [25 *The Star* 12 January 1994, 2 April 1994,16 August 1994;*Tribute* May 1994; The African Bank annual report, 1994]

In the same month a black-owned advertising agency, Herdbuoys Advertising and Marketing, announced that it had gained a number of new clients, as well as additional business from two existing clients, Eskom and the cellular service provider Z-Net. In 1994 the agency had earnings of between R25m and R32m and it would aim for billings of between R110m and R120m in the future.[26] [26 *Business Day* 15 February 1994] In December 1994 the agency received the Black Business of the Year award given by *Enterprise* magazine.[27] [27 *Weekend Star* 11 December 1994;telephonic interview with a spokesman for Herdbuoys Advertising and Marketing, 4 January 1995]

In March 1994 the Merchant and Investment Bank Africa (Miba Holdings) gained control of the existing deposit base, shareholders, infrastructure and management of a white-controlled merchant bank, Prima Bank, with a view to forming South Africa's first black-controlled merchant bank. Miba Holdings was to continue with the existing operations of Prima Bank, but would focus on the merchant banking needs of South Africa's black corporate community. It would also build up a foreign trade department and play an active role in introducing foreign investors to black businesses in South Africa.[28] [[28] *The Citizen* 2 March 1994] Miba Holdings would emerge from Prima Bank after receiving investments from one foreign and one South African black consortium. In May 1994, however, Miba Holdings was placed under curatorship due to increasing liquidity difficulties. The chief executive of Miba Holdings, Mr Tim Wood, said that negotiations were being held with other prospective investors.[29] [[29] *Sunday Times* 15 May 1994]

In September 1994 black shareholders involved in Afrimet, a retail joint venture with Metro Cash and Carry (Metcash), demanded that the chairman of Afrimet, Mr Richard Maponya, refund them their investment, after the company had ceased trading and had lost some R1,8m. (Afrimet had been formed in 1980 to inlroduce retailing services to the townships and promote black entrepreneurship.) Although Metcash had offered to absorb the losses and reimburse shareholders, Mr Maponya (who was at the time of writing negotiating with an unnamed party on possible assistance for Afrimet) said that he would pursue a better settlement agreement which would include a return on investment.[30] [[30] *Business Day* 29 September 1994]

Major New Ventures

In January 1994 Mr Japie Moropa, the deputy managing director of African General Insurance (Afsure), a black insurance company, announced that Afsure had agreed to provide insurance cover for eight town councils in a multi-million rand contract with KaNgwane, a former non-independent homeland. Afsure's other clients included the Institute of Public Servants, the National Soccer League, the Road Freight Association and the Southern Africa Black Taxi Association.[31] [[31] *The Star* 18 January 1994]

In the same month the Argus Group (Argus) agreed to relinquish control of the *Sowetan* daily newspaper in a partnership arrangement with a black business venture, the Prosper Africa Group (Prosper Africa). A newly incorporated subsidiary of Prosper Africa, New Africa Publications (Nap), would acquire the paper as an initial step to building an independent black communications group (see also chapter on *Political Developments*). The chief executive of Argus, Mr Doug Band, said that in terms of a five-year support agreement, Argus would continue providing distribution, printing and marketing services to help the *Sowetan* meet growth objectives. Argus would acquire a 30% stake in a subsidiary of Prosper Africa, New Africa Communications (Nat), and a 19,9% stake in Nap to settle a large portion of the *Sowetan* purchase. Nac would hold a 75,1% stake in Nap, as well as Prosper Africa's stake in Mobile Telephone Networks (MTN), a cellular telephone business, Mr Band said.[32] [[32] *Business Day, The Star* 26 January 1994]

The chairman designate of Prosper Africa, Dr Nthato Motlana, said that the group was committed to

ensuring that the newspaper remained 'commercially driven'. Nap was investigating diversification into other media, including magazines, radio and television, as well as making the *Sowetan a* national daily by extending its circulation to KwaZulu/Natal and the Cape, he said.[33] [33 lbid]

The launch in February 1994 of South African Express Airlines, a feeder airline for South African Airways (SAA), involved a consortium of black business—Alliance Airline Holdings led by Thebe Investment Corporation (Thebe)—and a Canadian coalition led by Lardel Holdings. In terms of the agreement Alliance Airline Holdings would gain a majority stake in South African Express Airlines by investing 51% of the company's working capital requirements. Although many senior management positions would, initially be held by Canadians, these would be understudied by South Africans who would take over in five years. SAA would withdraw from all routes which South African Express Airlines could service better and would operate only between major cities.[34] [34 *Enterprise* February 1994]

In September 1994 a sport and entertainment subsidiary of Thebe, Moribo Investments (Moribo), and Ster Kinekor, a subsidiary of the Interleisure recreational services group, established a new company, Ster-Moribo, in a joint venture to develop cinemas in urban areas in South Africa not previously serviced adequately by the film industry. The two companies would own an equal share in Ster-Moribo. Following the purchase of four existing cinema complexes by Ster-Moribo from Ster Kinekor in Johannesburg, the first new complex was opened in Soweto in the same month.[35] [35 *The Citizen* 28 September 1994,*Sowetan* 29 September 1994]

In February 1994 Real Africa Investments Limited (Rail) was formed after the Southern Life Association (Southern Life), a company associated with the Anglo American Corporation of South Africa (Anglo), announced that it would sell 51% of the African Life Assurance Company (Aflife) for R160m to a black-dominated acquisition group. The group was headed by a director of Aflife, Mr Don Ncube, and comprised prominent black businessmen, various church groups, a number of trade unions aligned to the Congress of South African Trade Unions (Cosatu), the National Stokvels Association of South Africa, the Kagiso Trust, and provident and pension funds. According to Mr Ncube, the acquisition group was estimated to have a membership of 3m people, each with an average of three dependants. Mr Ncube said that the purchase consideration would be raised by the end of May through individual contributions from the acquisition group.[36] [36 *Sowetan, The Citizen, The Star* 2 February 1994; *Weekly Mail and Guardian* 4 February 1994]

The chief executive of Aflife, Mr Bill Jack, said in February 1994 that the company would target group assurance and asset management business and that this would be facilitated by the involvement of trade unions, church groups and stokvels. The acquisition group would hold shares through a company, New Company, which would serve as a vehicle for further ventures aimed at black advancement. Southern Life would hold a 25 % share in Aflife.[37] [37 *Sowetan, The Citizen, The Star* 2 February 1994; *Weekly Mail and Guardian* 4 February 1994]

The International Finance Corporation (IFC), the private-sector arm of the World Bank, announced in

October 1994 that it would invest R41,6m in Rail as part of an attempt to kick-start foreign investment in South Africa. The IFC would acquire a 10% stake in Aflife, of which Rail owned 51%. Rail had approached the IFC for assistance after fund raising from black South African organisations, such as trade unions, had become slower than expected,[38] [38 *Business Day* 6 0ctober 1994] In the same month the Kagiso Trust sold its 13,8% stake in Rail to an investment trust company, New South Africa, for R20,7m. Mr Ncube said that the proceeds of the deal would be used to invest in other black start-up companies in November and in early 1995.[39] [39 Ibid] Rail was due to be listed on the Johannesburg Stock Exchange (JSE) in early 1995.[40] [40 Telephonic interview with a spokeswoman for the Johannesburg Stock Exchange (JSE), 4 January 1995]

In February 1994 Sanlam Properties (Sanlam) announced that it would build a R40m shopping and office development centre in Dobsonville (Soweto), following a meeting with representatives from the Soweto community. Sanlam agreed to make available 49% of the shares in the development to the local community at market value and would create a trust fund which it would manage jointly with community representatives. The fund would generate some R50 000 a year from the centre's income. Contractors working on the centre would give preference to employing people from the community.[41] [41 *Business Day, Sowetan* 15 February 1994] The centre was opened in October and offered facilities for 68 retailers, and taxis and hawkers. The Greater Soweto Chamber of Commerce and Industries objected, however, to the inclusion in the complex of the chain store Shoprite Checkers, saying that the store would destroy small black businesses in *Soweto. The* managing director of Shoprite Checkers, Mr Whitey Basson, said that the store did not want to destroy small black businesses, but rather help them to reach 'new levels of business professionalism'.[42] [42 *Sowetan* 23, 29 September 1994]

In March 1994 a group of black investors, Corporate Africa, acquired a 14 % share in the cellular telephone company MTN in a R25m deal. This followed negotiations in October 1993 between the African National Congress, MTN, Vodacom (a consortium of telecommunications companies led by the state-owned Telkom), the government and Cosatu, in which Vodacom and MTN had agreed to sell to blacks a larger percentage of their shares than originally stipulated. Corporate Africa had initially been given an 18% holding, but this had been reduced when the group agreed to trade part of its shareholding for a *52,5 %* stake in the *Sowetan* newspaper.[43] [43 *Business Day* 15 March 1994]

Also in March 1994, the construction was announced of a R21m private clinic, the Botshelong-Empilweni Clinic, in Voslooms (east Rand), to be owned by a consortium of black doctors. This would be the first privately owned hospital serving the east Rand townships. Shareholders would include African Oxygen, Bonitas medical aid, Clinix and Sizwe medical aid. The clinic opened in April 1994.[44] [44 lbid 21 March 1994; *Enterprise* September 1994]

Following the collapse of a proposed deal with Pepsi Cola (Pepsi) in March 1994, National Sorghum Breweries (NSB) launched a new product, The Nation's Pride Cola, in a joint venture with the Cott Corporation of Canada. This was NSB's first venture into the soft drink market. The chairman of NSB, Mr Mohale Mahanyele, said in March that African Beverage Corporation (ABC), a subsidiary of NSB,

believed it had produced a competitive product through the joint venture. The managing director of the ABC, Mr Themba Vundla, said that the product would be distributed through NSB outlets countrywide, but declined to indicate the cost of the project.[45] [45 *Business Day* 24 March 1994] In December 1994 the KwaZulu Finance and Investment Corporation sold its sorghum breweries at Imbali and Madadeni (both in KwaZulu/Natal) to NSB in a multi-million rand deal.[46] [46 *The Citizen* 30 November 1994]

In April 1994 two former officials of NSB, Messrs Japan Phohl and Monwabisi Fandeso, with the former managing director of African General Insurance, Mr Khehla Mthembu, established New Age Beverages (NAB) to spearhead an investment by Pepsi in South Africa. In terms of an agreement, NAB would secure exclusive rights to manufacture and distribute Pepsi products in South Africa. The proposed agreement followed an announcement in March 1994 that NSB had cut its ties with Pepsi.[47] [47 *Sowetan* 7 April 1994] In June two executives of Pepsi, Messrs James Lawrence and Robert Walker, confmned that Pepsi had formed a local bottling joint venture called New Age Beverages, in which blacks would be major shareholders by 2000. Egoli Beverages LP, an American partnership incorporating African-American investors, would own 75 % of NAB, while Pepsi would own 25 %.[48] [48 *The Star* 7 June 1994]

Pepsi and NAB announced in October 1994 that they would jointly spend $100m over the next three years to re-establish Pepsi in South Africa. NAB would hold exclusive bottling rights for the Pretoria-Witwatersrand-Vereeniging province, which accounted for sales of 275m cases of carbonated drinks each year. The transfer of majority ownership of NAB to South African shareholders, through the black-owned Kuyasa Trust, would take place over a seven-year period. Production of Pepsi began at a new plant in Germiston (east Rand) in October 1994.[49] [49 *Business Day* 4 October 1994, *Sowetan* 17 November 1994]

In March 1994 Anglo announced that it would split up its subsidiary mining house, the Johannesburg Consolidated Investment Company (JCI), into three business groupings: a platinum group, a gold mining and other minerals group (valued at R3bn), and an industrial group (valued at more than R6bn). Each group would be listed separately on the market. Anglo would.offer its effective 40% stake in the mining and industrial groups as a first step towards facilitating black equity ownership, board representation and participation in management. According to JCI, one of the key objectives of the venture was to create ‘a platform for the future introduction of black business interests into South Africa’s mining and industrial sectors’. (See also *Anti-trust legislation* below.)[50] [50 *The Star* 31 March 1994]

The completion of a community development centre in Mangaung (Bloem-fontein, Orange Free State) in April 1994 on land donated by South African Breweries (SAB) marked a joint venture towards black entrepreneurship between the local community, the private sector, the government and labour groups. Organisations involved in the project included the Afrikaanse Handelsinstituut, Cosatu, the Council for Scientific and Industrial Research, Eskom, the Foundation for African Business and Consumer Services (Fabcos), the National Economic Initiative, the Small Business Development Corporation, SAB and the South African National Civic Organisation. The SAB operations director for the southern region, Mr Rob Childes, said in April that the centre included facilities for entrepreneurial training and

development,[51] [51 *Business Day* 8 April 1994]

In July 1994 the Greater Soweto Chamber of Commerce and Industries published an. advertising brochure on Soweto in the first such initiative by a chamber in a South African black township. The brochure was intended to show prospective investors what they stood to gain by entering parmer-ships for development of the area's business sector. The president of the chamber, Mr Sam Noge, said in the brochure that having identified the private sector as the key to stimulating economic development and job creation, the chamber was geared to facilitating and channelling investment and development.[52] [52 lbid 18 July1994]

Cosatu and SAB formed the Masibambane Trust in July 1994. The trust aimed to supplement the reconstruction and development programme through co-operation between established businesses and labour. SAB pledged R10m to the trust which would focus on promoting:

• projects which advanced black economic empowerment and business;

• black advancement through infrastructural, financial and management support;

• activities directed at black economic empowerment; and

• special attention to projects which sought either directly or indirectly to create jobs, to develop skills or to provide infrastructure for economic empowerment in the community.

According to the executive chairman of SAB, Mr Meyer Kahn, the six trustees (three each appointed by SAB and Cosatu unions within the group) would evaluate project proposals with job creation objectives.[53] [53 *Business Day,The Star* 7 July 1994]

In the same month one of South Africa's first black frans of chartered accountants, Dlamini and Ngidi, was launched in Durban. The finn said that it had been opened in response to overwhelming demand for quality accounting and business services from black professionals. A partner in the firm, Mr Lincoln Ngidi, said that its objective was to redress the acute shortage of capable and qualified black accountants and financial professionals.[54] [54 *Business Day* 21 July 1994]

In July 1994 Thebe announced that it had formed a financial services holdings corporation, Msele Finance Holdings (Msele), which would focus on merchant banking and investment banking services. Msele would become a registered merchant bank within five years. Mr Litha Myhonyha, former general manager of Thebe and general manager and a director of Msele, said that Msele would initially be a subsidiary of Thebe but was 'at an advanced stage in the formation of strategic alliances with established financial institutions'.[55] [55 *Business Day, The Citizen, The Star* 11 July 1994]

In July 1994 Metropolitan Life Investment Holdings (Methold) announced that it would be listed on the JSE. The black-controlled group would be renamed New Africa Investments Limited (Nail) and would have as its core asset an effective controlling stake in Metropolitan Life (Metlife), one of South Africa's biggest life assurance companies. The main shareholders would be Corporate Africa (a black advancement investment holding company which was listed on the JSE in October 1994) with a 51% stake; Sanlam and its investment arm, Sankorp, with a 20% stake; the National Council of Trade Unions (Nactu), with a 13,7% stake; and Sefalana Employee Benefits Organisation (a company managing R4bn worth of pensions in the North-West province), with a 4,9% stake. Some 78% of the company would be black-controlled and there would be 8 500 black shareholders.[56] [56 *The Citizen* 16,18 July 1994; *The Star* 18 July 1994; *Sowetan* 21 July 1994; telephonic interview with a spokeswoman for the JSE, 4 January 1995] Nail was listed on the JSE in August 1994.[57] [57 *Business Day* 3 October 1994]

In September 1994 the Community Trust, Cosatu, Nactu, Fabeos and the National African Federated Chamber of Commerce and Industry (Nafcoc)—collectively known as the 'gaming consortium'—entered into a joint venture with the Southern Sun Group, whereby bids would be made for casino licences in South Africa. The venture would seek a large equity stake in a group already listed on the beverages, hotels and leisure board of the JSE. Alternatively, a new company would be floated in which Southern Sun and the consortium would invest significant sums. The aim of the venture was to draw black business into the economy through economic empowerment and capacity building.[58] [58 lbid 22 July 1994] At the time of writing Southern Sun and the consortium were awaiting legislation which would legalise the gambling industry in South Africa.[59] [59 Telephonic interview with Mr Ron Stringfellow, a spokesman for the Southern Sun Group, 9 January 1995]

The Coca-Cola Company (Coca-Cola) and a family of black entrepreneurs and one of the largest distributors of Coca-Cola products in South Africa, the Kunene Brothers, formed a joint venture, Fortune Investment HoMings, in September *1994.* Coca-Cola and the Kunene Brothers would own equal stakes in Fortune Investment Holdings, which would hold a majority interest in Vinto Minerals (which bottles and distributes Coca-Cola products in South Africa and which is estimated to be worth about R50m). The Kunene Brothers would manage Vinto Minerals, which would employ about 300 people and have a bottling plant in Nelspruit and a distribution facility in Lydenburg (both in the Eastern Transvaal). Coca-Cola had announced its return to South Africa in June 1994.[60] [60 *Sunday Times* 25 September 1994, *The Star* 26 September 1994]

Business Organisations

A spokesman for the African National Congress (ANC) (and subsequently an MP), Mr Carl Niehaus, said in March 1994 that the ANC intended to restructure the Small Business Development Corporation (SBDC). The restructured organisation would provide adequate finance to meet the needs of small business; ensure availability of properly serviced sites for small traders and informal markets; offer training to small business in manage-merit, accounting, marketing and production; and ensure 'equal access to loan capital, credit, licences and sites', Mr Niehaus said.[61] [61 *Business Day* 16 March 1994]

The South African Chamber of Business (Sacob) said in July 1994 that the reconstruction and development programme (RDP) had not clearly specified the proposed role of business. The white paper on the RDP should be 'business-friendly' and should not allow for government intervention in the running of business organisations; rather the role of the government should be to create an environment for markets to operate more effectively, Sacob said.[62] [62 *The Citizen* 27 July 1994]

The new president of the National African Federated Chamber of Commerce and Industry (Nafcoc), Mr Joe Hlongwane, said in July 1994 that Nafcoc's manifesto on black business—which at the time of writing had not yet been forwarded to the government—would outline how government could play an enabling role to ensure widely spread management and ownership of business in South Africa. The government should declare a 'development break' in which favourable treatment should be given to black-owned business and joint ventures. It should include measures such as the redirection of spending by government institutions, sub-contracting of work to black businesses, provision of incentives to black-owned companies in the private sector and the expansion of retail outlets to townships, Mr Hlongwane said.[63] [63 *Business Day* 27 July 1994]

According to Mr Hlongwane, the government could use its influence in parastatals such as the Industrial Development Corporation (IDC) to induce these organisations to be more responsive to black empowerment. This would require the government to set up a procurement policy favour-able to black business, which in turn needed a national credit guarantee scheme to provide access to credit and capital.[64] [64 Ibid]

In August 1994 a number of black business organisations, including the National Black Business Caucus, Nafcoc and a director of New Africa Investments Limited, Mr Donald Mkhwanazi, called for the restructuring of parastatals such as the SBDC and the IDC, saying that these had to be reshaped to reflect South Africa's new political order and the changes which had occurred in the business community. The new minister of trade and industry, Mr Trevor Manuel, said that in 1993 about 73 % of the SBDC's net lending volume had gone to whites and that blacks had generally received only micro loam of less than R5 000.[65] [65 Ibid 26 August 1994] Between January and June 1994, the SBDC had granted 31% of its loans to whites and 69% to other population groups, the SBDC said.[66] [66 Small Business Development Corporation annual report, 1994]

Following a proposal by Mr Manuel in September 1994 that the government play a larger role in the operation of the SBDC (Mr Manuel had suggested that since the government provided half the funds of the SBDC, it should increase its representation from 25 % to 50% of the board), the managing director of the SBDC, Dr Ben Vosloo, said that the organisation would lose staff and support from international donors, and would suffer a credit control problem, if the government were to attain more than its current representation on its board. Although the SBDC could be restructured to correspond with the new political circumstances, the organisation should not be politicised. The role of the government in small business development was to create an enabling policy framework, and it should avoid interfering in the

management of organisations such as the SBDC, Dr Vosloo said.[67] [67 *Business Day* 8,19 September 1994] In October 1994 the Department of Trade and Industry published a discussion document—*Integrated Policy and Support Programme for Small, Medium and Micro Enterprises—in* which it suggested the state grant of the SBDC be cut and that Dr Vosloo be replaced.[68] [68 Ibid 3 November 1994]

Policy Towards African Business

The chief executive of the Initiative for Economic Empowerment (a company which teaches business initiative), Mr Lucas Ntuli, said in January 1994 that black business should concentrate on the manufacturing industry because this industry was export-orientated. Blacks should 'stop thinking small and engage in big projects' in spite of still being regarded as a risk by financial institutions.[69] [69 *Sowetan* 13 January 1994]

The secretary general of the African Business Round Table, Mr Esom Alintah, said in February 1994 that the most important challenge of the new government would be to increase black business's access to capital and training. The government should institute special economic measures, including a written commitment to offer tenders to black *business* on a preferential basis. Major conglomerates should also buy a specified proportion of goods and services from black suppliers. Government backing of black business should be based on merit and equity, Mr Alintah said.[70] [70 *Business Day* 14 February 1994]

The co-ordinator of the mineral and energy policy of the African National Congress (ANC), Dr Paul Jourdan, said in the same month that although increased black advancement and participation in the management of the country's mining houses were welcome, it was important to create a black-controlled mining house in South Africa to give the black community a greater stake in the industry. Mining houses could assist in the establishment of such a venture through their expertise in controlling companies with the minimum possible shareholding. This would allow black entrepreneurs to control a company with a minimum investment, and the venture could be partly funded by union capital.[71] [71 *Engineering News* 18 February 1994]

According to *Broadening Ownership,* a report published by the Consultative Business Movement in March 1994, established business should become involved in black economic empowerment in the interests of stability. Business should 'proactively identify opportunities for building a black stake in the economy' and should not wait for the new government to force it to deal with the issue of empowerment. Business should change attitudes towards black empowerment, mobilise capital and develop strategies for wider black economic involvement. White businesses could also broaden ownership by entering joint ventures or franchise agreements with black partners, the report said.[72] [72 *Business Day* 7 March 1994]

A founder member and past chairman of the British Franchise Association, Dr Brian Smith, said in the same month that franchising was an ideal business structure for creating jobs and wealth within economies with relatively few business skills. Franchising should 'be the business structure of choice'

for inexperienced but enthusiastic entrepreneurs who wanted to take advantage of renewed trade interest in South Africa. Franchising would become a significant means of generating work and wealth in South Africa, where there had been a strong tendency towards developing an entrepreneurial spirit but an historical limitation of business skills.[73] [73 *The Argus* 8 March 1994]

In the same month the head of the department of economic policy of the ANC, Mr Tito Mboweni, said that any form of discrimination by banks against black business would have to be eliminated, even if this meant introducing legislation. Economic empowerment should not be restricted to smaland medium-sized enterprises. Although it was necessary to equip people with appropriate skills, training should not be a prerequisite for entering business or raising finance. Government contracts should be awarded as transparently as possible and would have to be linked to companies' affirmative action programmes, Mr Mboweni said.[74] [74 *Sowetan* 24 March 1994]

The chief executive of Management and Marketing Renaissance, Mr Donald Mkhwanazi, said in March 1994 that financial institutions had an important role to play in promoting black economic empowerment. However, if established business did not change its policies, the new government could take legislative steps.[75] [75 Ibid 10 March 1994]

An ANC MPL in the Pretoria-Witwatersrand-Vereeniging (PWV) province, Mr Paul Mashatile, said in June 1994 at the 24th annual conference of the Southern Transvaal African Chamber of Commerce and Industry, that the govermnent could play only a facilitating role in assisting black business. Easier access to credit, markets and skills had been central to the PWV legislature's plan to help black business. The financial sector should be restructured to make it more accessible to black businesspeople, and agencies such as the Small Business Development Corporation (SBDC) should be reorganised to make them more responsive to the aspirations of emerging black businesses. Although the government could not stop big businesses from 'invading' the townships by setting up agencies there, the government could introduce support systems to empower black businesses to compete with those companies, Mr Mashatile said.[76] [76 Ibid 9 June 1994]

In July 1994 the president of the Johannesburg Stock Exchange (JSE), Mr Roy Anderson, said that the use of first-level pyramid structures and shares with limited voting rights might have to be extended on the JSE to stimulate black empowerment and the emerging black entrepreneur. There had been a high concentration of power in South Africa, and pyramid structures and limited voting shares had been unpopular in other countries; however, black entrepreneurs in most cases could not succeed without some form of pyramid, Mr Anderson said.[77] [77 Ibid]

The chief economist at Davis Borkum Hare and Co, Dr Jos Gerson, said in the same month that pyramids or limited voting shares were essential for rapid black economic empowerment because most black groups could not raise the capital to buy a *50%* equity stake in a company. Pyramids could be used as 'a quick-fix system' for giving certain black groups control of the company.[78] [78 Ibid] An economist at the South African Chamber of Business, Mr Keith Lockwood, said that recent examples had indicated

that pyramids could promote black economic empowerment.[79] [79 Ibid]

In the same month the National African Federated Chamber of Commerce and Industry (Nafcoc) said at its annual conference that a Nafcoc investment holding company should register, and then identify and, on behalf of its members, participate in, business opportunities in housing, manufacturing, mining, tourism, transport and other profitable industries. Nafcoc and the government should discuss the creation of tax and other incentives to encourage white businesses to form joint ventures with black business.[80] [80 Ibid]

The Department of Trade and Industry said in a discussion document entitled *Integrated Policy and Support Programme for Small, Medium and Micro Enterprises*, published in October 1994, that there should be increased funding for such enterprises, a competitive market economy, 'a constructive partnership between the public and private sector', and a restructuring of existing service organisations such as the SBDC.[81] [81 *Financial Mail* 28 October 1994]

Finance

A senior partner in Edward Nathan and Friedland (a law firm), Mr Michael Katz, said in February 1994 that the firm had been involved in setting up and using foreign-funded trust companies to facilitate black ownership of portions of local companies. These companies would buy shares in existing businesses, provide finance to a core of management and offer blacks subscription shares which would facilitate black ownership and provide a broad base of black shareholders, Mr Katz said.[82] [82 *Business Day* 3 February 1994]

In March 1994 the loans arm of the Get Ahead Foundation, the Stokvel Micro Lending Programme (which offered loans of R100 to R5 000 to finance hawking, manufacturing, retailing and services), said that it had lent more than R7m to entrepreneurs since its inception in October 1989. It reported an overall repayment rate of 93 %, in spite of the fact that borrowers had no collateral,[83] [83 *The Star* 11 March 1994]

In March 1994 the head of the department of economic policy of the African National Congress (ANC), Mr Tito Mboweni, said that the ANC and black business had agreed to the establishment of a national enabling fund to guarantee loans to black business by financial institutions. The fund would underwrite applications for loans.[84] [84 *Sowetan* 24 March 1994]

In the same month the Greater Soweto Chamber of Commerce and Industries and the Information Trust Corporation (ITC) (a group representing credit bureaux, and lenders) set up a national credit policy forum to allow representatives from organisations such as the Association of Credit Bureaux (ACB), the Consumer Credit Association (CCA), the Foundation for African Business and Consumer Services, the National African Federated Chamber of Commerce and Industry, the Small Business Development Corporation (SBDC), the South African Chamber of Business and the Soweto chamber to discuss

problems experienced by black traders in gaining access to credit. The action followed a meeting between the chamber, the ACB, the CCA and Amalgamated Retailers.[85] [85 Ibid]

In April the ITC recommended that key financial, credit and retail institutions establish a credit-granting system beneficial to blacks. The public relations officer of the ITC, Ms Shauneen Roux, said that the corporation had been concerned about commercial funding rather than the granting of retail credit.[86] [86 *Business Day* 20 April 1994] Following meetings of the credit policy forum in September and November 1994, it was decided that representatives would formulate a constitution for the forum in early 1995.[87] [87 Telephonic interview with Ms Shauneen Roux, public relations officer of the Information Trust Corporation, 5 January 1995]

In May 1994 the Project Pioneer Fund of the SBDC, which was estimated to be worth R88m and which had been launched by the SBDC in 1993 to facilitate job creation and the advancement of informal sector entrepreneurs into the mainstream economy, and to train potential applicants, had financed more than 2 500 micro enterprises, 69 joint venture community and nongovernmental support projects, and six arts and crafts projects.[88] [88 *Tribute* May 1994]

In July 1994 the minister of trade and industry, Mr Trevor Manuel, announced the start of a finance programme to accelerate black economic empowerment. Speaking in New York, Mr Manuel said that the programme included:

• the establishment of designated funds to assist black shareholdings in industry;

• amendments to state procurement, including ‘set asides’ in tenders;

• the establishment of venture capital funds; and

• the establishment of joint ventures between larger corporations and emerging black entrepreneurs.[89] [89 *The Citizen* 20 July 1994]

The SBDC announced in August 1994 that it would contribute some R240m in 1994/95 to reconstruction and development programme projects aimed at providing finance and technical support for the smaland medium-enterprise sector. The SBDC would contribute about R179m of the total amount, as well as all overhead costs, from internal cash flow; the remaining R61m would come from the Department of Trade and Industry under the Project Pioneer Fund allocation.[90] [90 *Sunday Times* 14 August 1994, *Cape Times* 21 August 1994]

In October 1994 Nedcor, Msele Finance Holdings and a German state-owned funding institution, Deutsche Investitions-und Entwicklungsgesell-schaft MBH (DEG), signed an agreement in Madrid to form a development capital fund—Msele Nedventures—which would provide finance and expertise to developing businesses in disadvantaged communities. The fund would be administered by

Nedenterprise, a Nedcor division which assists small businesses. Nedcor and DEG would initially contribute over R12m to the fund. The chief executive of Nedcor, Mr Richard Laubscher, said that non-franchised small businesses would be eligible for funding, ranging from R100 000 to Rim, and that the average fund would be about R250 000. Msele would help identify the most appropriate projects for funding.[91] [91 *Business Day* 4 October 1994]

Foreign Aid

The head of the United States Agency for International Development (USAid), Mr Brian Attwood, said in January 1994 that a $100m support package from the US would be made available to black business in south-em Africa over five years; however, this amount would still have to be finalised. South Africa would receive some 10% of the proposed enterprise fund, which would be directed towards small business and housing.[92] [92 *Finance Week* 3 February 1994]

In February 1994 the Overseas Private Investment Corporation (Opic)—a government agency in the US which supports US foreign investment through direct loans for small business, loan guarantees and political risk insurance—announced that it would offer political risk insurance and finance to US companies investing in South Africa in an attempt to encourage US investors in the wake of South Africa's political violence.[93] [93 *Sunday Times* 20 February 1994] Opic and a number of leading US companies agreed in March to channel $100m (R260m) into South Africa's black business community through an aid package which would comprise:

• a $75m equity investment fund which would be managed by Equator Bank (a predominantly sub-Saharan operation owned by Hong Kong and Shanghai Banking Corporation) and which would attract investors to southern Africa;

• loans and guarantees worth $20m from a US laundry franchise business for building some 100 laundry centres in the townships. The laundries would be franchised and local franchisees would undergo a four-week management training programme in the US; and

• a $5m investment by a US-based computer firm, CADscan, in a black-owned Durban business, JBN Technology.[94] [94 *Business Day* 9 May 1994]

The president of Opic, Ms Ruth Harkin, said that more agreements were being finalised.[95] [95 *The Star* 2 March 1994, *Sowetan* 3 March 1994] Opic said in May 1994 that it had allocated $50m in insurance for investment in South Africa.[96] [96 *Business Day* 9 May 1994]

In February 1994 USAid said that it would fund the Black Integrated Support Network, a commercial venture which aimed to accelerate black economic empowerment through the identification of profitable

business opportunities for blacks as well as the provision of on-site technical advice, management training and up-to-date technology. Funding would be over a five-year period and would concentrate on promoting linkages with mainstream business opportunities, franchising and procurements by mainstream businesses from black enterprises.[97] [97 *Engineering News* 25 February 1994]

In May 1994 the US 'president, Mr Bill Clinton, announced an aid package of some R2bn to help develop the South African economy over the next,three years. It would include leveraged funds and contributions from ten US government agencies, mainly USAid. During 1994 USAid would increase its contribution to $166m (R587m), which would rise to $181m (R640m) in 1995. The US ambassador to South Africa, Mr Princeton Lyman, said the aid would be directed largely towards the promotion of black private sector investment, jobs and infrastructure. The black private sector had limited access to domestic capital and this would be addressed through credit guarantee programmes, technical assistance and training, and the use of US funds as leverage to attract local capital investment. Equity and credit financing, seed money and bridging capital would all form part of the package, Mr Lyman said.[98] [98 *The Natal Mercury* 9 May 1994]

The mission director of USAid, Mr Leslie (Cap) Dean, said in May 1994 that black business would be further assisted by South Africa's inclusion in the Initiative for Southern Africa's enterprise fund. Between 30% and 50% of the fund's R350m pool would be made available to the black business community in South Africa.[99] [99 Ibid]

In October 1994 Mr Clinton and the president of South Africa, Mr Nelson Mandela, finalised a three-year $600m assistance package from the US. The package included an increase in housing loan guarantees to $150m in 1995, and $50m in guarantees for electrification projects. In addition, half of the $100m United States Southern Africa Franchise Development Fund, geared to assisting smaland medium-sized businesses in southern Africa, would be set aside for South Africa.[100] [100 *Business Day* 6 October 1994]

In May 1994 the foreign minister of the United Kingdom (UK), Mr Douglas Hurd, said that the UK would offer £530m in aid to South Africa over the next three years, which would be targeted towards the reconstruction and development programme (RDP). The Australian government announced, also in May, that it would grant an additional R15,4m in aid to South Africa—a 35 % increase over its original aid package.[101] [101 *RSA Review* June 1994]

A representative of the Royal Netherlands Embassy, Mr Andre Royackers, said in June 1994 that in 1993 Holland had granted 17m Dutch guilders in direct development aid to South Africa—80% of which had been spent on education and training—and that a further 30m Dutch guilders had been granted for 1994.[102] [102 *Engineering News* 3 June 1994]

In the same month the European Union (EU) announced a pledge of R440m in development aid to South

Africa under a special programme for development.[103] [[103] *The Citizen* 28 June 1994] Between 1985 and 1994 the EU had donated more than $300m to South Africa for, among other things, education and legal aid, and had given $6m for a voter education programme prior to South Africa's general election in April 1994.[104] [[104] *The Star* 30 May 1994]

In June 1994 South Africa was reaccepted into the United Nations Development Programme and immediately received R56m for the development of the country's human resources.[105] [[105] *RSA Review* June 1994]

The International Finance Corporation (IFC) agreed in July 1994 to co-sponsor with Nedcor a R50m mutual fund, the South African Franchise Capital Fund, to invest in black franchising operations in South Africa (see *Finance* above).[106] [[106] *Business Day* 22 July 1994] The fund marked the IFC's first participation in the launch of a South African investment operation. The manager of the project, Mr Vincent Rague, said that the fund would enable non-South African investors to channel resources to unlisted South African companies through the financial rand. Nedcor would invest R12,5m in the venture. The fund would be managed by the South African Franchise Management Company, incorporated in South Africa. Nedcor would own 50% of the fund, the IFC 20% and other investors 30%.[107] [[107] Ibid]

The deputy prime minister and minister of industry and co-ordination in Denmark, Ms Mimi Jakobsen, said in August 1994 that Denmark would contribute $125m in aid to South Africa over the next five years for RDP-linked projects such as rural and infrastructural development, education and assistance for black entrepreneurs.[108] [[108] *The Citizen, The Star* 30 August 1994]

In September 1994 the Republic of China announced that it would grant Rl,lbn in aid to South Africa. The aid would cover R755,5m in trade packages (which included importation of bricks, coal, iron ore and maize from South Africa), R175m in financial aid (including a R105m loan to Eskom for rural electrification projects), R34,5m to purchase land for the construction of a Taiwanese trade and development centre in Johannesburg, and R130m for the establishment of vocational training centres.[109] [[109] *Business Day, The Star* 6 September 1994] The foreign minister of Switzerland, Mr Flavio Cotti, said in the same month that Switzerland would contribute R200m to the RDP between 1995 and 1999.[110] [[110] *Business Day* 15 September 1994]

The minister without portfolio, Mr Jay Naidoo, said in the same month that foreign aid packages to South Africa had been complicated as they had been linked to trade access and relations, and, in some cases, routed through companies in the donor countries. A committee had been set up comprising representatives from the departments of finance, foreign affairs, and trade and industry, as well as from a committee overseeing the RDP, to 'unbundle' aid packages and determine how South Africa could most efficiently use resources from overseas panners.[111] [[111] *The Citizen* 14 September 1994]

Constraints on Black Business

A study conducted by the World Bank on constraints facing black business in South Africa, which surveyed 632 black micro enterprises and incorporated a 1990 study of 5 000 black ventures, stated in January 1994 that key constraints on these businesses included:

• lack of access to financing. Only 20% of micro enterprises surveyed had received credit, with the owner's savings and friends and family as the major source of funding. In cases where the proprietor had been literate and numerate (up to 40% of the micro entrepreneurs in the survey had lacked basic literacy skills), the business had been more likely to receive credit. Some 41% of blacks had received assistance through contact with a support organisation such as the Small Business Development Corporation;

• highly competitive markets;

• high cost of inputs; and

• inadequate business premises. Some 71% of the businesses surveyed had operated from home, usually far from commercial traffic. About 50% of those outside home had no permits to occupy,their sites. Appropriately sized and priced premises had not been available near markets. Although entrepreneurs attached little importance to regulatory issues, they had still been constrained by practices such as municipal rules on street trading, and health, safety and labour codes. Most new frans had not been registered and most owners had entered business because they had been unemployed.[112] [[112] *Sunday Times* 16 January 1994]

A report by the Consultative Business Movement entitled *Broadening Ownership* noted in March 1994 that in 1993 businesses operating in the informal sector had been constrained by lack of access to capital, business skills and infrastructure, and over-concentration in certain markets.[113] [[113] *Business Day* 7 March 1994]

The executive director of the Greater Soweto Chamber of Commerce and Industries, Mr Max Legodi, said in March 1994 that most black traders were at a disadvantage when they applied for loans from banks because they lacked collateral. Mr Legodi called for the relaxation of the stringent requirements affecting black businesspeople and a restructuring of credit criteria because existing criteria had served only to meet 'the needs and sophistication of whites'.[114] [[114] *Sowetan* 17 March 1994]

The chairman of the projects committee of the Canadian Association for Black Business in South Africa, Mr Barney Tsita, said in April 1994 that it was a misconception that insufficient capital was a major reason for the failure of black business in South Africa. Rather, cash-flow problems had been a 'symptom' of a situation where a small businessperson had too many debtors and an inadequate credit control system. Furthermore, black businesses had a tendency to enter 'over-traded' industries like retail,

hairdressing Or transport instead of identifYing gaps in the market place and taking advantage of these. In addition, black businesses had lacked sufficient management and technical expertise, Mr Tsita said.[115] [[115] *Enterprise* April 1994]

Informal Sector

Statistics

According to a report entitled *Broadening Ownership,* published by the Consultative Business Movement in March 1994, 70% of South African business operated in the informal sector in 1993.[116] [[116] *Business Day* 7 March 1994] The *October Household* Survey, published by the Central Statistical Service in October 1993, reported that in 1993, 4,05m people had been employed in the informal sector in South Africa (excluding the former 'independent' homelands). Of these, 1,05m worked full time in the formal sector and in the informal sector only part time, while 3m (one quarter of the economically active population of 12,3m people) derived their income solely from the informal sector. According to the survey, the informal sector contributed 9,2% (R32,8bn) to nominal gross domestic product (GDP) in 1993.[117] [[117] *Financial Mail* 27 May 1994 *Finance Week* 9 June 1994, *Sunday Times* 27 November 1994]

The head of the department of economics of the African National Congress (and now minister of trade and industry), Mr Trevor Manuel, said in April 1994 that 79% of informal businesses in South Africa had traded for survival reasons only.[118] [[118] *Business Day* 8 April 1994]

The Department of Finance announced in June 1994 that the informal sector, the size of which was hard to quantify because it had been largely untaxed, would henceforth be included in national statistics and the calculation of GDP (see also chapter on *The Economy*).[119] [[119] *Sowetan* 23 June 1994]

Hawkers

The Johannesburg City Council announced in January 1994 that an amendment to a city council bylaw introduced in September 1993 would allow the council to confiscate equipment and shelters left chained to lampposts and parking meters by hawkers after trading hours. The equipment would be returned only after a fine had been paid. Hawkers were also prohibited from blocking entrances to shops and offices with equipment or goods.[120] [[120] *The Citizen* 6 January 1994]

Following the announcement, the African Council of Hawkers and Informal Businesses (Achib), which represented 2 000 of the estimated 15 000 hawkers in Johannesburg, called for a national mass action campaign beginning in February to demand representation at parliamentary and local government level and to protest against the city council's alleged intimidation and harassment of street vendors, the limitation of individual hawkers' trading space and a recent decision by the council to close some streets to hawkers. Achib proposed that market-orientated policies should support the growth of the informal

sector, which, the organisation maintained, generated up to R7m a year in earnings.[121] [121 *Engineering News* 21 January 1994;*Sunday Times* 16 January 1994,6 February 1994;*The Citizen* 10 February 1994]

The executive director of the Central Johannesburg Partnership, Mr Nell Fraser, said in January 1994 that a committee comprising hawkers, business representatives and civic officials had been set up to formulate guidelines for Johannesburg's informal trading policy in response to the grievances expressed by hawkers.[122] [122 *Business Day* 17 January 1994]

In February 1994 the African Development of Informal Business Association called on hawkers to ignore Achib's campaign, saying 'fruitful negotiations' were being conducted with the city council.[123] [123 *Sunday Times* 6 February 1994] In the same month, however, some 400 hawkers marched to the Johannesburg Civic Centre, where they presented their demands to the council. The city council said in February that it was negotiating a new informal trading policy with hawker organisations.[124] [124 *The Citizen* 10 February 1994] In March the director of urbanisation for Johannesburg, Mr Cedric de Beer, said that it was not legally possible for hawkers to be represented on the city council because it was an elected body.[125] [125 *Business Day* 10 March 1994]

In March 1994 the national organiser of Achib, Mr Mthuthuzeli Madalani, objected to the presence in the Johannesburg central business district (CBD) of foreign illegal traders, mainly from Asia and Africa, who 'undersold' local entrepreneurs and who served as cheap labour for Indian and Portuguese shopowners. This had posed unfair competition for local entrepreneurs who were, in addition, obliged to adhere to council regulations. Achib accused the city council of ignoring hawkers' grievances and said it would form 'block committees' in the CBD to push out any foreign hawkers, using force if necessary.[126] [126 Ibid] Mr de Beer said in the same month that, following an amendment to the Businesses Act of 1991, the city council had no jurisdiction over illegal immigrants trading in Johannesburg.[127] [127 *The Star* 10 March 1994] Mr Madalani said later in March that unwanted hawkers would only be removed by force once all 'peaceful channels' had been exhausted, [128] [128 *Weekly Mail and Guardian* 25 March 1994]

In April 1994 the Central Johannesburg Partnership established an informal trading forum to discuss new street trading regulations. Mr Fraser said that existing regulations would no longer apply once the Businesses Amendment Act of 1993 came into effect in April (see 1993/94 Survey, p69). The new forum would allow for negotiations between Achib, the Hillbrow Hawkers' Association, the Johannesburg City Council and major city retailers and would discuss such issues as pavement leasing, lack of cleanliness and obstruction of sidewalks, provision of trading and storage facilities, and educational assistance. Various other bodies, including the South African Police (SAP), had also been invited to join the forum, Mr Fraser said.[129] [129 *Business Day* 13 March 1994]

In April 1994 the Businesses Amendment Act came into effect, making it obligatory for those hawkers selling meals, perishable foods or meat to hold licences to sell their goods (the act exempted hawkers

selling fruit and vegetables; see also *Statutory regulation* below). Hawkers wanting licences would have to pay a R25 fee if they did not operate from fixed premises. Those operating from fixed premises would pay R200. Licences would be granted only after hawkers had proved their compliance with all conditions specified in the Licences Act of 1962, such as health regulations.[130] [130 *The Natal Witness* 21 May 1994]

A consultant for Achib, Mr Peter Morrison, said in July 1994 that Achib would launch a microbusiness development banks scheme where a mobile bank would be set up for hawkers and spaza shopowners in Empangeni (KwaZulu/Natal) to grant loans of between R100 and R500, usually for the purchase of stock. Richards Bay Minerals would provide the initial capital for the bank. If the operation proved successful, it would be used throughout South Africa, Mr Morrison said.[131] [131 *Business Day* 5 July 1994] In November 1994 the Anglo American Corporation of South Africa funded the setting up of mobile banks in Johannesburg, Kimberley (Northern Cape), Nelspruit (Eastern Transvaal) and Welkom (Orange Free State). More banks were due to be established in Klerksdorp and Rustenburg (both in the North-West province) in January 1995.[132] [132 Ibid 30 November 1994]

In July 1994 some 300 hawkers marched to John Vorster Square Police Station (Johannesburg), demanding tighter laws against illegal aliens. The president of Achib, Mr Lawrence Mavundla, said that 40 % of Johannesburg's hawkers were aliens who had obtained forged identity documents and trading licences from 'corrupt' officials. Achib would start a nationwide campaign to have illegal aliens removed, although negotiations at a national level would continue.[133] [133 Ibid 7 July 1994] In August hawkers in Johannesburg once again threatened mass action if stricter control on illegal aliens was not imposed.[134] [134 *The Citizen* 11 August 1994]

In the same month the premier of the Pretoria-Witwatersrand-Vereeniging (PWV) province, Mr Tokyo Sexwale, said that hawkers would be limited to demarcated trading areas away from the city centre as part of a campaign to curb crime, drugs and taxi violence. Mr Mavundla said that he would ask Mr Sexwale for more amenities for hawkers.[135] [135 *Financial Mail* 8 July 1994]

The Johannesburg City Council announced in July 1994 that it would form a committee comprising representatives of the council, Achib, the Small Business Development Corporation (SBDC) and other stakeholders to deal exclusively with issues concerning informal trading, such as control of foreign traders in the city.[136] [136 Ibid] Following meetings between Achib and the minister of home affairs, Chief Mangosuthu Buthelezi, and between Achib and the director general of home affairs, Dr Pict Colyn, in August and September respectively, the Department of Home Affairs and the SAP launched a campaign to arrest illegal hawkers in Johannesburg. In 1994 some 600 hawkers were arrested and repatriated, according to the department.[137] [137 Fax communication from the Department of Home Affairs, 5 January 1995]

In the same month a representative of the SBDC, Mr Johann Muller, said that in spite of the problems surrounding hawkers, particularly in Johannesburg, the informal sector had been an invaluable part of the economy, and that the high rate of unemployment could be mitigated by sustainable growth in the

informal sector. (According to Achib, some 3m people in South Africa depended largely on hawking for a living.)[138] [[138] *Financial Mail* 8 July 1994]

Shebeens and Taverns

The premier of the North-West province, Mr Popo Molefe, said in July 1994 that police raids on shebeens in the province had been banned, following claims that members of the former Bophuthatswana Police Force had conducted persistent raids on shebeens, forcing operators and patrons to pay bail money or admission of guilt fines. Mr Molefe said that shebeeners and taverners were providing a community service and were an important part of the informal sector.[139] [[139] *Sowetan* 22 July 1994]

Spaza Shopowners

In February 1994 the East London City Council (Eastern Cape) implemented a policy for the operation of spaza shops in the area, in terms of which applicants for operating spaza shops would be obliged to erect a notice on their property advertising their intention and calling for objections to their application. The portion of the property to be converted into a shop could not exceed $30m^2$, and a maximum of two people would be allowed to work in the shop. Restrictions were also placed on advertising on the premises and on operating hours. The shops would have to comply with certain health regulations, including getting approval from the city's health department, and having adequate lavatory, hand-washing, and refrigeration facilities to store perishable foods.[140] [[140] *Daily Dispatch* 4 February 1994]

Stokvels

A survey conducted by Integrated Marketing Research in 1993 and 1994 reported in March 1994 that 26% of a sample of 2 200 people from all sections of the population belonged to a stokvel (8,8% invested in stokvels, while 17,2% invested in burial societies). Stokvels and burial societies exchanged about R200m a month and R900m a year. Some 31% of the black metropolitan population belonged to stokvels, while in the rural areas 27,9 % belonged to stokvels and burial societies, according to the survey.[141] [[141] *The Star* 11 March 1994,*The Natal Witness* 17 March 1994]

The president of the National Stokvels Association of South Africa (Nasasa), Mr Andrew Lukhele, announced in March 1994 that the first formal branch of Nasasa had been opened in Durban. The move to a more formal structure was prompted by the joint launch in July 1993 of Nasasa's The People's Benefit Scheme with the Development Bank of Southern Africa, First National Bank of Southern Africa and the Board of Executors (see also 1993/94 Survey, pp187-188), and Nasasa's acquisition of a controlling share in the African Life Assurance Company (Aflife), Mr Lukhele said.[142] [[142] *Business Day* 11 March 1994, *The Natal Witness* 17 March 1994]

In March 1994 Nasasa appointed Aflife to underwrite its funeral benefit scheme, following the R160m sale of 51% of Aflife to a black consortium which included the Kagiso Trust, Nasasa, trade unions and church groups (see *Major new ventures* above).[143] [[143] *Sowetan* 10, 29 March 1994]

The chairman designate of Aflife, Mr Don Ncube, said in March 1994 that stokvels had the potential to become an important driving force in the struggle for black economic empowerment because of their proven capacity to encourage savings in the black community. Mr Lukhele said in the same month that stokvels should serve as an avenue for black participation in companies in the form of shareholding, in a manner similar to Nasasa's participation in the Aflife agreement.[144] [[144] *The Star* 11 March 1994]

In the same month the public relations officer of Nasasa, Ms Janice Scheckter, said that there were several avenues into the stokvel industry for companies in the formal sector. A few companies had begun a networking process with stokvels. The preferred method seemed to be with individual groups but because of the limitations of this method, Nasasa had created a database which provided direct communication with the groups affiliated to it, Ms Scheckter said.[145] [[145] Ibid] Mr Lukhele said in March that it was important to monitor the marketing activities of member organisations of Nasasa so as to provide them with benefits and prevent their exploitation by companies .in the formal sector.[146] [[146] Ibid]

The executive director of the National Association of Co-operative Societies of South Africa (Nacasa), Mr Sam Muofhe, said in March 1994 that burial societies had an important role in promoting black economic empower-ment in South Africa. (Burial societies are groups formed to raise money solely for paying the burial expenses of members.) Burial societies had tended to be more stable than smaller stokvels established to satisfy immediate needs. Funds raised by burial societies could be used to 'concretise black economic empowerment' if invested and well managed for the benefit of members. Nacssa had designed a funeral scheme for burial societies to mobilise their surplus funds. More than 2 000 burial societies were affiliated to Nacssa, each with an average of 50 members and between R50 000 and R100 000 in savings, Mr Muofhe said.[147] [[147] Ibid]

Subsistence Farmers

See chapter on *Land, Agriculture and Rural Areas*.

Taxis

In February 1994 the National Congress of Regional Taxi Chairmen was formed by regional chairmen and members of national taxi organisations dissatisfied with the way the Organised Taxi Industry (OTI) had been operating within the taxi industry. The OTI was an initiative of the leaders of the National African Federated Transport Organisation (Nafto), the Southern Africa Black Taxi Association (Sabta) and the Southern African Long Distance Taxi Association (Saldta). The convenor of the congress, Mr Enos Makena, said that the congress had been formed to represent taxi operators who felt that the OTI had operated unilaterally and were unhappy with the Department of Transport's recognition of, and

financial support for, the OTI.[148] [148 *Business Day* 16 February 1994]

In the same month the congress called on the Department of Transport not to proceed with an advance of R4m requested by the OTI. It warned that taxi violence could be resolved only once the OTI had become a representative organisation. The director general of transport, Dr Skippie Scheepers, said in February that R4m had not been advanced to any particular organisation but had been set aside to facilitate unity in the taxi industry.[149] [149 Ibid 18 February 1994]

The public relations officer of Sabta, Mr Cyprian Lebese, said in April *1994* that taxi owners had been strained by a recent increase in short-term insurance premiums and that the premiums had been a major cause of taxi owners' falling into arrears with their payments. According to Mr Lebese, taxi owners paid, on average, monthly instalments of R4 000, while earning the same amount. Good earners in the taxi industry made R5 000 to R6 000 a month. Premiums in an insurance scheme run by South African Eagle Insurance Company had been increased because some taxi drivers had disappeared after paying only two or three instalments for their hire purchases and also because taxis were higher risk vehicles, Mr Lebese said.[150] [150 Ibid 25 April 1994]

In May 1994 Sabta requested discussions with the new central and provincial governments in an attempt to resolve the crisis in the industry. The national treasurer of Sabta, Mr Joseph Mabaso, said that one of the main issues for discussion was the creation of a taxi control board to enable the industry to become self-regulating. The industry had no power to act against and confiscate the permits of 'troublemakers' immediately, and the law took too long to act, Mr Mabaso said. Other issues raised by Sabra included:

• provision of transport subsidies applicable to minibus travel;

• proper regulation of permits. According to Mr Mabaso, the Department of Transport had not kept an accurate record of permits issued. A system had to be implemented to track the number of permits in each region and avoid an over-supply of taxis, as had happened in some areas;

• a means of dealing with feuds in the industry; and

• provision of finance for driver training.[151] [151 Ibid 17 May 1994]

The convenor of the reconstruction and development programme in the PWV province, Mr Ben Turok, said in the same month that the PWV legislature would promote taxi regulation and provide 'some form' of transport subsidies in the province. He said that there was a need for a proper mix between public and private transport and there were 'monopolies' in the taxi industry whose 'stranglehold' over transport, which had at times been politically motivated, had to be broken.[152] [152 Ibid]

In June 1994 representatives of three rival taxi organisations—Saldta, the Federation of Long Distance

Transport Associations (Feldta) and the Lethlabile Taxi Association (LTA)—signed a pact at John Vorster Square (Johannesburg) in which they agreed to a ceasefire as part of an attempt to reduce the tensions between them. The rivalry had resulted in a spate of shootings at taxi ranks in Johannesburg and Pretoria during May, in which ten people had been killed and six wounded (see .also chapter on *Political Developments*). At least 21 drivers and passengers had been killed in May as a result of the feud. Saldta said in June that it would approach the minister of justice, Mr Dullah Omar, for assistance in ending the feud.[153] [[153] Ibid 6 June 1994] Although the three taxi organisations reaffirmed their commitment to the ceasefire in June, following a meeting facilitated by the National Peace Secretariat, sporadic violence continued during the month.[154] [[154] Ibid 6 June 1994]

A spokesman for the SAP, Colonel Malcolm Marx, said in June 1994 that police were not authorised to revoke licences of taxi drivers and could not be expected to manage taxi ranks. In the same month a spokesman for the Department for Safety and Security, Mr Craig Kotze, said the government would meet with representatives of all organisations involved in the dispute. Mr Kotze said that the minister of transport, Mr Mac Maharaj, would develop a strategy for the taxi industry but that no new legislation would be drafted in the near future (see also chapter on *Political Developments*). [155] [[155] *The Citizen* 8 June 1994,*The Star* 28 June 1994]

Mr Maharaj said in June 1994 that the taxi violence necessitated police involvement, and that meetings were being held in Johannesburg and Pre-toria with the police and the feuding parties. Consultation was necessary to ‘revolve taxi owners, drivers and commuters in the development of an integrated transport policy. A spokeswoman for the Department of Transport, Ms Elsa Kruger, said in the same month that the government had been investigating subsidies for commuters, and was likely to favour an ‘integrated subsidy’ which allowed commuters to choose their type of transport.[156] [[156] *Business Day* 2,6 June 1994;*The Star* 3 June 1994]

In the same month the chairman of Nafto, Mr Peter Rabali, appealed to Mr Maharaj not to refer disputes in the taxi industry to the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation (the Goldstone commission), on the grounds that the commission’s past investigations into taxi violence had been unsuccessful. Mr Rabali called on Mr Maharaj to provide taxi operators with subsidies to ensure the future viability of the industry, and to set up a committee to ‘unify the industry’ and review the allocation of trading permits by the Transportation Board of the PWV. Negotiations between the rival taxi organisations earlier in June should be seen as an initial step towards restructuring the industry. The main causes of violence had been a lack of professionalism and overcrowding in the industry. Rapid expansion had exacerbated the problems of poor management skills and inadequate driver training, Mr Rabali said.[157] [[157] Ibid 3,14 June 1994]

Mr Maharaj said in June 1994 that the 480 taxi organisations making up the national taxi industry needed a representative structure to make the industry self-regulating and to address issues such as taxi wars, subsidies and road safety. Following a meeting with provincial transport officials, Mr Maharaj said that taxi associations would have to agree on a representative body before negotiations could begin. The

Department of Transport would convene a consultation forum to allow the 'users of transport' to make an input as to what kind of transport they favoured. A spokesman for Saldta, Mr Thulane Kubheka, said in the same month that taxi operators would forgo subsidies if state funding for buses and trains was withdrawn.[158] [158 Ibid 13,14 June 1994]

In the same month the minister for safety and security, Mr Sydney Mufamadi, said that the SAP would investigate the establishment of a special unit to probe taxi violence, following separate meetings between himself and LTA, Saldta and Feldta.[159] [159 *The Star* 28 June 1994]

Following three months of negotiations mediated by the African National Congress, leaders of the three taxi associations agreed in August 1994 to commit themselves to peace and negotiation, and called for an immediate end to general attacks and the hijacking of vehicles of rival organisations. In terms of the peace agreement, members of breakaway taxi associations would return to their original routes and taxi ranks. A joint monitoring committee comprising five people from each organisation and five representatives from the taxi operators' peace committee of the Eastern Transvaal would visit taxi ranks to convey the agreement to affiliate members and to judge its effectiveness. The committee would also draft proposals on the restructuring of the taxi industry.[160] [160 *Business Day, The Citizen* 10 August 1994]

In June 1994 Sabra and Nafto protested against an increase in the petrol price, saying that they had not been consulted about the decision. Following a meeting with the new minister of mineral and energy affairs, Mr Roelof (Pik) Botha, to discuss the price increase and other demands—such as the subsidisation of the.taxi industry—a proposal by the OTI to erect petrol pumps at 25 central taxi ranks throughout the country was put before the liquid fuels task force of the National Economic Forum (NEF).[161] [161 *Sowetan* 17 June 1994, *Business Day* 4 July 1994]

The negotiations co-ordinator of the Congress of South African Trade Unions (Cosatu), Mr Jayendra Naidoo, said in July 1994 that Cosatu would support the OTI proposal and added that the taxi industry should be heard in discussions about the future regulation of the fuel industry.[162] [162 *Business Day* 4 July 1994] Later in the same month, the convenor of the OTI, Mr Boetie Letsoalo, announced that the NEF had agreed that a new form of fuel outlet, a 'fuel installation', should be created to provide relief for the taxi industry by accruing and distributing benefits to members of the industry.[163] [163 Ibid 29 July 1994] Following opposition to the proposal by the National Black Fuel Retailers' Association in August 1994, which had expressed fears of loss of business for black petrol retailers, the executive deputy president from the majority party, Mr Thabo Mbeki, agreed to convene an urgent meeting with all major interests in the taxi industry to address that issue as well as other concerns of the industry. Mr Mbeki said that a committee had been set up to speed up the process of granting licences for taxi petrol outlets.[164] [164 *The Citizen* 27 August 1994, *Business Day* 30 August 1994] In October the OTI reached an agreement with the Department of Mineral and Energy Affairs, the Motor Industry Federation and the oil industry which provided for the setting up of petrol pump installations at 25 taxi ranks in the country. The OTI would decide on the exact location of the installations. At the time of writing no petrol pumps had yet been

installed.[165] [165 Telephonic interview with Mr D Campbell, a spokesman for BP SA, 11 January 1995]

In June 1994 Sabta said that it would set up a commission of inquiry to investigate the collapse Of the Sabta Foundation Scheme, which had been established to help finance the purchase of vehicles. (The scheme, set up in 1986, had begun experiencing problems in 1988.) The president of Sabta, Mr James Ngcoya, said that the disappearance of some R10m from the fund's coffers had affected about 3 100 taxi owners. Sabta would refund these members. Taxi operation had become 'uneconomic' and this had led to the repossession of many vehicles and the scheme's collapse.[166] [166 *Business Day, Sowetan* 30 June 1994]

In July 1994 the Transvaal Taxi Association set up a crisis committee to investigate the possibility of a connection between the collapse of the Sabta scheme and the past and present national executive of Sabta.[167] [167 *Business Day* 15 July 1994] Mr Lebese said in August 1994 that Sabta had appointed a commission to investigate, among other things, the activities of Sabta since its inception, the associa- flows financial accounts and Sabta's relationships with the banks that had administered the scheme.[168] [168 *Sowetan* 10 August 1994]

The director general of transport, Dr Skippie Scheepers, said in August 1994 that the taxi industry would have to be re-regulated to bring order. The Department of Transport was unfamiliar with its structure and management and had been unable to deal with the industry. Talks with supposedly nationally representative bodies had been plagued by constant disagreements and splits within these bodies, and taxi owners would have to agree on one representative formal body before the taxi industry could hold negotiations with the government, Dr Scheepers said.[169] [169 *The Citizen* 17 August 1994]

In the same month Saldta announced that it had hired and trained a security team comprising 20 vehicles, which would, with the assistance of a R3m communication system, survey taxi ranks and patrol major taxi routes into the Johannesburg CBD. Saldta said the initiative was taken to restore confidence in the association and ensure the survival of the taxi industry.[170] [170 *Sowetan* 29 August 1994]

In November 1994 Mr Maharaj announced that a national task team comprising specialist advisers and representatives of local, provincial and national government—would be established by January 1995 to address problems in the taxi industry such as the existence of illegal taxi operators, the formation of a uniform passenger transport policy, the system of issuing driving permits and taxi violence. Elected bodies of representatives from taxi operators would be set up by April 1995 to liaise with the task team, which would report to the government in June 1995.[171] [171 *Business Day* 16 November 1994]

FOREIGN PRIVATE DIRECT INVESTMENT

The following tables give a breakdown of the latest figures available for foreign liabilities and foreign assets of South Africa by selected countries:[172] [172 South African Reserve Bank, *Quarterly Bulletin,* June 1994]

Foreign private direct investment: foreign liabilities of South Africa by selected countries: 1992

Monetary sector

Non-monetary private sector[a]

Long term Rm

Short term Rm

Long term Rm

Short term Rm

Total Rm

Europe

United Kingdom

6

0

10 930

444

11 80

Germany

8

37

2 430

992

3 467

Switzerland

34

0

2 446

235

2 715

Luxembourg

9

0

2 105

26

2 140

Netherlands

0

0

1 136

64

1 200

France

85

24

364

75

548

Lichtenstein

0

0

314

21

335

Belgium

0

0

209

30

239

Austria

0

0

48

15

63

Italy

0

0

18

16

34

Other

64

0

233

22

319

Sub-total

206

61

20 233

1 940

22 440

North and South America

United States

0

0

2 524

318

2 842

Bahamas

0

0

12

0

12

Other

0

0

382

16

398

Sub-total

0

0

2 918

334

3 252

Africa

Swaziland

0

0

239

23

262

Botswana

0

0

6

10

16

Lesotho

0

0

3

5

8

Other

2

0

61

14

77

Sub-total

2

0

309

52

363

Asia

Hong Kong

0

0

83

5

88

Taiwan

50

0

13

4

67

Japan

0

0

50

12

62

Other

6

11

165

30

212

Sub-total

56

11

311

51

429

Oceania

Australia

0

0

236

3

239

Other

0

0

2

0

2

Sub-total

0

0

238

3

241

Total

264

72

24 009

2 380

26 725

a

Includes the nominal value of shares; the reserves and undistributed profit of share premiums; branch and partnership balances; debentures, loan stock and similar securi

Foreign private direct investment: foreign assets of South Africa by selected countries; 1992

Monetary sector

Non-monetary private sector[a]

LonShort term Rm

Long term Rm

Short term Rm

TotEurope

Luxembourg

145

53

26 070

114

26 382

United Kingdom

63

26

12 370

143

12 602

Switzerland

4

0

10 489

48

10 541

Other

0

5

600

171

776

Sub-total

212

84

49 529

476

50 301

North and South America

United States

0

0

127

69

196

Other

121

0

225

8

354

Sub-total

121

0

352

77

550

Africa

28

0

2 174

407

2 609

Asia

104

84

119

17

324

Oceania

0

0

10

0

10

Total

465

168

52 184

977

53 794

a

Includes the nominal value of shares; the reserves and undistributed profit of share premiums; branch and partnership balances; debentures, loan stock and similar securities; and mortgages and long-term loans.

REGULATION OF BUSINESS

Johannesburg Stock Exchange

The Johannesburg Stock Exchange announced in a draft discussion document in August 1994 that it would restructure its listing requirements in an attempt to make the exchange more accessible to emerging businesses and small investors. Listing requirements for single-tier pyramid structures would be relaxed to facilitate broader participation by, and encourage the economic empowerment of, disadvantaged groups; however, restrictions on secondary pyramids would remain. To increase the liquidity of the market, existing listed companies would have until January 2000 to ensure that 25 % of their shares were publicly held, while new companies would have to comply with this requirement from

the date of listing. Listing requirements were expected to be finalised in early 1995.[173] [[173] *Business Day, The Star* 23 August 1994; *Sowetan* 25 August 1994; telephonic interview with a spokeswoman for the JSE, 4 January 1995]

Statutory Regulation

In terms of the Businesses Amendment Act, which was passed in December 1993 and came into effect in April 1994, all businesses licensed under the Licences Act of 1962 were obliged to acquire new licences (see also *Hawkers* above). The act exempted certain businesses, such as those selling food on their own properties and hawkers selling fruit and vegetables. It also standardised application fees for new business licences.[174] [[174] *The Natal Mercury* 1 March 1994]

The Provincial Exchequer Act, passed by the Pretoria-Witwatersrand-Vereeniging (PWV) legislature in September 1994, empowered the legislature to appropriate funds from, and invest in, selected banking institutions within the province. Major banks would be asked to tender for the right to hold the legislature's R20bn paymaster general's account and would qualify for selection if they showed a 'commitment to reconstruction and development': their client profile would have to be representative in terms of gender and race, their branches would have to be evenly distributed in South Africa, and their home-loan policies would have to avoid 'redlining' (the rejection of loans to properties in specified areas).[175] [[175] *Business Day* 22 August 1994, *The Star* 6 September 1994]

The chairman of the local government standing committee on finance in the PWV, Mr Leon Cohen, said in September 1994 that the public would be invited to make submissions for a bill allowing for the establishment of a tender board in the province. The board would represent the interests of all people in the province, particularly the disadvantaged black business sector, Mr Cohen said.[176] [[176] *Sowetan* 20 September 1994]

Anti-Trust Legislation

McGregors Online Information said in June 1994 that the 'four largest bank nominee companies own 15,6% of the shares listed on the Johannesburg Stock Exchange (JSE) on behalf of undisclosed owners'.[177] [[177] *Business Day* 18 August 1994] The minister of trade and industry, Mr Trevor Manuel, said in August 1994 that parliamentary select committees on trade and industry and on finance would investigate patterns of corporate ownership in South Africa, and would focus not on the size of corporations but on their ownership and managementand the existence of cartels and cross-holdings. Successful major industries, however, which had the potential to be globally competitive would not be undermined, Mr Manuel said.[178] [[178] *Business Day* 22 September 1994]

In September 1994 the government said in its draft white paper on the reconstruction and development programme (RDP) published fbr discussion that 'strict anti-trust' legislation would be introduced to discourage the 'system of pyramids where it leads to over-concentration of economic power and

interlocking directorships'.[179] [179 Ibid]

The Anglo American Corporation of South Africa (Anglo) said in September 1994, however, that South Africa could not afford a 'purist competition policy that enfeebles the private sector's capacity to compete internationally. A modest, practical, achievable policy is in the interests of all. Anglo said that it endorsed the opening of the economy to more people and supported an inquiry into competition policy; to inspire confidence, this would have to include all stakeholders and not only the government. The president of Business South Africa, Mr David Brink, said that strong anti-trust legislation was already in place and there were unlikely to be any changes.[180] [180 Ibid]

Mr Manuel said in October 1994 that while the government supported a strong competition policy and anti-trust legislation, it would not subject South African companies to United States (US) anti-trust legislation (there had been concern in the US about the South African economy being dominated by 'five or six conglomerates'), which would destroy the capacity of large corporations to compete in world markets. The co-chairman of the finance and investment working group of the development committee of the African National Congress (ANC), Mr Donald Mkhwanazi, said in the same month that black business would oppose the scrapping of emerging black pyramids since black entrepreneurs wanted to use these structures to their advantage.[181] [181 *Business Day, The Star* 3 October 1994]

Competition Board

Mr Manuel said in May 1994 that the Competition Board had been ineffectual and that its functions would be transferred from the Department of Public Enterprises to the Department of Trade and Industry.[182] [182 *Business Day* 24 August 1994]

The chairman of the Competition Board, Dr Pierre Brooks, said in December 1994 that the board required increased policing powers and independence from the government as inadequate litigation procedures and government intervention had hampered its ability to act against monopolies in the past. The government would review the board in line with the white paper on the RDP, which had advocated a more effective competition policy. The parliamentary committee on trade and industry would consult with business and industry interest groups in January 1995 before proposing changes in legislation in the same year.[183] [183 Ibid 5 December 1994]

Affirmative Action

Mr Mkhwanazi said in March 1994 that worker empowerment through affirmative action programmes was a key element in the RDP and that the ANC would implement legislation to enforce co-operation on affirmative action ff employers failed to tackle the issue effectively within the next 18 months. Proposed legislation would include the obligation of employers to negotiate substantial changes in production or workplace organisation within a nationally determined framework, the provision of facilities for organ-ising and communicating with workers on such matters, and the right of shop stewards to attend union

meetings and training without loss of pay. In order to avoid this legislation companies would have to introduce strategies such as fully negotiated participative management and comprehensive skills development at all levels.[184] [184 Ibid 10 March 1994, 17 May 1994]

In April 1994 a member of the constitutional department of the ANC and lecturer at the Community Law Centre of the University of the Western Cape, Professor Albie Sachs, presented a draft affirmative action policy to the ANC. The document defined affirmative action as a 'legal measure to ensure black people and women and other groups who had been unfairly discriminated against in the past, would have real chances in life', and had been drawn up in accordance with a number of guiding principles which included:

• endorsement of the responsibility of the state to intervene in cases of racial and gender discrimination;

• use of equitable goals and methods in implementing affirmative action;

• inclusion of the views of those most affected by affirmative action in how it should be implemented; and

• enshrining in the constitution and in legislation, principles and processes for implementing affirmative action. Legislation should encourage voluntary forms of affirmative action. Independent tribunals should be set up to help set obligatory guidelines in 'particular enterprises' and 'intervene where common sense and social responsibility' had been ineffectual.[185] [185 *Financial Mail* 22 April 1994]

The speed of transformation in businesses would be influenced by normal hiring and firing practice and rates of staff turnover, the genuine needs of rationalisation, and the legitimate interests of productivity. The transformation process would have to be accountable to the public, Parliament and the courts, and adaptable to different kinds of enterprise.[186] [186 Ibid]

In its RDP, published in May 1994, the ANC recommended that affirmative action monitoring mechanisms, or mechanisms to monitor race, be set up in both government and private sectors and enforced by legislation. Financial lending institutions would be required to disclose the race and gender of their staff. The government would establish legislation and 'strong ombuds' to monitor and implement affirmative action measures within the private sector, while the public service would have to employ 'a defined quota' from groups which had been' disenfranchised on the basis of race and gender. 'Within two years of implementation of the [affirmative action] programme, recruitment and training should reflect South African society in terms of race, class and gender.' In addition, by 2000 'the personnel composition of the public sector, including parastatals, must have changed to reflect the national distribution of race and gender,' the RDP said.[187] [187 *Business Day* 22 August 1994]

The new minister of public enterprises, Ms Stella Sigcau, said in June 1994 that parastatal companies

falling under the Department of Public Enterprises—such as Denel, Eskom, Safcol and Transnet—were suitable conduits for the implementation of affirmative action initiatives and would therefore be commercialised but not privatised. Affirmative action pro-grammes had already been instituted in these parastatals. affirmative action programmes would have to be sensitive to the aspirations of non-black staff, Ms Sigcau said.[188] [[188] Ibid 15 June 1994]

The reconstruction and development council said in August 1994 that affirmative action should be implemented in a more coherent and transformative manner and should not be reduced to promotions of a small number of educated blacks. (The council, which had been set up to ensure that the RDP was orientated towards human resources development and successfully implemented, comprised representatives from extra-parliamentary organisa-tions and was convened jointly by the ANC, the Congress of South African Trade Unions, the National Education and Co-ordinating Committee, the South African Communist Party, and the South African National Civic Organisation (Sanco).) The organisational transformation consultant of the Black Management Forum (BMF), Mr Mpho Makwana, said certain companies had spoken about implementing affirmative action, but had continued to ignore local talent and employ foreigners.[189] [[189] Ibid 31 August 1994]

The human resources programmes co-ordinator of the ANC, Mr Papi Moloto, said in the same month that the government was awaiting input from organised business to add to a first draft policy document on affirmative action. The government had hoped to have a bill intended for black economic empowerment ready for debate in Parliament in March 1995. A draft discussion document had been drawn up and presented to the new minister of labour, Mr Tito Mboweni, in August in spite of the absence of a planned national labour commission to ensure all relevant parties agreed on the content of affirmative action legislation. In addition, a committee had been set up to investigate preliminary legislation. The committee would be charged with issuing a gazetted proclamation which outlawed all discrimination. Proposals made by the draft document included:

• revision of laws such as the Companies Act of 1973 to remove all obstacles to the successful implementation of affirmative action;

• a clear definition of the term ‘affirmative action’ to ensure equal opportunities in terms of employment, income and training;

• implementation of a balanced.system of incentives (such as tax breaks and awarding government contracts) and sanctions (including black listing, tax penalties and external audits);

• formation of an appeals mechanism; and

• establishment of a negotiating forum with representatives from organised labour and business, training institutions and the government to set appropriate targets at sector level.[190] [[190] Ibid 21 June 1994]

In June 1994 the Women's National Coalition, in its draft *Women's Charter for Effective Equality*, stated that affirmative action programmes for women should be implemented. Women should be involved in economic decision making, and jobs should no longer be categorised on the basis of sex, the coalition said.[191] [191 Ibid 12 July 1994]

The executive director of the BMF, Mr Lot Ndlovu, said in July 1994 that the BMF would push for levies to be paid by those companies which employed foreigners in top management positions. The levy would be used for a development fund which the BMF had set up to develop local management talent. Companies would be monitored to ensure that expatriate executives were accompanied by a black understudy, Mr Ndlovu said.[192] [192 *The Citizen* 11 June 1994]

Prescribed Asset Requirements

In May 1994 the ANC proposed legislation requiring financial institutions to 'disclose their loans by race and gender, their assets and liabilities by sub-region and sector,...[and] the location of their branches and defaults by neighbourhood. 'Ombuds' would be appointed by the government to check that financial institutions adhered to these laws. If the major financial institutions did not take up 'socially desirable and economically targeted investments', the government would 'consider some form of legislative compulsion, such as prescribed assets.[193] [193 Ibid] The president, Mr Nelson Mandela, said in June at a southern African conference of the World Economic Forum that there would have to be adjustments to the rules governing lending by banks and building societies to ensure that black business received loans.[194] [194 *New Nation* 15 July 1994]

The new minister of housing, Mr Joe Slovo, said at the opening of a branch of the Community Bank in Benoni (east Rand) in July 1994 that to avert legislation, 'financial institutions would have to become more amenable to granting home loans to lower-income groups. The role of the Community Bank would be to demonstrate how access to credit could be 'liberalised and democratised' by providing loans for lower-income groups (see also chapter on *Housing and Infrastructure*).[195] [195 *Business Day* 28 July 1994]

A spokesman for Nedcor, Mr David Harrison, said in the same month that the policy of banks not to lend in certain areas had been commercially, not racially, motivated. A number of criteria would have to be met before banks granted mortgage loans for low-cost houssing. These included the introduction of the Mortgage Indemnity Scheme, designed to remove non-com-mercial risk from lenders, and the development of a product warranty mechanism whereby the construction industry guaranteed the quality of its products.[196] [196 Ibid 29 July 1994] The chief executive of the Council of South African Bankers, Mr Piet Liebenberg, said that banks could not 'indulge in high-risk lending to people who are either unable or unwilling to repay their loans', and that unless non-payment of bond instalments, rents or services ceased, mortgage lenders would remain reluctant to re-enter the low-cost housing market.[197] [197 Ibid 17 August 1994, 6, 13,15 September 1994]

In September 1994 a joint technical committee set up in August by the premier of the PWV province,

Mr Tokyo Sexwale, and Mr Slovo to investigate the feasibility of merging the PWV and national housing programmes, recommended that the government avoid providing R750m in loan guarantees to mobilise private sector finance for the PWV housing plan which aimed to build 150 000 homes within one year. The committee recommended a national financing organisation, rather than the provincial community bank proposed in the PWV plan, to fund construction of low-cost housing in the PWV. The former plan required life assurers and pension fund companies to invest R4,5bn in a new regional bank, government guarantees being envisaged to underpin the investment.[198] [198 *Financial Mail* 26 August 1994; *Business Day* 26 July 1994,15 August 1994, 14 September 1994;*The Star* 14 September 1994]

The director general of housing, Mr Billy Cobbett, said in September 1994 that the government would have to encourage people to repay loans and meet service charges before banks would provide loans for mass housing programmes. A plan to expand banking services to include savings, subsidies and housing credit, as well as a mortgage indemnity scheme, was being considered by a committee comprising banking institutions' representatives and government housing officials. The indemnity scheme would offer a degree of protection to banks lending in areas characterised by violence, by covering bond repayments if occupants were forcod out of their homes, or if there were bond boycotts.[199] [199 *Business Day* 14 September 1994]

The chairman of Absa Bank, Mr David Brink, said in the same month that lack of collateral security for banks had been the biggest hindrance in financing low-cost housing programmes. The issue of drawing banks into the low-cost housing market was being addressed by a task force set up by the government and the Association of Mortgage Lenders.[200] [200 Ibid 20 September 1994]

The general manager of corporate banking at Absa Bank, Mr Brian Lavelle, said in September 1994 that banks recognlsed their social responsibility towards the low-income sector of the population and, like the Community Bank, would focus increasingly on the unhanked market.[201] [201 Ibid 22 September 1994]

The government subsequently modified the proposals in its draft white paper on the RDP, published for discussion in September 1994, saying only that it would 'discourage' financial institutions from discriminating on the basis of gender and race.[202] [202 Ibid 26 September 1994]

Financial institutions said in September 1994 that they would revise their lending policies to provincial governments following the release of proposed legislation by the central government which, if ratified, would end its guarantees for loans to the provinces. The banks said that a more stringent lending policy would be adopted to reduce risk exposure and that cash or other deposits would be required as security before loans for the provincial governments could be approved.[203] [203 *The Star* 1 March 1994; *Nafcoc Business Annual* May 1994]

Demands for Statutory Regulation

An ANC MP and former president of Santo, Mr Moses Mayekiso, said in May 1994 at Sanco southern

Transvaal's conference on the RDP that he would work for punitive measures against banks found guilty of 'redlining' (ie blanket refusal of loans within defined areas). In the same month the ANC appointed a committee to draft legislation outlawing discrimination in banking (see also *Statutory regulation* above). Legislation prohibiting discrimination on the basis of factors such as race, gender and geographical location would not necessarily end this discrimination, Mr Mayekiso said.[204] [[204] *Business Day* 3,30 March 1994,12 July 1994; *Sowetan* 23 May 1994]

In its programme for black economic empowerment entitled The *3-4-5-6 Resolutions* and published in May 1994, the National African Federated Chamber of Commerce and Industry called for the following targets to be reached by the year 2000:

• 60% of all top management posts in South Africa to be held by blacks;

• 50% of all sub-contracts awarded by big business to outside suppliers to go to black business enterprises;

• 40 % of all shareholders on the JSE should be black; and

• 30% of directorships of JSE-listed companies should be held by blacks.[205] [[205] *Business Day* 10 August 1994]

In March 1994 the BMF published its blueprint on affirmative action. It called for companies to set achievable, legally enforceable quota targets to be applied on a national level. By 2000, according to the blueprint, 80% of all trainees, 70% of supervisers, 50% of junior managers, 40% of middle managers, 30% of senior managers, 30% of non-executive directors and 20% of executive directors should be black. Targets should be set internally by each company, based on a skills resource database, a human resources plan and the company's turnover rate. The blueprint also suggested that the forum appoint a committee of constitutional and legal experts to draw up an affirmative action bill. Mr Ndlovu said in May 1994 that if companies failed to show convincing progress towards achieving affirmative action targets within a certain period, non-negotiable quotas and a system of penalties, including public exposure of 'delinquent' companies, should be implemented.[206] [[206] Ibid 20 April 1994, *Sowetan* 23 May 1994]

In August 1994 the BMF presented its draft affirmative action policy to Mr Mboweni. Proposals in the document included, among other things:

• creation of an equal opportunities commission to enforce anti-discrim-inatory law, and with the power to conduct research, hold hearings and publish reports and recommendations for the public, Parliament and any agency concerned with the improvement of opportunities for blacks and women;

• submission by employers of details of their affirmative action policies. Employers would be obliged to undergo on-site inspections to ensure compliance with the law. Suggested penalties for failure to comply

included disqualifying an employer from any government contract or subsidy for a period of two years;

• endorsement of the right of the employee to recover damages from an employer purposefully violating the law;

• adoption and implementation of a statement of commitment to an affirmative action plan by chief executives, which should be supported by the board and senior management. The action plan would be implemented and monitored in conjunction with trade unions recognised by the employer; and

• recruitment of qualified blacks and women to positions previously not open to them. These employees would be given equal conditions of employment.[207] [[207] *Business Day* 11,14 January 1994]

The Institute of Personnel Management (IPM) said in April 1994 that it supported affmnative action legislation, which should be overseen by an autonomous affirmative action commission. It suggested that legislation be negotiated between the government, business and trade unions, and that enabling legislation, such as tax concessions, be introduced, along with punitive measures including black-listing and exclusion from government tenders. Companies should set targets through negotiation with the affirmative action commission and should give time periods against which progress could be monitored, the IPM said.[208] [[208] Ibid; *Engineering News* 29 July 1994; *Going Concerns,* no 11,August 1994]

Trade

South African Policy

General Agreement on Tariffs and Trade

The Department of Trade and Industry said in January 1994 that in terms of the Uruguay round of the General Agreement on Tariffs and Trade (Gatt), the country had until 1998 to implement a one-third reduction in local tariffs on a wide range of goods (in five equal annual cuts), institute a maximum tariff duty of 15 % on imports and eliminate formula duties. This would make imports to South Africa cheaper and more accessible, so increasing the exposure of South African manufacturers to international competition (see also 1993/94 Survey, pp204-205)[209] [[209] *Business Day* 13, 24 January 1994;*The Citizen* 13 January 1994; *Engineering News* 25 March 1994] In terms of Gatt, export subsidies on South African goods would have to be phased out by the end of 1998. The general export incentive scheme (GEIS) would have to be revised, and a new formula for the scheme would come into effect in April 1995. (The GEIS, introduced in South Africa in 1990 for a five-year period, is currently the main export promotion instrument available, offering a financial incentive to exporters based on the value of the exports, the degree of beneficiation and the local content of the export product. See also 1993/94 Survey, pp204, 389.)[210] [[210] *The Star* 14 January 1994]

A general manager of the Industrial Development Corporation, Mr Philip Kotze, said in January 1994 that trade reform in terms of Gatt would have to be supplemented by measures to support export development, as trade liberalisation would raise gross domestic product by only 0,35%. According to Mr Kotze, South Africa could approach the phasing out of the GEIS through such measures as:

• the introduction of a free trade regime for exporters through export processing zones; and

• duty-free access to imported materials used in export production. Mr Kotze said that this had been provided for in the Customs and Excise Act of 1964 (or subsequent amendments to this act) and that the GEIS could be adapted to make fuller use of it.[211] [211 Ibid]

The deputy director general of trade and industry, Dr Gerrit Breyl, said in January 1994 that the reduction in industrial tariffs in terms of Gatt would enhance export opportunities for local manufacturers through improved access to foreign markets.[212] [212 Ibid 25 January 1994] South Africa had negotiated with its major trading partners a number of important adjustments to the final Gatt agreement, among them lower ceiling rates on soda ash, clothing and textiles and certain types of paper to accommodate the United States (US).[213] [213 *RSA Review* June 1994; *Business Day* 25 August 1994] Later in the same month Dr Breyl said that existing import tariff controls would be phased out within the next 12 months and would be replaced by customs duties in accordance with Gatt. The government would consult with organisations represented on the National Economic Forum (NEF) regarding the implementation of Gatt regulations.[214] [214 *The Citizen* 16 April 1994, *Business Day* 18 April 1994]

In April 1994 in Marrakesh (Morocco) the minister of finance, Mr Derek Keys, signed a Gatt agreement on behalf of South Africa. The Marrakesh agreement included the liberalisation of international trade through lowering import tariffs and eliminating non-tariff measures; the strengthening of international trade rules, which included new agreements on subsidies and antidumping measures; and new agreements on areas previously not covered by Gatt, namely trade-related aspects of intellectual investment measures.[215] [215 *Weekly Mail and Guardian* 27 May 1994] Mr Keys said that the development of South Africa's manufacturing sector into 'internationally competitive export sectors' would be a 'top priority' of a future economic dispensation. South Africa would therefore have to obtain 'adequate access to the markets of its trading partners'. Measures causing anti-export bias in South Africa's trade would be phased out in conjunction with the phasing-in of tariff liberalisation and certain supply-side measures compatible with the rules of the World Trade Organisation (the successor to Gatt, due to start operating in January 1995).[216] [216 Ibid]

The minister of trade and industry, Mr Trevor Manuel, said in May 1994 that competition would be one of the focal points of South Africa's trade and industrial policy, which had been fragmented in the past, partly because several departments had handled the portfolio. Industrial policy had been characterised by 'protection on demand', and South Africa had been sheltered from domestic and international competition. The country would have to invest in research and development and human resources,

which would necessitate a new approach to training and industrial organisation, Mr Manuel said.[217] [[217] *Going Concerns,* no 11, August 1994; *Business Day* 18 August 1994]

Mr Manuel added that South Africa could offer a more united front on Gatt than other countries because unions had been given a chance to participate (through the NEF) in reports on the potential restructuring of the clothing and textile and automotive industries. The NEF could be effective only if business, labour and government were equally powerful, so preventing protectionism and domination by vested interests, Mr Manuel said.[218] [[218] *Engineering News* 29 July 1994;*Going Concerns,* no 11, August 1994]

In his budget speech in June 1994 Mr Keys said that the GEIS payment would be taxed from March 1995, thus reducing the effect of the incentive by some 30%.[219] [[219] *Sunday Tmes* 11 September 1994] South Africa's proposals to reduce tariff protection in order to comply with Gatt were published in a *Government Gazette in* June 1994. The new tariff proposals, due to come into effect in January 1995, would reduce the protection which local businesses had previously enjoyed through import controls and tariffs.[220] [[220] *The Citizen* 13 August 1994, *The Star* 15 August 1994]

The NEF said in August 1994, following its review of anti-dumping mechanisms administered by the Board on Tariffs and Trade to bring these procedures in line with Gatt, that anti-dumping and countervailing measures should be defensive and not protectionist. According to the NEF, the clothing and textile industry constituted a 'special case' and 'effective anti-dumping measures [would] have to become an important part of the dispensation for these sectors as soon as possible'.[221] [[221] *Business Day* 3O May 1994]

In the same month Mr Manuel announced that three financial schemes had been implemented to improve South Africa's export earnings. These included:

• a R20m guarantee fund to facilitate additional exports for exporters who did not have the necessary funds or loan facilities. The fund would guarantee the cost of materials and services for export production and/or supply short-term credit to exporters to finance export trade debtors;

• facilities to ensure that pre-and post-shipment finance was available to all exporters and not only small, medium and micro enterprises; and

• an export credit reinsurance scheme with special benefits for small and medium enterprises.[222] [[222] *The Citizen* 17 August 1994]

Dr Breyl said in August 1994 that, in accordance with South Africa's commitment to Gatt, trade liberalisation and.a five-year phased reduction of import duties would begin in 1995. The new policies were being drawn up in conjunction with the NEF and other interested parties. Import con-trois would be phased out on a range of goods, and tariffs introduced for agricultural' products. The GEIS would be

abolished over two years from January 1995, Dr Breyl said.[223] [223 *Business Day* 18 August 1994]

A spokesman for the Department of Trade and Industry, Mr Charl Nel, said in the same month that Mr Manuel would restructure the GEIS by recategorising products so as to reorientate the promotion of manufactured exports. The decision to tax GEIS benefits had come about partly because the NEF had failed to reach consensus on phasing out the scheme. Taxing these benefits would save the government some R600m in the next fiscal year, and there would therefore be no need for any further changes to the GEIS in 1995/96.[224] [224 *The Citizen* 16 September 1994]

The director general of foreign trade, Mr Bert Pienaar, said in September 1994 that the government had approved changes to the GEIS which included reduction on subsidies for exporters of all fresh fruit produce, paper pulp and primary steel products from October 1994 and the removal of these subsidies in April 1995. Subsidies on manufactured goods with an export value content of up to 18,5% would be phased out over the next three years, and the GEIS would be terminated in December 1997, Mr Pienaar said.[225] [225 *Business* Day 6 October 1994]

The new minister of finance, Mr Chris Liebenberg, said in October 1994 at the joint annual general meeting of the International Monetary Fund (IMF) and the World Bank that South Africa was committed to, and had started working towards, the implementation of the requirements of Gatt. The IMF and the bank should, however, investigate the possibly disruptive effects of Gatt reforms on South Africa as a developing country.[226] [226 Ibid 22 June 1994]

Clothing and Textile Industry

In March 1994 Dr Nic Swart, the chairman of the Board on Tariffs and Trade and chairman of the panel of the textile and clothing task group set up by the government in 1992 to investigate the restructuring of the clothing and textile industry, and which included government and private sector representatives, presented the panel's report and recommendations to the govern-merit. The *Clothing and Textile Pipeline Report* recommended the phasing in of lower duties, the introduction of export and productivity incentives, the improvement of workers' education and training, and the promotion of investment in the industry.[227] [227 Ibid 30 March 1994, 25 August 1994; The *Citizen* 30 March 1994; *Financial Mail* 8 April 1994] Specific recommendations included:

• the adjustment of current import tariffs over a ten-year period starting in April 1995;

• the reduction of tariffs to 40% on clothing, 30% on household textiles, 22% on fabrics, *15%* on yarns and 7,5% on fibres—reductions well below Gatt targets; and

• the establishment of a textile and clothing authority.[228] [228 *Business Day* 22 June 1994]

Recommendations to make the clothing and textile industry more internationally competitive included:

• the investment of R2,7bn by the industry in new plant, infrastructure and equipment over the next eight years, as well as an investment of R100m in staff training. The industry would also have to upgrade its technology;

• the lowering of input costs of cotton and synthetic fibres and the lowering of labour costs; and

• the granting o.fa R285m interest subsidy to the industry.[229] [[229] Ibid 30 March 1994, 25 August 1994; *The Citizen* 30 March 1994;]

Since small manufacturers would not benefit sufficiently from most of the support measures, the plan recommended that finance be allocated to these manufacturers to improve competitiveness and encourage new entrants.[230] [[230] *Business Day* 30 March 1994] It also recommended continuance of the GEIS for as long as possible and the extension of the duty credit certification (DCC) system to the end of March 1995. (This system, which allowed manufacturers to claim up to 30% of the value of exports on subsequent import duties for items such as fabrics, was due to expire in September 1994.)[231] [[231] Ibid 13 April 1994]

The president of the National Clothing Federation of South Africa, Mr Sadek Vahed, said in the same month that although some of the task group's proposals were inconsistent with Gatt, the clothing and textile industry hoped to draw on export incentives for as long as possible.[232] [[232] lbid 30 March 1994] He added that the government should implement the export incentive recommendations of the task group, to avoid stalling export growth.[233] [[233] Ibid 13 April 1994, *Financial Mail* 8 April 1994] In the same month, however, clothing retailers, the Southern African Customs Union (Sacu), and small manufacturers stated that the task group had done little to advance the restructuring of the clothing and textile industry to make it more internationally competitive.[234] [[234] *Business Day* 13 April 1994]

In June 1994 a number of smaland medium-sized clothing manufacturers criticised the clothing and textiles task group's proposals to restructure the industry, saying that these were a reinforcement of protectionism. The manufacturers, together with representatives from a number of major clothing and textile organisations, asked for import tariffs significantly lower than those proposed by Gatt, adding that the implemention of these tariffs should be speeded up.[235] [[235] Ibid 22 June 1994] In the same month, however, the executive director of the Textile Federation, Mr Brian Brink, stated that the clothing and textile industry favoured the recommendations of the task group.[236] [[236] Ibid]

In July 1994 the National Clothing Federation of South Africa called on the government to tighten customs controls. The executive director of the federation, Mr Hennie van Zyl, said that while the clothing and textile industry had favoured the liberalisation of tariff duties it was concerned about the

level of import penetration, which suggested leakages in customs control measures. 'Customs policing measures' would be necessary to prevent leakages, since raising import duties would provide only temporary relief, and an increase in exports would be necessary for the industry's long-term salvation. Mr van Zyl criticised the government's delay in responding to recommendations tabled by the clothing and textile panel. The industry had favoured the increase of the DCC claim to at least 36% to cushion the effects of removing tax rebates available through the GEIS, as well as the continuation beyond March 1995 of the DCC incentives; however, there was still uncertainty about this. Furthermore, no provision had been made for retrospective claims, Mr van Zyl said.[237] [237 Ibid 27 July 1994]

At the annual conference of the Textile Federation in August 1994 Mr Manuel said that the government would not invest R4,5bn over the next ten years to assist the restructuring of the clothing and textile industry (as had been recommended by the panel of the clothing and textile task group). It would confine its support to areas in which business could not act, such as trade policy. Previous intervention had blunted the industry's competitive edge, since the structure of tariff support and the GEIS had encouraged higher profits and share prices, as opposed to investment and production re-organisation to make the sector less dependent on subsidies. The industry's competitiveness or commitment to attaining competitiveness would be the key consideration in assessing any support, whether by way of tariffs or supply-side measures, Mr Manuel said.[238] [238 Ibid 19 August 1994]

Mr Manuel added that the GEIS had been open-ended, which had placed severe strain on the fiscus; in addition, the GEIS had been illegal in terms of Gatt and thus had to be removed over time. It had held certain 'fundamental imbalances' which had to be addressed; for example 53 % of the GEIS benefits went to only 30 exporters, while the remaining 47% was shared among 5 078 exporters.[239] [239 *The Star* 15 August 1994,*Business Day* 24 August 1994] Dr Breyl said in August that the government would cut tariffs in South Africa to 50% lower than Gatt binding levels. The government favoured phasing the reduction in over eight years, as opposed to the 12-year period requested by the clothing and textile industry.[240] [240 *Business Day* 19 August 1994]

The president of the Textile Federation and chairman of the Frame Group, Mr Mervyn King, objected in the same month.to the proposals of the Department of Trade and Industry, saying that South Africa was still recovering from sanctions and could not yet afford to lower its tariffs. The managing director of the Frame Group, Mr Walter Simeoni, said that some 80 000 jobs would be lost if the government did not implement the recommendation of the clothing and textile industry task group that government subsidise the ten-year restructuring process. Mr Manuel said in August that the government would reconsider sections of the restructuring plan.[241] [241 Ibid 19, 26 August 1994]

Mr King said in October 1994 in an update to the annual report of the Frame Group that the textile industry was committed to restructuring import tariff barriers in terms of Gatt and he hoped that the Department of Trade and Industry would announce its policy for the industry early in 1995, to allow the industry a 'reasonable chance to survive' and let it 'thrive as a global competitor'. The industry had been willing to cut duty levels at a faster rate to a lower level than recommended by Gatt, Mr King said. (The

industry had agreed to reduce import tariffs to 22% over ten years, while Gatt had stipulated that duties on imported fabrics be cut to 25% over 12 years.)[242] [[242] Ibid 6 October 1994]

Motor Industry

The Board on Tariffs and Trade recommended in August 1994 that tariffs on imported motor vehicles and motor parts be gradually reduced to 30% by 2003 so as to achieve the automotive industry's long-term strategic aims, such as phasing out low-volume domestic production, and in order to comply with Gatt. The board also recommended that vehicle manufacturers, and not importers, should enjoy a duty-free allowance on imported components and that this allowance should drop in line with the gradual cut in import tariffs.[243] [[243] Ibid 22 August 1994]

In the same month the director of the National Association of Automobile Manufacturers of South Africa (Naamsa), Mr Nico Vermeulen, said that the board had rejected the proposals of the motor industry task group which had recommended a maximum import tariff of 45 % by 2002. (The task group had been set up by the government in October 1992 and comprised representatives of automobile manufacturers, the government and trade unions.) An economist at Econometrix, Mr Tony Twine, said in August that the steeper cut would result in a reduction in the number of cars produced. However, the automotive industry would be able to import at lower tariffs. This would protect some of the smaller manufacturers, who could change their activities from production to wholesale importing, Mr Twine said.[244] [[244] Ibid]

Reduction of the customs duty on imports of built-up motor cars, light commercial vehicles, minibuses and other goods vehicles from 100% to 80%, and the abolition of the 15% import surcharge on motor cars, in accordance with South Africa's obligations to Gatt, was notified in a *Government Gazette in* September 1994. Following protests in the same month by the National Union of Metalworkers of South Africa (Numsa), which claimed that the government's decision had been unilateral and that the tariff reductions would endanger many jobs because of increased imports of cheap vehicles from overseas, Mr Manuel said that Numsa had been represented on the motor industry task group which had recommended the tariff changes before the April election. The vice president of Naamsa, Mr John Newbury, said in September that the reductions would expose the South African vehicle manufacturing industry to increased international competition.[245] [[245] *The Citizen* 3, 5 September 1994; *Business Day 5* September 1994]

In October 1994 the chairman of the motor industry task group, Mr Derek Reily, said that import tariffs on heavy vehicles should be reduced to 50% (more than a third below current levels) so as to open the market to international competitors and reduce costs within the industry. Exports should be encouraged by allowing vehicle and component manufacturers, importers and exporters to work towards complementing imports and exports. The group further recommended, among other things, the scrapping off

• excise duties on commercial vehicles from January 1995;

• minimum local content requirements for vehicles and chassis; and

• surcharges on components used in new vehicle assembly.[246] [246 Business Day 5 October 1994]

Southern African Arrangements

The director of the Centre for Southern African Studies, Mr Rob Davies, said in January 1994 that the Sacu (comprising Botswana, Lesotho, Namibia, South Africa and Swaziland) would have to be restructured, since the common external tariff imposed by Sacu contravened article 16 of Gatt. Mr Davies said that the common external tariff had become increasingly restrictive to outside parties. Reform of Sacu was expected to be finalised following the general election in April.[247] [247 *The Star* 14 January 1994]

Mr Manuel said in June 1994 at the southern African meeting of the World Economic Forum held in Cape Town that South Africa would renegotiate all its trade agreements with its neighbouring states—such as the Sacu agreement with Botswana, Lesotho, Namibia and Swaziland—as well as trade agreements with Malawi and Zimbabwe, to assure those countries of a more 'balanced' regional trade flow. Trade in the southern Africa region had become disrupted during the imposition of sanctions on South Africa, South Africa having adopted high tariff and non-tariff barriers and having favoured exports to its neighbours in southern Africa, as opposed to imports from them.[248] [248 *The Citizen* 11 June 1994]

In August 1994 Dr Swart recommended in an address to the parliamentary committee on trade and industry that the board be restructured to include other Sacu members. It would not be possible for South Africa to continue making decisions concerning tariffs on behalf of Botswana, Lesotho, Namibia and Swaziland. Problems with the control of imports from those countries had arisen when goods had incorrectly entered South Africa tariff-free because of the Sacu agreement. Member countries could not be blamed for not complying with the tariff measures because they had no say in the inception of the measures, Dr Swart said. These issues were discussed at a ministerial meeting of Sacu members in September.[249] [249 *Business Day* 25 August 1994]

The president, Mr Nelson Mandela, said at the southern African meeting of the World Economic Forum in June 1994 that South Africa had to realise the programmes of the Southern African Development Community (SADC) and of the Common Market for Eastern and Southern Africa (Comesa) as a first step towards creating a common African market. South Africa would not dominate trade in the region but was committed to strengthening regional institutions such as the SADC and Comesa, as well as bilateral relations with neighbouring states, Mr Mandela said.[250] [250 Ibid 10 June 1994] In August 1994 South Africa was admitted to the SADC.[251] [251 *The Star* 30 August 1994] The executive deputy president from the majority party, Mr Thabo Mbeki, said after signing the SADC treaty that South Africa's role within the SADC would involve redressing trade imbalances between South Africa and its neighbours

(the gross domestic product of South Africa was four times that of the other SADC states combined and the balance of trade was largely in South Africa's favour). Sustainable economic interaction in the southern African region would be based on a more equitable flow of capital goods and resources.[252] [252 *The Citizen* 30 August 1994]

The SADC resolved in the same month to rationalise its programmes so that they would not overlap those of the Preferential Trade Area (PTA). The PTA had 22 members, including east African and most southern African states except for Botswana and South Africa. The SADC proposed dividing the PTA into a northern region, which would serve the central African states and member states of the horn of Africa, and a southern region which would incorporate members of the SADC. At the time of writing South Africa had not yet been assigned to one of these regions.[253] [253 *Sowetan* 30 August 1994; *Business Day* 31 August 1994; telephonic interview with a spokesman for the Department of Trade and Industry (DTI), 12 January 1995]

In August 1994 the president of Zimbabwe, Mr Robert Mugabe, said that there had been a growing trade imbalance between Zimbabwe and South Africa, and that an urgent review of the PTA was needed. The provisions of the PTA had become ineffective and outdated, resulting in 'substantive erosion' of the trade agreement duty preferences. Zimbabwe's economy had been undergoing restructuring from a highly regulated economy to one in which market forces were dominant, and could sustain this only it' its exports were allowed to 'grow' on the South African market, Mr Mugabe said.[254] [254 *Business Day* 18 August 1994]

The European Union (EU) and the SADC signed the Berlin Declaration in September 1994 to foster co-operation between the two regions in areas such as trade, investment and economic development, and to offer European support for a stronger regional organisation in southern Africa.[255] [255 Ibid 2 September 1994] One of the crucial issues that emerged but remained unresolved, was South Africa's relationship with the Lome Convention (a tradand aid-orientated agreement between the EU and 70 former European colonies in Africa, the Caribbean and the Pacific), which was due to expire at the end of 1999 (see also *European Union* below).[256] [256 *The Star* 5 September 1994] South Africa was, however, invited as an observer to the joint assembly of the Lome Convention, which took place in October in Gabon.[257] [257 *Business Day* 21 September 1994] In November 1994 Mr Manuel launched a bid for fullscale membership of the Lome Convention[258] [258 Ibid 30 November 1994] At the time of writing South Africa was negotiating the nature of its membership with the African member countries of the convention.[259] [259 Telephonic interview with a spokesman for the DTI, 12 January 1995]

International Arrangements

Egypt

At a Gatt board meeting in Geneva (Switzerland) in February 1994, Egypt announced that it had lifted its trade sanctions against South Africa and that trade routes had reopened between the two countries.[260]

[260 *The Citizen* 25 February 1994]

Sweden

In March 1994 the Swedish minister of foreign trade, Mr Ulf Dienkenspiel, led Sweden's first official trade delegation to South Africa since the lifting of its trade embargo and its ban on investment in South Africa in September and December 1993 respectively. The executive director of the International Council of Swedish Industry, Mr Ake Magnusson, said that while bigger Swedish companies would pave the way for increased trade with South Africa, smaller fu-ms would be more hesitant because of the distance between the two countries and closer trade opportunities in eastern Europe.261 [261 *Business Day* 22, 29 March 1994]

European Union

The South African ambassador to the EU, Mr Nell van Heerden, said in April 1994 that the council of foreign ministers of the EU had agreed to consider extending the EU's generalised system of preferences (GSP) for developing countries to South Africa, on condition that South Africa show a commitment to human rights and greater solidarity with other African states. (The GSP refers to a principle agreement under which one country is granted preferential access to the trade market of another, through reduced tariffs. Individual countries apply their own version of the GSP principle.) Mr van Heerden said it had not been revealed which South African products would benefit from the GSP; however, agricultural, steel and textile products were expected to be excluded. Although the GSP was not likely to last more than two years, South Africa would retain its 'most favoured nation' MFN) status in Europe. (The MFN trade principle, permitted by Gatt, allows for the most basic trade preferences in bilateral trade regimes. In 1994 some 80% of South African exports to Europe—which accounted for about 40% of South Africa's foreign trade—were already tariff-free.) South Africa would not, however, be admitted to the Lome Convention because consent for entry had to be obtained from current members, which included smaller African states fearful of South African domination, Mr van Heerden said.262 [262 Ibid 22 April 1994, 3 June 1994]

Following South Africa's general election in April 1994, the EU council of foreign ministers agreed to grant South Africa concessions under the GSP. In June 1994 a delegation of EU officials arrived in South Africa to negotiate a formal trade arrangement with the government. In terms of a principle agreement—which came into effect in September 1994—the agricultural, chemical, iron, marine, paper and steel sectors would receive the largest benefits. The GSP agreement would be reviewed by the EU in January 1995.263 [263 *The Citizen* 28 June 1994, 14 July 1994; *Business Day* 4 July 1994]

The chairman of a committee set up by the government in June 1994 to advise on the nature of a mediuto long-term trade relationship between South Africa and the EU, Mr Alan Hirsch, said in July that the medium-term relationship would involve some form of co-operation while longer-term possibilities included South Africa's inclusion in the Lome Convention or a bilateral agreement with the EU, or both. (Although the Lome framework was not an entirely free trade arrangement, product

restrictions were minimal, and the convention also covered coal—a significant South African export—as well as clothing and textiles, which had been excluded from the GSP offered to South Africa.) If South Africa joined the Lome Convention, intra-regional trade, particularly in the industrial sectoion, could be facilitated, Mr Hksch said.[264] [[264] *Business Day* 11 July 1994]

In July 1994 the value of the Rlbn EU trade offer was reduced following a joint effort by Belgium, France, Italy, Portugal and Spain to have certain South African products excluded from the list of those qualifying for the GSP because they feared that increases in South African exports would harm their own producers. They were concerned particularly about agricultural and paper products, steel and timber.[265] [[265] Ibid 21, 28 July 1994; *The Star* 10 August 1994]

Following negotiations in Brussels (Belgium), the EU ambassador to South Africa, Mr Erwin Fouere, announced in August 1994 that the EU had approved a GSP package for South Africa which would allow South African exports worth almost R31bn to enter the EU duty-free each year, thus increasing the value of South African duty-free products by about RI,7bn a year. The scheme would cover almost 2 000 industrial and semi-industrial products. However, it would exclude kraft paper and agricultural products. The scheme would be revised in January 1995 and South Africa would be included in the new scheme.[266] [[266] *The Star* 19 August 1994; The *Citizen* 20, 23 August 1994; *Business Day* 22 August 1994] In September 1994 the trade concessions came into effect. However, the revised GSP did not come into effect in January 1995 and was expected to become operational in July 1995.[267] [[267] Telephonic interview with Mr Carlos Texeira, a spokesman for the European Union, 3 January 1995]

North America

In May 1994 the United States (US) extended preferential trading status to South African goods through a GSP agreement. (So far, in an attempt to promote the economic development and competitive position of underdeveloped countries, the US has granted concessions on selected items through its GSP to about 144 designated developing countries and territories which, in order to qualify, must have a maximum per capita gross domestic product of $11 400.) South Africa had applied for the GSP benefits in January 1994, and the US agreement had been initiated by the signing of a proclamation by the American president, Mr Bill Clinton, in April 1994. In terms of the agreement almost 4 400 South African products exported to the US would qualify for entry duty-free or at reduced rates. Products not qualifying for the benefit included certain types of steel and glass, and textiles and clothing, which were already subject to tariff agreements.[268] [[268] *Business Day* 14 February 1994, 26 April 1994, 9 May 1994, 15 August 1994; *The Citizen* 28 April 1994; *Sowetan* 3 May 1994; *The Argus* 3 May 1994; *Going Concerns*, no 11, August 1994;] US legislation permitting the GSP benefit was passed in the same month but expired later in 1994. Legislation which allowed for the renewal of the benefit was passed in December 1994.[269] [[269] Telephonic interview with a spokesman for the United States Embassy, 3 January 1995]

The United States/South Africa Business Development Committee was formed in June 1994 and in September was divided into four working groups to investigate, among other things, ways of

encouraging investment between the US and South Africa, and bilateral access to markets. The committee comprised 20 business representatives from both countries and would be co-chaired by Mr Manuel and the US secretary of commerce, Mr Ron Brown. In October 1994 Mr Manuel said that the government was drawing up guidelines as a basis for investment incentives, and was also in the process of concluding an investment treaty with the US. The co-chairman of the bilateral market access working group, Mr Andre Bedeker, said in the same month that South Africa had requested that more South African products qualify for duty-free access to US markets.[270] [[270] *Business Day* 21 September 1994, 3 October 1994; *The Star* 3 October 1994]

In May 1994 Canada extended its GSP to South Africa with a reduction of 33% in normal tariffs on South African exports entering the country. This followed the opening of a Canadian trade office in Johannesburg and the signing in January 1994 of a number of credit line agreements (on behalf of the Canadian Export Development Corporation) with South African financial institutions by the Canadian minister of international trade, Mr Roy MacLaren. Trade between the two countries had dropped significantly after Canada imposed sanctions on South Africa in 1986 (these had been lifted in September 1993).[271] [[271] *Business Day* 12 January 1994, 1 February 1994, 19 July 1994; *The Citizen* 2 February 1994]

In August 1994 the government appointed the South African Chamber of Business and the Afrikaanse Handelsinstituut to issue certificates of origin to assist with the administration of trade preferences granted by the US and Canada. The director of foreign trade relations, Mr Hennie Coetzer, said that Canada had a stricter role of origin as it stipulated that 60% of value be added in the beneficiary nation as a requirement for certification. Mr Coetzer said that the government was awaiting the EU's list of products which would qualify for the GSP before deciding on a certification authority.[272] [[272] *Business Day* 15 August 1994]

United Kingdom

Following one of Britain's biggest trade missions to South Africa in July 1994, led by the president of the Board of Trade, Mr Michael Heseltine, Britain announced a £1bn (R5,6bn) support package for South Africa, comprising export credit guarantee (ECG) facilities for British exporters to South Africa. (The ECG cover applied only to mediuand long-term trade financing and covered only £200m of Britain's £1,1bn worth of exports to South Africa.) The British trade and industry select committee in the same month called for 'maximum access' for South African products to Europe.[273] [[273] *The Citizen* 8 July 1994, *Business Day* 28 July 1994]

The committee on trade with southern Africa set up by the British Department of Trade and Industry said in a report in August 1994 that, although the tariff structure in South Africa conflicted with Gatt, it would be unrealistic for South Africa to drop its tariff barriers immediately. The report, based on interviews with leading South Africans in June, said that the committee supported the phased approach being adopted in terms of proposals by the National Economic Forum. Barriers to trade had included high tariffs on categories such as motor vehicles, radio equipment and textiles, duties exceeding *500%* in

some categories. Non-tariff barriers included the dual currency exchange control system. Recommendations made by the committee regarding British trade policy towards South Africa included:

• careful monitoring of the United Kingdom Southern Africa Business Association by the Department of Trade and Industry;

• prioritising of electricity-related activities in the reconstruction and development programme. A trade mission to explore opportunities in the electricity industry should be organised;

• development of trade relationships with South Africa which would be facilitated by increasing the number of commercial posts in British diplomatic missions in South Africa;

• facilitation by the government of a British chamber of commerce in South Africa; and

• promotion by Britain of a GSP trade agreement between the EU and South Africa, which would ensure maximum access for South African products to Europe while supporting the wider southern Africa region.[274] [[274] *Business Day* 15 August 1994]

France

An economic and commercial counsellor to the French Embassy in South Africa, Mr Dominique Bon, said in August 1994 that France intended to stimulate further trade with South Africa and that a French trade mission was scheduled to visit South Africa in October. France was investigating the possibility of increasing its trade in South Africa—currently only 0,3 % of France's trade worldwide.[275] [[275] *Engineering News* 5 August 1994]

Persian Gulf

In May 1994 some 250 South African companies took part in a trade fair in Dubai, aimed at strengthening South Africa's trade ties with the Persian Gulf. According to the South African Foreign Trade Organisation, about 30% of these companies were new participants. The fair marked the beginning of an initiative to reopen markets which South Africa had enjoyed in the region (particularly in Iran) in the 1970s, and the consolidation of trade relationships established mainly in 1993 between South Africa and the United Arab Emirates and Bahrain.[276] [[276] *The Natal Mercury* 25 May 1994]

Central and Eastern Europe

The new minister of foreign affairs, Mr Alfred Nzo, said in August 1994 that South Africa's positive trade balance with the countries of central and eastern Europe had doubled from R800m in 1992 to R1,6bn in 1993. The increase excluded barter trade arrangements such as the exchange of South African minerals and raw materials for ships and capital goods. Mr Nzo said that central and eastern Europe and

Turkey were important trading partners for South Africa. Many of these countries were undergoing fundamental political and economic change and were eager for trade, investment and exchange agreements.[277] [277 *The Citizen* 12 August 1994]

People's Republic of China

In the same month the assistant minister of foreign trade and economic co-operation of the People's Republic of China (PRC), Mr Lin Xiangdong, said, while visiting South Africa as part of a Chinese trade delegation, that many members of the delegation had signed letters of intent as an initial step towards trade agreements with South Africa and to encourage South African nongovernmental organisations to increase trade and economic contacts with the PRC.[278] [278 *The Star* 11 August 1994] In September 1994 China announced that it would contribute some Rlbn to South Africa to promote trade, investment and technical co-operation between the two countries (see also *Foreign aid* above). In addition, the export-import bank of the PRC would increase its fixed rate relending facility to stimulate bilateral trade.[279] [279 *Sowetan* 21 September 1994]

India

Mr Manuel and the trade minister of India, Mr Pranab Mukherjee, signed an agreement in August 1994 which provided for the establishment of an institutional framework for co-operation in trade and which granted both countries MFN status. The two ministers would negotiate the details of an Indian Ocean Rim trading area, which, according to Mr Mukherjee, would serve as a vehicle for economic co-operation between the two countries. Mr Manuel said that a joint inter-governmental business committee, to be chaired by the two ministers, would be set up to promote trade relations.[280] [280 *Business Day* 23 August 1994]

Portugal

In September 1994 representatives from Portuguese and South African commercial banks (including Absa Bank, Bank of Lisbon International, First National Bank of Southern Africa, Nedbank and Standard Bank) signed a credit agreement, worth R270m, which aimed to promote the export of Portuguese goods to South Africa. The credit line would enable the South African hanks to finance customers wishing to import goods from Portugal, thereby increasing the flow of trade between the two countries.[281] [281 *The Citizen* 13 September 1994]

Syria

Syria announced in the same month that it had lifted its ban on trading links with South Africa, imposed in 1973.[282] [282 Ibid 20, 23 September 1994]

EDUCATION

KEY POINTS

• By the end of 1994 the different education administrations of the previous government and former homelands had not yet been amalgamated.

• Approximately 30% (11,3m people) of the population had no education in 1991, according to the Development Bank of Southern Africa. In comparison, in 1960, 55,3% of the population had no education.

• About 1,1m people (3% of the population) had some form of post-matric qualification in 1991.

• General arts degrees constituted the largest proportion of degrees (26%) held by the South African population in 1994, according to the Human Sciences Research Council.

• Thirty percent of African pupils who started formal education left school without writing matric, according to the Foundation for Research Development.

• Between 1990/91 and 1994/95 the allocation to education in the budget increased by an average of 15,5% a year. The 1994/95 budget allocated R30,85bn to education (22% of the total budget).

• Per capita expenditure on education under the Department of Education and Training (DET) increased by 445% from 1985 to 1994, compared with an increase of 72% in per capita expenditure on education under the former House of Assembly. Nevertheless, DET per capita expenditure was 44% of per capita expenditure under the House of Assembly.

• In 1994, 11,8m pupils were enrolled at schools in South Africa. The minister of education, Professor Sibusiso Bengu, estimated that 1,8m people of school-going age were not attending school.

• From 1987 to 1994 the pupil/teacher ratio increased slightly from 30:1 to 32:1.

• From 1987 to 1994 enrolment at technical colleges increased by 70%—a greater increase than enrolment at schools over the same period (37%).

• From 1984 to 1993 the number of apprenticeship contracts in operation dropped from 37 130 to 21 677 (ie by 42%).

In 1994 the different education administrations of the previous government and homeland administrations had not yet been amalgamated. Each still existed, and although in the process of

amalgamation, operated separately. Consequently statistical information from the government was provided on the basis of these divisions.

HUMAN RESOURCES

Qualification Profile of the Population

Level of Education

According to the Development Bank of Southern Africa (DBSA), in 1991 approximately 11,3m people in South Africa (or 29,5% of the population) had no education. About 3m people (8,1%) had matriculation only and 1,1m (3%) had some form of post-matriculation qualification.[1] [1 Information supplied by the Development Bank of Southern Africa (DBSA), October 1994]

More than one third (34,2%) of African people had no education, as did 23,5% of coloured people, 18,2% of Indians and 10,9% of whites. Fifteen percent of whites had some form of post-matriculation education, together with fewer than 1% of Africans, almost 2% of coloured people, and 4,3% of Indians. In 1960 only 1% of the population had post-matriculation education.

The education levels of the population improved between 1960 and 1991. Although the number of people in South Africa without any education increased during this period (from 8,8m to 11,3m), the proportion of the population without education dropped (from 55,3% in 1960 to 29,5% in 1991). The greatest decrease occurred in the African population (from 68,1% in 1960 to 34,3% in 1991). The number of people with a matric increased from 317 000 (2% of the population) to 3m (8% of the population).

The following tables show the education levels of the population from 1960 to 1991, according to the censuses of 1960, 1970 and 1980, and figures adapted from the 1991 census by the DBSA:[2] [2 Information supplied by the Central Statistical Service (CSS) and the DBSA, October 1994]

Education levels: 1960–1970

1960

1970

Number

Proportion

Number

Proportion

No education

African

7 441 801

68,1%

8 856 738

57,7%

Coloured

710 035

47,0%

793 973

38,7%

Indian

186 321

39,0%

190 163

30,2%

White

507 026

16,5%

580 275

15,4%

Sub-total

8 845 183

55,3%

10 421 149

47,8%

Sub A–standard 1

African

1 069 636

19,8%

2 058 541

13,4%

Coloured

183 017

12,0%

297 253

14,5%

Indian

61 653

12,9%

60 304

9,6%

White

190 811

6,2%

228 813

6,1%

Sub-total

1 505 117

9,4%

2 644 911

12,1%

Standard 2–standard 5

African

1 820 027

16,7%

3 203 821

20,9%

Coloured

412 161

27,0%

598 955

29,2%

Indian

144 941

30,3%

192 413

30,5%

White

403 045

13,0%

424 586

11,3%

Sub-total

2 780 174

17,4%

4 419 775

20,3%

Standard 6–standard 7

African

422 065

3,9%

880 059

5,7%

Coloured

146 963

10,0%

246 155

12,0%

Indian

56 878

11,9%

115 020

18,2%

White

805 179

2,6%

786 204

20,1%

Sub-total

1 431 085

9,0%

2 027 438

9,3%

Standard 8–standard 9

African

97 737

0,9%

246 190

1,6%

Coloured

26 701

2,0%

68 037

3,3%

Indian

13 856

2,9%

45 479

7,2%

White

548 518

9,7%

838 682

22,2%

Sub-total

686 812

4,3%

1 198 388

5,5%

Matriculation

African

9 104

0,1%

29 166

0,2%

Coloured

4 690

0,3%

13 689

0,6%

Indian

4 597

1,0%

15 369

2,4%

White

298 679

9,7%

585 514

15,5%

Sub-total

317 070

2,0%

643 738

3,0%

Diploma with standard 9 or less

African

36 665

0,3%

31 932

0,2%

Coloured

8 371

0,6%

8 498

0,4%

Indian

1 319

0,3%

1 304

0,2%

White

59 367

1,9%

34 118

0,9%

Sub-total

105 722

0,7%

75 852

0,3%

Diploma with matriculation

African

4 960

0,04%

7 815

0,0% [a]

Coloured

3 432

0,2%

6 204

0,3%

Indian

1 084

0,2%

3 767

0,6%

White

117 432

3,8%

169 804

4,5%

Sub-total

126 908

0,8%

187 590

0,9%

Bachelor's degree

African

1 547

0,01%

1 314

0,0% [a]

Coloured

742

0,05%

989

0,0% [a]

Indian

997

0,2%

2 302

0,4%

White

58 663

1,9%

91 592

2,4%

Sub-total

61 949

0,4%

96 197

0,4%

Master's degree

African

404

0,0%a

59

0,0% [a]

Coloured

82

0,0%a

73

0,0% a

Indian

38

0,0%a

54

0,0% a

White

6 548

0,2%

8 731

0,2%

Sub-total

7 072

0,04%

8 917

0,04%

Doctorate

African

47

0,0%a

38

0,0% a

Coloured

34

0,0%a

28

0,0% a

Indian

29

0,0%a

36

0,0%a

White

3 625

0,1%

4 188

0,1%

Sub-total

3 735

0,02%

4 290

0,0%a

Unspecified

African

17 226

0,02%

24 302

0,2%

Coloured

13 741

0,9%

16 840

0,8%

Indian

6 144

1,3%

4 161

0,7%

White

78 655

2,6%

20 774

0,6%

Sub-total

115 766

0,7%

66 077

0,3%

Total[b]

African

10 921 219

100%

15 339 975

100%

Coloured

1 509 969

100%

2 050 694

100%

Indian

477 857

100%

630 372

100%

White

3 077 548

100%

3 773 281

100%

Total

15 986 593

100%

21 794 322

100%

a

Proport

Education levels: 1980–1991

1980

1991

Number

Proportion

Number

Proportion

No education

African

8 059 953

47,3%

9 809 034

34,3%

Coloured

794 778

30,3%

772 239

23,5%

Indian

203 142

24,8%

179 341

18,2%

White

636 258

14,0%

550 769

10,9%

Sub-total

9 694 131

38,8%

11 311 383

29,5%

Sub A–standard 1

African

2 191 435

12,9%

3 233 310

11,3%

Coloured

349 012

13,3%

333 192

10,1%

Indian

78 219

9,5%

66 142

6,7%

White

262 535

5,8%

233 452

4,6%

Sub-total

2 881 201

11,5%

3 866 096

10,2%

Standard 2–standard 5

African

4 180 896

24,6%

7 206 684

25,2%

Coloured

804 124

30,6%

873 897

26,6%

Indian

192 425

23,5%

165 944

16,8%

White

416 339

9,1%

336 259

6,6%

Sub-total

5 593 784

22,4%

8 582 784

22,6%

Standard 6–standard 7

African

1 595 617

9,4%

3 594 817

12,6%

Coloured

417 623

15,9%

616 456

18,8%

Indian

160 469

19,6%

169 397

17,2%

White

693 836

15,2%

501 381

9,9%

Sub-total

2 867 545

11,5%

4 882 051

12,9%

Standard 8–standard 9

African

688 506

4,0%

2 669 746

9,3%

Coloured

161 270

6,1%

385 599

11,7%

Indian

106 777

13,0%

172 688

17,5%

White

1 019 140

22,4%

1 091 104

21,5%

Sub-total

1 975 693

7,9%

4 319 137

11,4%

Matriculation

African

140 592

0,8%

1 256 999

4,4%

Coloured

43 310

0,7%

194 199

5,9%

Indian

51 207

6,3%

168 789

17,1%

White

888 136

19,5%

1 441 101

28,3%

Sub-total

1 123 245

4,5%

3 061 088

8,1%

Diploma with standard 9 or less

African

57 144

0,3%

19 850

0,6%

Coloured

18 437

0,7%

10 019

0,3%

Indian

3 861

0,5%

2 622

0,3%

White

72 912

1,6%

44 568

0,9%

Sub-total

152 354

0,6%

77 059

0,2%

Diploma with matriculation

African

29 446

1,7%

227 914

0,8%

Coloured

16 504

0,6%

43 448

1,3%

Indian

11 183

1,4%

23 883

2,4%

White

319 600

7,0%

432 713

8,5%

Sub-total

376 733

1,5%

727 958

1,9%

Bachelor's degree

African

6 991

0,04%

39 169

0,1%

Coloured

33 376

0,1%

13 078

0,3%

Indian

6 723

0,8%

19 049

1,9%

White

171 675

3,8%

304 842

6,0%

Sub-total

188 765

0,8%

376 138

1,0%

Master's degree

African

376

0,0%a

1 092

0,0% [a]

Coloured

142

0,0%a

495

0,0% [a]

Indian

274

0,0%a

1 064

0,1%

White

15 159

0,3%

29 758

0,7%

Sub-total

15 951

0,0%a

32 409

0,08%

Doctorate

African

142

0,0%a

1 055

0,0% [a]

Coloured

46

0,0%a

262

0,0% [a]

Indian

115

0,0%a

525

0,0%[a]

White

6 540

0,1%

12 647

0,2%

Sub-total

6 843

0,0%a

562 311

0,03%

Unspecified

African

71 150

0,4%

42 429

2,0%

Coloured

15 385

0,6%

17 054

1,3%

Indian

4 807

0,6%

90 760

1,7%

White

48 938

1,0%

712 554

1,8%

Sub-total

140 280

0,6%

28 621 981

1,9%

Total[b]

African

17 022 248

100%

3 285 313

100%

Coloured

2 624 007

100%

986 498

100%

Indian

819 202

100%

5 067 512

100%

White

4 551 068

100%

37 961 304

100%

Total

25 016 525

100%

100%

a

Proport

Artisans

According to the Central Statistical Service, in 1991, 814 013 people in South Africa (excluding the former ten homelands) were artisans or in related occupations. This compared with 353 863 people in

such occupations in 1985.[3] [3 CSS, *South African Labour Statistics* 1994] No figures indicating the number of artisans only were available.

Literacy

According to the population development programme (PDP), in 1991, 61% of the population of South Africa was literate. People were defined as literate if they were over the age of 13 years and in possession of at least a standard 5 qualification. However, a spokesman for the PDP said that these figures were inaccurate and unreliable.[4] [4 DBSA, *South Africa's nine provinces: a human development profile*, April 1994; Interview with a spokesman for the population development programme, 1 November 1994]

At the time of writing more reliable literacy statistics were not available.

Types of Qualification

According to the register of degrees of the Human Sciences Research Council (HSRC), there were almost 393 000 people with degrees in South Africa in 1994. However, the register still reflected those people who had obtained degrees in South Africa but had emigrated and those who had died with no notification being given to the HSRC. A spokesman for the HSRC said that the figures, therefore, did not accurately reflect the number of different types of degrees held by the population, but accurately reflected the proportion.

The greatest single proportion of degrees (25,9%) was general arts degrees (approximately 42% of degrees held by Africans were general arts degrees). Almost 18% of degrees were commerce degrees, followed by health science (8,7%) and education (7,5%). A comparatively smaller proportion (5%) of degrees held by whites were education degrees, compared with Africans (18% of degrees), coloured people (14%) and Indians (16%).

The following table gives a proportional breakdown of the highest type of degree obtained. The next table gives a numerical breakdown of the highest type of degree obtained, according to the HSRC register. An attempt was made to classify the degrees into categories similar to those used by the Department of Education in classifying the degrees awarded by universities each year (see *University degrees, diplomas and certificates awarded* below). However, the categories are not strictly comparable.[5] [5 Interview with a spokesman for the Human Sciences Research Council (HSRC), 4 November 1994; Information supplied by the HSRC, October 1994]

Types of degrees held by the South African population: 1994 (a proportional breakdown)

African

Coloured

Indian

White

Unspecified

Total

Agriculture[a]

0,9%

0,2%

0,3%

3,7%

1,9%

3,0%

Architecture[b]

0,1%

0,5%

0,7%

1,9%

3,3%

1,6%

Arts (general)

42,5%

45,3%

25,4%

23,0%

22,0%

25,9%

Commerce[c]

7,9%

8,6%

17,5%

19,7%

20,2%

17,9%

Communication[d]

0,6%

0,07%

0,03%

0,8%

0,6%

0,7%

Computer science

0,03%

0,04%

0,1%

0,1%

0,05%

0,09%

Education

17,8%

13,9%

16,1%

5,4%

4,6%

7,5%

Engineering

0,6%

1,0%

2,1%

8,2%

6,3%

6,6%

Health science[e]

10,8%

7,9%

15,8%

12,1%

13,4%

12,1%

Home economics[f]

0,08%

0,5%

0,03%

0,5%

0,2%

0,4%

Languages[g]

0,2%

0,1%

0,09%

0,6%

0,1%

0,5%

Law

5,5%

4,8%

7,0%

5,9%

6,6%

5,8%

Library and museum science

0,7%

0,7%

0,4%

0,8%

0,5%

0,8%

Performing and visual arts

0,3%

0,7%

0,6%

1,6%

1,2%

1,3%

Philosophy and religion

0,9%

1,4%

0,4%

2,2%

0,4%

1,9%

Physical education

0,02%

1,0%

0,3%

0,6%

0,1%

0,5%

Psychology

0,04%

0,03%

0,2%

0,2%

0,09%

0,2%

Public administration

2,6%

0,8%

1,5%

0,6%

0,5%

0,9%

Science

4,9%

8,0%

9,1%

9,2%

9,6%

8,7%

Social science

3,7%

4,9%

2,4%

2,9%

8,1%

3,3%

Unspecified

0,04%

0,0%

0,1%

0,03%

0,03%

0,03%

Total[h]

100,0%

100,0%

100,0%

100,0%

100,0%

100,0%

a

Includes degrees in subjects relating to natural sciences and renewable resources.

b

Includes environmental design.

c

Includes management sciences.

d

Includes journalism.

e

Includes veterinary sciences.

f

Includes food sciences.

g

Includes literature and translation.

h

Figures may n

Types of degrees held by the South African population: 1994 (a numerical breakdown)

African

Coloured

Indian

White

Unspecified

Total

Agriculture[a]

399

28

50

11 182

334

11 993

Architecture[b]

53

66

140

5 592

583

6 434

Arts (general)

17 978

6 591

5 016

68 615

3 851

102 051

Commercec

3 337

1 250

3 449

58 943

3 526

70 505

Communication[d]

259

11

5

2 442

109

2 826

Computer science

12

6

19

305

8

350

Education

7 517

2 016

3 177

16 174

811

29 695

Engineering

234

149

425

24 378

1 103

26 289

Health science[e]

4 560

1 148

3 124

36 187

2 351

47 370

Home economics[f]

36

7

6

1 364

38

1 451

Languages[g]

65

21

17

1 734

25

1 862

Law

2 344

694

1 379

17 452

1 157

23 026

Library and museum science

293

104

70

2 461

82

3 010

Performing and visual arts

124

96

118

4 751

212

5 301

Philosophy and religion

360

205

71

6 620

74

7 330

Physical education

7

148

50

1 782

24

2 011

Psychology

19

4

31

608

15

677

Public administration

1 093

112

288

1 834

84

3 411

Science

2 057

1 165

1 796

27 429

1 673

34 120

Social science

1 582

716

480

8 637

1 429

12 844

Unspecified

16

0

19

92

5

132

Total

42 345

14 537

19 730

298 582

17 494

392 688

a

Includes degrees in subjects relating to natural sciences and renewable resources.

b

Includes environmental design.

c

Includes management sciences.

d

Includes journalism.

e

Includes veterinary sciences.

f

Includes food sciences.

g

Includes

Similar information on the types of technikon qualifications held by the population was not available.

Education Output

Matriculation Pass Rate

From 1984 to 1993 the number of people who wrote matric increased by 196% from 167 842 to 497 030. The number who passed matric increased by 113% from 114 133 to 243 545 during this period, although the proportion of candidates who passed decreased from 68% to 49%. The proportion of candidates who passed with a matriculation exemption (thus qualifying for acceptance to university) decreased from 24% to 15%, although the number increased from 40 282 in 1984 to 74 554 in 1993.[6] [6 Fast Facts No 8 1994]

The preliminary matriculation results showed that in 1993, 37% of African candidates passed matric, compared with the preliminary African pass rate in 1992 of 42%. The adjusted pass rate in 1992 was 44% (after the results of the supplementary examinations had been taken into account).

The chairman of the southern Natal division of the South African Democratic Teachers' Union (Sadtu), Mr Nhlanhla Ngubane, said the poor pass rate was partly due to teachers' pursuing private studies and therefore not devoting sufficient time to teaching the pupils. He said, however, that teachers were pursuing such studies because no comprehensive programmes of in-service training were provided.[7] [7 *The Natal Mercury* 14 January 1994]

The assistant general secretary of the National Education Co-ordinating Committee, Mr Sipho Cele, said that the 'gross inadequacy' of resources given to African education was a major cause of the poor results. The general secretary of Sadtu, Mr Randall van den Heever, said that the root cause lay in the 'conflict-ridden relationship' between the Department of Education and Training and teachers and pupils.[8] [8 *Business Day* 13 January 1994]

The following table gives a racial breakdown of the number of matriculation candidates and the pass rate from 1982 to 1994:[9] [9 Fast Facts No 8 1993; 1993/94 Survey, p713; information supplied by the Department of Education and Training (DET), October 1994; *Edusource Data News,* March 1994; *The Star* 27, 29, 30 December 1994; *The Citizen* 29

December 1994]

Matriculation examination results: 1982–1994

African

Coloured

Indian

White

Total

1982

Candidates

70 241

10 207

6 622

52 418

139 488

Pass[a]

48%

67%

84%

95%

69%

Matric exemption[b]

10%

17%

37%

46%

25%

1983

Candidates

82 449

11 076

7 403

53 317

154 245

Pass

48%

71%

86%

94%

68%

Matric exemption

10%

15%

42%

46%

24%

1984

Candidates

86 191

14 138

10 508

57 005

167 842

Pass

49%

73%

87%

92%

68%

Matric exemption

11%

15%

34%

45%

24%

1985

Candidates

82 815

11 052

11 109

59 991

164 967

Pass

47%

64%

88%

92%

67%

Matric exemption

12%

12%

32%

44%

25%

1986

Candidates

100 012

17 624

11 406

64 327

193 369

Pass

52%

68%

87%

93%

69%

Matric exemption

13%

15%

33%

44%

25%

1987

Candidates

150 119

18 289

12 429

64 672

245 509

Pass

56%

73%

95%

95%

70%

Matric exemption

16%

19%

37%

43%

25%

1988

Candidates

187 123

21 456

13 221

69 549

291 349

Pass

57%

66%

95%

96%

69%

Matric exemption

16%

16%

41%

42%

24%

1989

Candidates

209 319

22 666

14 191

70 666

316 842

Pass

42%

73%

94%

96%

58%

Matric exemption

10%

18%

41%

42%

19%

1990

Candidates

255 669

22 315

14 542

70 348

362 874

Pass

43%

79%

95%

96%

57%

Matric exemption

9%

20%

45%

42%

17%

1991

Candidates

304 315

22 405

14 258

65 933

406 911

Pass

46%

83%

95%

96%

54%

Matric exemption

11%

22%

50%

41%

18%

1992

Candidates

342 299

24 430

14 485

66 141

447 355

Pass

44%

86%

95%

98%

56%

Matric exemption

10%

21%

49%

42%

17%

1993[c]

Candidates

392 323

25 735

15 203

63 769

497 030

Pass

37%

86%

93%

95%

49%

Matric exemption

8%

21%

45%

42%

15%

1994[c]

Candidates

410 784

25 431

15 240

62 508

513 963

Pass

49%

88%

92%

98%

82%

Matric exemption

11%

21%

78%

55%

41%

a

Proportion of total candidates who passed matric.

b

Proportion of total candidates who obtained a matriculation exemption.

c

African matric results are preliminary. They do n

Mr William Blankley of the Foundation for Research Development said in April 1994 that 30% of African pupils who started formal education left school without sitting for matric. He compared sub A (the first year of primary school) enrolment in 1980 with matric results in 1991 and found that one in 312 Department of Education and Training pupils who entered school in 1980 gained a matric exemption with both science and maths as subjects. Comparable figures for whites were one in five, for Indians, one in 6,2 and for coloured people, one in 46.[10] [10 *The Argus* 11 April 1994]

According to the Research Institute for Education Planning the proportion of people who passed matric in 1993 was 20% of the enrolment of pupils (1,2m) in sub A in 1982. In total 505 045 pupils enrolled in

matric in 1993 (41% of the enrolment of pupils in sub A in 1982).[11] [11 Research Institute for Education Planning (Riep), *Education and Manpower Development*, August 1994] However, these figures did not take into account the number of matric pupils in 1993 who were repeating the matriculation examinations. Nor did they give an indication of the number of pupils who enrolled in 1982, but had repeated subsequent years and would possibly pass matric after 1993.

The following table compares the flow of pupils from sub A to matric from 1979 to 1990 and from 1982 to 1993:[12] [12 Ibid]

Flow of pupils from sub A (grade 1) to matric: 1979–1990 and 1982–1993

African

Proportion[a]

Coloured

Proportion[a]

1979–1990

Sub A (1979)

753 775

100%

115 862

100%

Standard 8 (1988)

318 726

42%

46 241

40%

Matric (1990)[b]

270 724

36%

23 589

20%

Matric passes

93 863

13%

18 317

16%

1982–1993

Sub A (1982)

1 013 116

100%

104 909

100%

Standard 8 (1991)

409 750

40%

46 069

44%

Matric (1993)[b]

395 518

39%

26 848

26%

Matric passes

143 087

14%

22 077

21%

1979–1990

Sub A (1979)

22 572

100%

91 087

100%

Standard 8 (1988)

20 314

90%

82 801

91%

Matric (1990)[b]

13 850

66%

71 294

78%

Matric passes

13 815

61%

65 255

72%

1982–1993

Sub A (1982)

21 555

100%

84 969

100%

Standard 8 (1991)

20 315

100%

77 781

92%

Matric (1993)[b]

15 569

74%

67 110

79%

Matric passes

14 111

67%

60 281

71%

a

Figures may not add up owing to rounding.

b

Figures may not correspond to the number of matriculation candidates in the corres- ponding years in the previous table as they refer to the number of pupils in matric, not the number of candidates for the matriculation examination.

The minister of education, Professor Sibusiso Bengu, said in December 1994 that 58% of the total number of pupils who had written matriculation examinations had passed and that while the national target for pass rates should be 100%, nothing less than 80% was acceptable. Although DET results had improved by some 12 percentage points (from 37% in 1993 to 49% in 1994), more than half of DET

candidates had failed and this was ‘alarming’. However, the fact that some DET schools had achieved a 100% pass rate was a positive aspect, P

The African National Congress said in the same month that although the DET matriculation pass rate for 1994 was higher than that of 1993, it did not reflect the potential of black pupils. The organisation said that it would campaign for more effective education in 1995.[14] [14 Ibid]

University Degrees, Diplomas and Certificates Awarded

The latest year for which figures were available showing the number of degrees, diplomas and certificates awarded by universities in South Africa was 1992. The following table gives a racial breakdown of the degrees, diplomas and certificates awarded in 1992:[15] [15 Information supplied by the Department of Education, October 1994]

Degrees, certificates and diplomas awarded by universities: 1992

African

Coloured

Indian

White

Total[a]

Agriculture[b]

93

0

0

522

615

Architecture[c]

35

14

18

604

671

Commerce[d]

476

221

429

6 872

7 998

Communication

57

2

4

396

459

Computer science

34

31

60

728

853

Education

8 094

1 332

478

2 555

12 459

Engineering

80

32

102

1 729

1 944

Health science

1 036

213

379

2 529

4 157

Home economics

22

29

0

170

221

Languages[e]

1 671

292

110

1 555

3 627

Law

551

171

274

2 630

3 626

Library and museum science

102

53

31

269

454

Life and physical science

320

171

200

1 855

2 546

Mathematics

101

48

57

631

836

Military science

0

0

0

3

3

Philosophy, religion and theology

293

107

46

628

1 073

Physical education

28

40

17

308

393

Public administration

559

130

56

737

1 482

Social science[f]

1 891

597

498

5 280

8 267

Visual and performing arts

41

27

38

668

774

Total[a]

15 485

3 509

2 796

30 667

52 458

a

A formula was used by the Department of National Education to calculate the number of people who obtained a certificate, degree or diploma according to major subject. Figures may, therefore, not add up.

b

Includes subjects relating to renewable natural resources.

c

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

d

Includes subjects relating to business management.

e

Includes literature and linguistics.

f

Includes psychology, social sci

The following table gives a breakdown of the type of degrees awarded by universities in South Africa from 1986 to 1992:[16] [16] Information supplied by Ms Susan Jacobs of the Department of Education, October 1994]

Degrees awarded by universities in South Africa:1986–1992

1986

1987

1988

1989

1990

1991

1992

Agriculture[a]

634

672

663

875

620

678

608

Architecture[b]

398

521

538

538

638

673

704

Commerce[c]

4 462

4 721

5 081

5 577

5 991

6 770

7 359

Communication

287

276

328

298

324

411

440

Computer science

521

558

520

629

574

619

606

Education

2 859

3 346

3 735

3 606

3 421

4 527

4 259

Engineering

1 588

1 474

1 546

1 562

1 602

1 716

1 824

Health science

3 149

3 133

3 262

3 535

2 998

3 539

3 761

Home economics

87

90

137

165

153

174

214

Industrial arts

0

0

0

0

0

1

0

Languages[d]

2 167

2 455

2 587

2 712

2 722

3 365

3 528

Law

1 890

2 090

2 293

2 357

2 651

3 360

3 439

Library and museum science

163

195

207

174

207

261

273

Life and physical science

1 926

1 985

2 198

2 206

2 339

2 505

2 541

Mathematics

529

575

675

669

668

783

830

Military science

8

15

13

4

16

14

3

Philosophy, religion and theology

988

1 019

1 115

1 057

1 058

1 148

1 067

Physical education[e]

202

219

255

234

290

286

374

Psychology

2 212

2 294

2 522

2 420

2 584

3 046

3 136

Public administration

235

299

325

939

985

1 295

1 322

Social sciences

3 662

3 900

4 184

4 138

4 417

4 982

5 068

Visual and performing arts

541

603

607

996

648

649

704

Total[f]

29 019

31 022

33 322

34 683

35 395

40 630

42 003

a

Includes renewable resources.

b

Includes environmental design.

c

Includes business and management sciences.

d

Includes literature and linguistics.

e

Includes health education and leisure.

f

The Department of National Education used a formula when calculating the above figures. They, therefore, do not add up to the totals given. The totals a

The largest proportion of the degrees awarded by universities from 1986 to 1992 were commerce degrees. They constituted 15,4% of degrees awarded in 1986 and 17,5% of degrees awarded in 1992. Degrees in social sciences were the second most popular, constituting 13% of all degrees awarded in 1986 and 12% of those awarded in 1992. Degrees in languages, philosophy, religion and theology, psychology, social sciences, and visual and performing arts (which in some universities constitute general arts degrees) together comprised about a third of degrees awarded (33% in 1986 and 32% in 1992). There was little change in the proportional distribution of the type of degrees awarded over this period, the biggest change being a 2,3 percentage point change in the proportion of public administration degrees awarded (from 0,8% in 1986 to 3,1% in 1992).

Most diplomas and certificates awarded by universities during this period were education diplomas (75% in 1986 and 78% in 1992). These were followed by commerce diplomas (5% in 1986 and 6% in 1992) and diplomas in health sciences (7% in 1986 and 4% in 1992). The following table gives a breakdown of the diplomas and certificates awarded by universities from 1986 to 1992:[17] [[17] Information supplied by Ms S Jacobs, October 1994]

Diplomas and certificates awarded by universities in South Africa: 1986–1992

1986

1987

1988

1989

1990

1991

1992

Agriculturea

1

0

0

0

0

6

7

Architectureb

5

1

4

8

4

14

24

Commercec

346

419

463

465

5 220

599

638

Communication

25

28

37

37

26

18

20

Computer science

154

191

193

200

212

220

247

Education

5 593

6 576

6 929

7 385

6 985

7 312

8 200

Health science

512

430

326

416

391

461

396

Home economics

3

2

7

6

11

9

7

Languagesd

30

25

51

32

41

95

99

Law

176

121

201

137

197

100

187

Library and museum science

164

198

143

145

136

177

182

Mathematics

18

9

16

8

6

19

6

Philosophy, religion and theology

134

111

55

13

8

13

6

Physical educatione

2

1

20

13

1

9

19

Psychology

23

28

32

23

24

14

10

Public administration

60

99

119

202

188

141

159

Social science

20

22

3

15

27

50

53

Visual and performing arts

73

71

66

68

69

72

70

Total[f]

7 456

8 474

8 872

9 286

8 976

9 427

10 455

a

Includes renewable natural resources

b

Includes environmental design.

c

Includes business and management sciences

d

Includes literature and linguistics.

e

Includes health education and leisure.

f

The Department of National Education used a formula when calculating the above figures. They, therefore, do not add up to the totals given. The totals are,

Technikon Diplomas and Certificates Awarded

The latest year for which figures were available on the number of diplomas and certificates awarded by technikons in South Africa was 1992. The following table provides a racial breakdown of these figures:[18] [18] Information supplied by the Department of Education, October 1994]

Diplomas and certificates awarded by technikons: 1992

African

Coloured

Indian

White

Total[a]

Agriculture[b]

27

8

2

390

427

Architecture[c]

43

71

41

463

619

Commerce[d]

285

162

189

2 638

3 275

Communication

13

15

22

229

279

Computer science

46

50

50

468

613

Education

43

90

26

58

216

Engineering

244

196

177

2 888

3 506

Health science

366

142

92

728

1 329

Home economics

31

27

39

478

575

Industrial arts

11

3

17

230

260

Languages[e]

9

0

0

42

51

Law

34

24

54

371

484

Library and museum science

10

8

8

31

57

Life and physical science

96

56

88

509

747

Mathematics

4

2

11

5

22

Philosophy, religion and theology

7

0

0

0

7

Physical education

2

0

3

7

12

Public administration

137

44

71

379

631

Social science[f]

132

38

45

206

421

Visual and performing arts

15

19

18

646

516

Total

1 555

956

954

10 583

14 048

a

A formula was used by the Department of National Education to calculate the number of people who obtained a certificate or diploma according to major subject. Figures may, therefore, not add up.

b

Includes renewable natural resources.

c

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

d

Includes business management.

e

Includes linguistics and literature.

f

Includes psychology, social sci

The proportion of engineering diplomas and certificates awarded by technikons dropped from 34% in 1986 to 25% in 1992 (although the number increased from 2 470 to 3 506). Over the same period the proportion of commerce diplomas and certificates awarded increased from 16% to 23%. (The number awarded increased from 1 162 to 3 275.) The proportion of law diplomas and certificates awarded increased by 3,3 percentage points from 0,1% to 3,4% and the proportion of public administration diplomas awarded increased by 3,4 percentage points from 1,1% to 4,5%.

The following table gives a breakdown of the number of diplomas and certificates awarded by technikons from 1986 to 1992:[19] [19 Information supplied by Ms S Jacobs, October 1994]

Diplomas and certificates awarded by technikons: 1986–1992

1986

1987

1988

1989

1990

1991

1992

Agriculture[a]

307

306

367

407

408

368

427

Architecture[b]

508

496

468

476

492

527

619

Commerce[c]

1 162

1 494

1 791

2 202

2 471

3 028

3 275

Communication

105

135

145

208

216

243

279

Computer science

251

289

341

369

537

552

613

Education

155

208

204

233

235

267

216

Engineering

2 470

2 584

2 514

2 746

2 914

2 973

3 506

Health science

841

868

846

1 128

1 131

1 305

1 329

Home economics

235

338

376

486

442

505

575

Industrial arts

131

123

121

233

199

237

260

Languages[d]

20

1

0

1

10

7

51

Law

10

2

0

1

5

8

484

Library and museum science

3

9

21

57

63

51

57

Mathematics

42

19

10

10

30

27

22

Philosophy, religion and theology

0

0

0

1

5

7

7

Physical education[e]

5

4

0

3

6

4

12

Psychology

26

7

4

4

9

6

25

Public administration

81

54

73

642

954

888

631

Social science

97

86

87

113

196

268

396

Visual and performing arts

366

372

427

455

520

556

516

Total[f]

7 256

7 807

8 493

10 226

11 314

12 279

14 048

a

Includes renewable resources.

b

Includes environmental design.

c

Includes business and management sciences.

d

Includes literature and linguistics.

e

Includes health education and leisure.

f

The Department of National Education used a formula when calculating the above figures. They therefore do not add up to the totals given. The totals are

Trade Tests Passed

Between 1977 and 1993 the number of people writing trade tests (which qualify them to become artisans) rose from 11 264 to 16 599 (an increase of 47%). The number of people who passed the trade tests increased from 5 148 to 9 371 (an increase of 82%).

The table below shows the number of people who wrote trade tests and the number who passed between 1977 and 1993:[20] [20] Information supplied by the Department of Labour, October 1994]

Trade tests written and passed: 1977–1993

Year

Written

Passed

Tes1977

11 264

5 148

N/A

1978

12 055

6 007

16,7%

1979

N/A

N/A

N/A

1980

9 016

5 033

N/A

1981

9 098

5 299

5,3%

1982

10 604

5 892

11,2%

1983

12 757

6 531

10,8%

1984

14 577

7 243

10,9%

1985

16 565

8 404

16,0%

1986

14 757

7 693

(8,5%)

1987

N/A

N/A

N/A

1988

N/A

N/A

N/A

1989

14 431

6 716

N/A

1990

12 885

6 095

(9,2%)

1991

12 785

6 220

2,0%

1992

14 285

7 276

17,0%

1993

16 599

9 371

28,8%

N/A – Not available.

EDUCATIONAL RESOURCES

Finance

The Budget

In the 1994/95 budget R30,85bn was allocated to education. This represented 22% of the total budget (R140,1bn) and 7% of gross domestic product (GDP) compared with 20,9% of the budget and 6,1% of GDP in 1990/91.[21] [21 Republic of South Africa, Department of Finance, *Budget Review*, 22 June 1994]

The average annual growth in the allocation to education between 1990/91 and 1994/95 was 15,5% and the amount allocated to education increased by a total of 78% over this period. The allocation to pre-primary, primary and secondary education grew by an average of 15,6% a year while the allocation to tertiary education grew by an average of 14,8% a year. (See *Allocation to primary, secondary and tertiary education* below.)[22] [22 Ibid] A study conducted by the World Bank said that between 1987 and 1994 spending on education had increased by 5,2% annually in real terms.[23] [23 *Business Day* 20 September 1994]

In the 1994/95 budget an amount of R224,1m was deducted from the budgets of the education departments in the central government to contribute to the reconstruction and development programme (RDP). This was 1% of the departments' total estimated expenditure. All other government departments contributed 5% of their budgets to the RDP, according to Dr Johan Brink of the Committee of University Principals.[24] [24 Interview with Dr Johan Brink of the Committee of University Principals, 31 August 1994; Department of Finance, *Budget Review*, July 1994]

Allocation to Education Departments

As the different education departments had not yet been amalgamated at the time of drawing up the 1994/95 budget, funds were allocated to each department as well as to each of the former homelands. The following tables show budget allocations to the different education departments from 1984/85 to 1994/95:[25] [25 1984 *Survey*, pp646–647; 1985 *Survey*, pp365–367; 1986 *Survey*, pp414–416; 1987/88 *Survey*, pp146–149; 1988/89 *Survey*, pp242–244; 1989/90 *Survey*, pp784–789; 1991/92 *Survey*, pp193–194; 1992/93 *Survey*, pp585–588; 1993/94 Survey, pp687–688; Republic of South Africa, *Estimate of Expenditure to be Defrayed from the State Revenue Account During the Financial Year Ending March 1995*]

Budget allocations to education by department: 1984/85–1994/95

1984/85

1985/86

1986/87

1987/88

1988/89

R(000)

R(000)

R(000)

R(000)

R(000)

African (non-homeland)

709 257

917 486

1 157 831

1 487 840

1 640 728

Coloured

570 521

724 065

868 298

1 007 569

1 103 369

Indian

259 334

323 986

367 059

404 647

463 240

White

1 505 435

2 973 697

3 057 141

3 320 700

3 727 539

Other departments[b]

866 675

107 336

122 256

132 070

123 327

Homelands

Bophuthatswana

144 286

143 390

185 304

219 403

275 413

Ciskei

55 000

82 293

93 680

128 358

137 159

Gazankulu

42 372

56 664

77 914

128 962

187 912

KaNgwane

21 487

28 769

37 271

79 032

84 219

KwaNdebele

16 514

19 165

28 303

59 566

75 555

KwaZulu

164 287

233 304

299 950

450 765

599 383

Lebowa

91 251

130 523

205 253

341 448

453 285

QwaQwa

22 643

29 850

39 450

56 655

72 067

Transkei

148 826

238 705

252 241

343 462

433 045

Venda

44 140

62 400

76 235

104 760

137 825

Total[c]

4 766 027

6 071 633

6 868 186

8 265 237

9 514 066

Budget allocations to education by department: 1984/85–1994/95 (continued)

*198*1991991991991991African (non-homeland)

1 952 284

2 536 823

3 295 681

4 555 967

5 720 565

6 307 142

Coloured

1 370 455

2 025 400

2 257 700

2 591 868

3 005 033

3 561 065

Indian

589 284

824 400

963 200

1 053 616

1 207 866

1 448 284

White

4 392 681

5 533 500

5 976 700

6 504 404

7 283 856

7 695 632

Other departments[b]

148 286

204 987

299 601

233 878

432 690

396 180

Homelands

Bophuthatswana

417 944

506 338

611 973

N/A

927 571

1 084 200

Ciskei

216 822

246 913

394 300

429 951

488 833

657 841

Gazankulu

237 073

283 956

374 891 a

443 471

538 219

656 604

KaNgwane

106 730

151 952

197 207

N/A

375 294

440 887

KwaNdebele

80 091

98 920

126 414

N/A

246 933 a

270 371

KwaZulu

774 640

933 640

1 714 731

1 964 574

2 232 359

2 552 749

Lebowa

568 337

720 966

1 037 685

N/A

1 576 227[a]

1 927 149

QwaQwa

119 715

148 885

149 640

192 890

232 045

279 314

Transkei

551 656

832 132

957 900

N/A

1 409 008[a]

1 765 845

Venda

184 973

249 439

300 147

N/A

462 127

536 451

Total[c]

11 710 971

15 298 251

18 657 770

N/A

26 138 626

29 579 714

a

Revised estimates of expenditure obtained from the following year's budget.

b

Includes the Department of National Education and the Department of Education Co- ordination.

c

The 1990/91–1994/95 totals differ from those in the table under Allocation to primary, secondary and tertiary education, but neither the Department of Finance, nor the Central Statistical Service (CSS) could provide a reason for this. However, Mr Jan Botha of the CSS said that the figures in the table below (Estimated education expenditure) provide a more accurate indication of actual allocations to education.

N/A – Not available.

The allocation of the education budget to African education (including the allocation to the ten former homelands) increased from 31% of the total allocation to education in 1984/85 to 55,7% in 1994/95. The allocation to white education decreased from 32% of the total to 26% over this period.

From 1984/85 to 1994/95 the amount allocated to African education increased by 1 028% from R1,46m to R16,47m. The amount allocated to white education increased from R1,5m to R7,7m (ie by 413%). The amount allocated to Indian education increased from R259 000 to R1,4m (ie by 441%) and the amount allocated to coloured education increased from R571 000 to R3,6m (ie by 532%).

Allocation to Primary, Secondary and Tertiary Education

Fourteen percent of the 1994/95 budget was allocated to tertiary education, a slightly smaller proportion than in 1990/91 (14,4%). The allocation to tertiary education in 1994/95 constituted 3,1% of the total budget and 1% of GDP. The table below provides a breakdown of the estimated education expenditure for pre-primary, primary, secondary and tertiary education from 1990/91 to 1994/95:[26] [26 Republic of South Africa, Department of Finance, *Budget Review*, 22 June 1994]

Estimated education expenditure: 1990/91–1994/95[a]

*199*9199199199199

Pre-primary, primary and secondary

14 863

17 093

21 018

23 794

26 520

Tertiary

2 495

2 836

3 375

3 967

4 330

Total

17 358

19 929

24 393

27 761

30 850

a

Figures for 1990/91–1993/94 include allocations in the main budget and the additional/ adjustment budget

As a result of the cut of 1% in education budgets to provide funds for the RDP, allocations to school and tertiary education also dropped by 1%. Consequently the allocations to various universities and technikons decreased.[27] [[27] *Weekly Mail and Guardian* 10 June 1994, *The Argus* 15 June 1994]

The vice chancellor of the University of Cape Town, Dr Stuart Saunders, said that there was a ‘critical’ shortage of money for tertiary education. This affected universities’ ability to increase the enrolment of black students. A national education bank should be established to provide loans or grants to students for tertiary education. Dr Saunders added that the funding of universities assumed students could pay 20%

of the general operating costs of the university, because the subsidy formula made allowance for the state to meet 80% of the costs. At the time, however, the state met on average only 66% of the costs, and students had to contribute 34%.[28] [28 *Cape Times* 8 April 1994]

The academic secretary and deputy registrar of the University of Cape Town, Mr Jon File, said that the government had been unable to maintain higher education funding in real terms. At the same time increasing numbers of students were unable to finance the private costs of education and tuition fees had doubled between 1986 and 1990. Externally and internally funded bursary schemes had been unable to cope with the demand and student debt had become a major financial problem at many institutions, Mr File said.[29] [29 *The Star* 18 May 1994] *Business Day* reported that the average cost of study for a full-time student was R15 250 in 1993. This amount included residence fees and personal necessities.[30] [30 *Business Day* 28 February 1994]

Mr File said that there was an 'urgent need' for a publicly funded and internationally supplemented national financial aid programme. The minister of education, Professor Sibusiso Bengu, announced in September 1994 that a commission for higher education would be set up and would examine, among other things, the possibility of establishing a national bursary and loan scheme for tertiary education. The vice chancellor of the University of the Witwatersrand, Professor Robert Charlton, said, however, that even if only R10 000 was allocated to each student an amount of R1bn would be needed to assist 100 000 students.[31] [31 *The Citizen* 1 September 1994; Professor Robert Charlton, vice chancellor of the University of the Witwatersrand, address to the South African Institute of Race Relations, 18 October 1994]

Professor Bengu also said in September that no child would be excluded from a government school because of an inability to pay fees.[32] [32 *Cape Times* 7 September 1994]

Allocation to the Different Forms of Education

A breakdown of the amounts allocated to the different forms of education was available only up to 1991. The following table compares such allocations from 1986 to 1991:[33] [33 Information supplied by the Department of Education, October 1994]

Education expenditure by education sector: 1986-1991[a]

Public ordinary schools

RSpecial schools R(000)

PriTechnical schools c1986

5 559 189

242 279

59 968

141 404

1987

6 630 533

322 344

182 892

195 475

1988

7 205 193

314 419

201 090

277 079

1989

9 169 715

403 408

252 668

298 326

1990

11 574 044

508 757

599 491

357 278

1991

13 687 204

531 020

529 404

364 487

Education expenditure by education sector: 1986-1991 (continued)

Teacher training R(000)

Technikons R(000)

Universities R(000)

Tot1986

344 640

232 722

1 528 780

8 108 982

1987

429 179

1 402 875

1 679 338

10 842 636

1988

449 729

293 825

1 976 992

10 718 327

1989

678 289

448 214

2 403 554

13 654 174

1990

690 205

537 149

2 885 792

171 52 716

1991

681 501

750 347

3 389 606

19 933 569

a

Excluding the former 'independent' homelands. Expenditure for private ordinary schools included funds from the government and from other sources, except in the cases of the Department of Education and Training, KwaZulu and Lebowa, where government funds only were taken into account.

Allocation to private schools increased the most between 1986 and 199 (by 782%), followed by the allocation to technikons (222%), technical colleges (158%) and public ordinary schools (146%). The allocation to teacher training increased the least (98 %).

Per Capita Expenditure

In 1994 per capita expenditure on education under the former House of Assembly was R4 772. In comparison R2 110 was spent per capita on education under the Department of Education and Training (DET), Rl 524 in the former non-independent homelands, R3 601 in the former House o Representatives and R4 423 in the former House of Delegates.

Per capita expenditure in the DET increased by 445% from 1985 to 1994, that in the (former) House of Representatives by 303%, that in the (former) House of Delegates by 218%, and that in the (former) House of Assembly by 72%. Per capita expenditure in the (former) non-independent homelands increased by 477% from 1986 to 1994.

The following table compares per capita expenditure on African, coloured, Indian and white education from 1984 to 1994:[34] [34] Information supplied by Dr R Cilliers of the Department of Education, October 1994]

Per capita expenditure for college/school education in South Africa (excluding the former 'independent' homelands): 1984-1994

1984 R

1985 R

1986 R

1987 R

1988 R

1989 R

African

294

N/A

N/A

N/A

N/A

N/A

DET[a]

N/A

387

598

770

832

929

NIH[b]

N/A

N/A

264

494

542

647

Former House of Assembly

1926

2746

2776

2972

3322

3555

Former House of Delegates

1182

1386

1925

2134

2273

2607

Former House of Representatives

708

892

1334

1602

1719

Per capita expenditure for college/school education in South Africa (excluding the former 'independent' homelands): 1984-1994 (continued)

1990 R

1991 R

1992 R

1993 R

1994 R

African

N/A

N/A

N/A

N/A

N/A

DET[a]

1248

1532

1775

2095

2110

NIH[b]

794

909

1165

1415

1524

Former House of Assembly

4087

4504

4694

4732

4772

Former House of Delegates

3055

3625

3959

4252

4423

Former House of Representatives

2406

2853

3281

3494

3601

a

Department of Education and Training

b

Former non-independent homelands

N/A — Not ava

Despite the greater increase in per capita expenditure in the DET and non-independent homelands than in the House of Assembly, the amount spent per head on African education was less than half that spent on white education in 1994, The following table shows per capita expenditure-on the different race groups as a proportion of white per capita expenditure from 1985 to 1994:

Per capita education expenditure as a proportion of white per capita expenditure: 1985-1994

1985

1986

1987

1988

1989

African

DET[a]

14%

22%

26%

25%

26%

NIH[b]

N/A

10%

17%

16%

18%

Former House of Assembly

100%

100%

100%

100%

100%

Former House of Delegates

50%

69%

72%

68%

73%

Former House of Representatives

32%

48%

54%

52%

Per capita education expenditure as a proportion of white per capita expenditure: 1985-1994 (continued)

1990

1991

1992

1993

1994

African

DET[a]

31%

34%

38%

44%

44%

NIH[b]

19%

20%

25%

30%

32%

Former House of Assembly

100%

100%

100%

100%

100%

Former House of Delegates

75%

80%

84%

90%

93%

Former House of Representatives

59%

63%

70%

74%

75%

a

Department of Education and Training.

b

Former non-independent homelands.

N/A — Not ava

Schooling

Pupils

Enrolment

According to the Department of Education, there were 11 816051 pupils enrolled at schools in South Africa in 1994. Approximately 98% of pupils were enrolled at public ordinary schools. Slightly more than 1% were enrolled at private ordinary schools and less than 0,3% were enrolled at special schools. The proportion of private school enrolment was highest in schools under the former House of Assembly (6%) and lowest in the former homeland areas (0,2%).

The minister of education. Professor Sibusiso Bengu, estimated in August 1994 that 1,8m children of school-going age were not attending school. He said that it would take ten years to place all pupils of school-going age in schools.[35] [[35] *Cape Times* 26 August 1994]

Professor Bengu said that when free education for pupils in the first year of school (sub A) was introduced in 1995, between 150 000 and 350 000 extra pupils could seek enrolment as a result. Schools might therefore have to cater for 2m pupils in sub A.[36] [[36] *The Natal Witness* 2 November 1994; interview with a spokesman for the minister of education, Mr Lincoln Mali, 18 November 1994] A spokesman for Professor Bengu, Mr Lincoln Mali, said in November 1994 that a committee had been established headed by Ms Sheila Sisulu to examine the practical implications of introducing ten years of free, compulsory education. One of the

greatest problems in assessing the implications was the lack of information about the capacity of the education system and the number of children not attending school, particularly in the former homelands and rural areas. Mr Mali said that the committee would report back to the minister before the end of 1994.[37] [37 Interview with Mr L Mali, 18 November 1994] At the time of writing the findings of the committee had not yet been made known and the investigation was continuing.[38] [38 Interview with Mr L Mali, 10 January 1995]

The following table shows pupil enrolment in 1994 by department at the different types of schools:[39] [39 Information supplied by Ms S Jacobs, October 1994]

Enrolment according to type of school: 1994

Public ordinary schools

Special schools

Private ordinary schools

Total

DET[a]

2 715 302

7 175

57 324

2 779 801

Former homelands

6 669 945

6 706

15 848

6 692 499

Former House of Assembly

1 022 868

16 376

74 780

1 114 024

Former House of Delegates

285 890

7 499

6 282

299 671

Former House of Representatives

921 790

8 223

3 043

933056

Total

11 615 795

45 979

157 277

11 819 051

a

Department of Education and Training.

According to the Research Institute for Education Planning (Riep), there were 11 062 659 pupils enrolled from sub A to matric at public ordinary schools in 1993. Riep provided a provincial breakdown of pupil numbers in 1993 according to the nine new provinces established in

Pupil enrolment by province: 1993

Number

Proportion[a]

KwaZulu/Natal

2 337 499

21%

Eastern Cape

2 247 394

20%

Northern Transvaal

1 825 872

17%

PWV[b]

1 357 445

12%

North-West

852 874

8%

Eastern Transvaal

764 611

7%

Western Cape

762 493

7%

Orange Free State

727 372

7%

Northern Cape

187 099

2%

Total

11 062 659

100%

a

Figures may not add up owing to rounding.

b

Pretoria-Witwatersrand-Ve

However, according to the Department of National Education, in 1993 there were 10 956 060 pupils in

sub A to matric in public ordinary schools in South Africa. The department's figures also differed from those of Riep in terms of the relative number of students in each province. It said that the Eastern Cape had the greatest number of students (2 291 783), followed by KwaZulu/Natal (2 270 410), Northern Transvaal (1 793 907), Pretoria-Witwatersrand-Vereeniging (PWV) (1 530 390), Western Cape (764 652), Eastern Transvaal (755 941), Orange Free State (730 605), North-West (631 685) and Northern Cape (186 687). The department said, however, that efforts to obtain information from the former 'independent' homelands had been largely unsuccessful and it had had to estimate the number of pupils and teachers in each of these regions.[41] [41 Department of National Education (DNE), *CS Education According to Province for 1993*, NATED 02-233 (94/04), April 1994; Riep, *Education and Manpower Development 1993*, August 1994]

From 1985 to 1994 school enrolment increased annually by 4% from approximately 8m pupils to 11,8m. The annual growth in enrolment of Africans, coloured people, Indians and whites was as follows: Africans, 4,7% (from 6m to 9m); coloured people, 1,6% (from 793 000 to 933 000); Indians, 2,6% (from 232 000 to 300 000); and whites, 1,4% (from 970 000 to 1m). The following table gives a breakdown of pupil enrolment from 1984 to 1995:[42] [42 Information supplied by Ms Sandra Plekker of Riep, November 1994; Information supplied by Ms S Jacobs, October 1994]

Pupil enrolment: 1985–1994[a]

1985

1986

1987

1988

1989

African

6 014 154

6 237 443

6 644 859

7 027 573

7 298 320

Coloured

793 040

801 977

812 889

832 329

836 579

Indian

232 060

232 468

234 476

233 910

233 069

White

969 993

954 666

954 454

935 903

928 365

Total

8 009 247

8 226 554

8 646 678

9 029 715

9 296 333

Pupil enrolment: 1985–1994[a] ***(continued)***

1990

1991

1992

1993

1994

African

7 654 270

8 100 452

8 536 345

8 951 469

9 472 300

Coloured

841 387

851 896

870 443

883 184

933 056

Indian

233 101

242 805

254 395

275 724

299 671

White

932 181

926 208

937 598

952 282

1 114 024

Total

9 660 939

10 121 361

10 598 781

11 062 659

11 819 051

a

The figures for 1985 to 1993 were obtained from the Research Institute for Education Planning and figures pertaining to 1994 from the Department of National Education. They may, therefore, not be fully

Provision of Schools and Classrooms

The following table shows the number of schools in South Africa from 1987 to 1994:[43] [[43] DNE, *Preliminary Education Statistics for 1987*; DNE, *Preliminary Education Statistics for 1988*; DNE, *Preliminary Education Statistics for 1989*; DNE, *Preliminary Education Statistics for 1990*; DNE, *Preliminary Education Statistics for 1991*; DNE, *Preliminary Education Statistics for 1992*; DNE, *Preliminary Education Statistics for 1993*; DNE, *Preliminary Education Statistics for 1994*; Riep, *Education and Manpower Development for 1990,* August 1991; Riep, *Education and Manpower Development for 1991*, August 1992; Riep, *Education and Manpower Development for 1992*, August 1993; Riep, *Education and Manpower Development for 1993*, August 1994]

Number of schools in South Africa: 1987–1994[a]

1987	1988	1989	1990
DET[b]			
7 790	7 856	7 985	7 824
Former non-independent homelands			
5 168	5 413	5 667	

6 227

Former ‘independent’ homelands

N/A

N/A

N/A

6 111

Former House of Assembly

3 659

3 658

3 578

3 667

Former House of Delegates

480

495

487

495

Former House of Representatives

2 042

2 095

2 086

2 070

Total

N/A

N/A

N/A

26 394

Number of schools in South Africa: 1987–1994[a] *(continued)*

1991

1992

1993

1994

DET[b]

8 013

8 210

8 308

8 384

Former non-independent homelands

5 976

6 373

6 625

6 732

Former ‘independent’ homelands

6 159

6 282

6 414

6 403

Former House of Assembly

3 644

3 461

3 472

3 580

Former House of Delegates

518

528

537

534

Former House of Representatives

2 082

2 076

2 064

2 035

Total

26 392

26 930

27 420

27 668

a

The 1990, 1991, 1992 and 1993 figures for the former ‘independent’ homelands were obtained from the Research Institute for Education Planning (Riep) and the others figures from the Department of National Education. The Riep figures do not include special and private ordinary schools and, therefore, are not fully comparable with the department’s figures.

b

Department of Education and Training

N/A – Not available.

In 1994 there were 27 668 schools in South Africa. From 1990 to 1994, 1 274 schools were built (an average of 319 a year).

The Department of National Education was unable to provide statistics on the number of classrooms, but a spokeswoman for the department, Ms Susan Jacobs, said that the department assumed that there was one classroom per teacher.[44] [44 Interview with Ms S Jacobs, 8 November 1994] Riep supplied figures which indicated that this assumption was not accurate. For example, in 1993 there were 226 305 teachers in African schools and 185 432 classrooms. The following table compares the number of teachers and classrooms in South Africa (including the former homelands) in African, coloured and Indian schools from 1988 to 1991—the years for which such information was available. (No information was available for w

Teachers and classrooms by race: 1988–1991

1988

1989

1990

1991

African

Teachers

175 968

183 262

190 241

199 452

Classrooms

136 988

141 419

160 017

167 933

Teachers per classroom

1,3

1,3

1,2

1,2

Coloured

Teachers

35 665

36 006

36 354

37 103

Classrooms

32 916

34 279

34 050

35 247

Teachers per classroom

1,1

1,1

1,1

1,1

Indian

Teachers

11 313

11 805

11 522

12 092

Classrooms

N/A

8 402

8 245

8 676

Teachers per classroom

N/A

1,4

1,4

1,4

Total

Teachers

222 946

231 073

238 117

248 647

Classrooms

N/A

184 100

202 312

211 856

Teachers per classroom

N/A

1,3

1,2

1,2

N/A – Not available.

The Department of Education and Training (DET) said in July 1994 that in 1993 it had built 65 new schools (46 primary schools and 19 secondary schools) with 1 681 classrooms, and that 1 129 classrooms had been added to ex

The Education Foundation said in March 1994 that in 1993 enrolment at African and coloured schools in South Africa (excluding the ten homelands) had exceeded physical capacity by 250 632 and 64 704 places respectively. Enrolment at Indian and white schools was respectively 23 035 places and 586 784 places below the physical capacity. The Education Foundation said that the situation was particularly severe in African senior schools, where there was a shortage of 153 140 places. In comparison, there was an excess of 474 304 places at white senior schools.[47] [47 The Education Foundation, *Edusource Data News*, March 1994] The following table shows the capacity of, and actual enrolment at, schools in South Africa (excluding the ten homelands) in 1993:[48] [48 Ibid]

Capacity and enrolment at schools in South Africa: 1993(excluding the ten homelands)

African

Coloured

Indian

White

Total

Primary schools

Capacity

1 826 000

609 250

181 254

656 801

3 273 305

Enrolment

1 923 492

654 379

173 675

544 321

3 295 867

Excess (shortage)

(97 492)

(45 129)

7 579

112 480

(22 562)

Secondary schools

Capacity

559 021

219 120

113 100

836 285

1 727 526

Enrolment

712 161

238 695

97 644

361 981

1 410 481

Excess (shortage)

(153 140)

(19 575)

15 456

474 304

317 045

Total

Capacity

2 385 021

828 370

294 354

1 493 086

5 000 831

Enrolment

2 635 653

893 074

271 319

906 302

4 706 348

Excess (shortage)

(250 632)

(64 704)

23 035

586 784

294 483

The deputy minister of education, Mr Renier Schoeman, said in October 1994 that there would be a shortage of 76 000 classrooms at the beginning of 1995.[49] [49 *The Star* 19 October 1994] In May 1994 the Department of National Education had said that an additional 59 000 classrooms were needed in primary and secondary schools, the greatest urgency being in rural areas. It said that more than R3bn would be needed to eliminate the backlog in classrooms and that more funds would be necessary to build lavatories, administration blocks and laboratories and to provide

Pupil/classroom Ratios

In 1993 the pupil/classroom ratio at African schools was 48:1. Figures relating to coloured, Indian and white schools were unavailable.[51] [51 Riep, *Education and Manpower Development 1993*, August 1994] The following table shows pupil/classroom ratios by race from 1988 to 1992 in South Africa (including all former homeland areas). (Figures for whites were unavailable.)[52] [52 Riep, *Education and Manpower Development 1988*, August 1989; Riep, *Education and Manpower Development 1989*, August 1990; Riep, *Education and Manpower Development 1990*, August 1991; Riep, *Education and Manpower Development 1991*, August 1992; Information supplied by Riep, November 1994]

Pupil/classroom ratios: 1988–1992

1988

1989

1990

1991

1992

African

51:1

51:1

48:1

48:1

48:1

Coloured

25:1

24:1

25:1

24:1

N/A

Indian

N/A

28:1

28:1

28:1

29:1

N/A – Not availabl

Pupil/classroom ratios remained reasonably static over this period, ratios at African schools decreasing the most—from 51:1 to 48:1. The ratio at Indian schools increased slightly from 28:1 in 1989 to 29:1 in 1992.

Teachers

Teacher Numbers

In 1994 there were 282 400 full-time equivalent teachers (teachers employed on a full-time basis for 12 months or a certain number of teachers employed on a proportional basis and part-time teachers remunerated on an hourly basis) in private ordinary, public ordinary and special schools in South Africa (excluding the former 'independent' homelands). (Special schools differ from ordinary schools in that they provide specialised education to handicapped, mentally retarded and pedagogically neglected children.) Of these 35% (97 684) worked in schools in the former non-independent homeland areas, 26% (74 368) worked in schools under the DET, 20% (56260) worked in schools under the former House of Assembly, 14% (40626) worked in schools under the former House of Representatives and 5% (13 462) worked in schools under the former House of Delegates.[53] [53 DNE, *Preliminary Education Statistics for 1994*]

The following table gives a breakdown by type of school and department of the number of teachers in 1994:[54] [54 Ibid]

Number of teachers by type of school and department: 1994[a]

*Pub*SpePriTotal

DET[b]

75 521

871

976

77 368

Former House of Assembly

48 402 [c]

2 329

5 529

56 260

Former House of Delegates

12 776

477

209

13 462

Former House of Representatives

39 410

991

225

40 626

Former non-independent homelands

96 959

448

277

97 684

Total

273 068

5 116

7 216

285 400

a

Figures indicate a calculation of full-time equivalent teaching staff.

b

Department of Education and Training.

c

Includes only personnel paid by the state.

Figures indicating the number of teachers in the former ‘independent’ homelands in 1994 were unavailable. According to Riep, in 1993 there were 65 965 teachers at public ordinary schools in the former ‘independent’ homelands.[55] [55 Riep, *Education and Manpower Development 1993*, August 1994]

The Development Bank of Southern Africa (DBSA) calculated a breakdown of the number of teachers in 1993 according to the new provinces delineated in 1994. According to its calculations, KwaZulu/

Natal had the greatest number of teachers (58 992), followed by the Eastern Cape (54383). (According to the DBSA, there were 336 999 teachers in South Africa (including all the former homelands) in 1993. However, the DBSA estimated the number of teachers in the former 'independent' homelands, assuming that there had been an increase of 10% in teacher numbers in these areas since 1991. The figures are, therefore, not entirely accurate.) The table below gives the full breakdown:[56] [56 DBSA, *South Africa's nine provinces*, April 1994]

Teacher numbers by province: 1993

Number

Proportion[a]

KwaZulu/Natal

58 992

18%

Eastern Cape

54 383

16%

Northern Transvaal

51 749

15%

PWV[b]

49 969

15%

North-West

36 921

11%

Western Cape

35 456

11%

Orange Free State

21 591

6%

Eastern Transvaal

20 478

6%

Northern Cape

7 460

2%

Total

336 999

100%

a

Figures may not add up owing to rounding.

b

Pretoria-Witwatersrand-Vereeniging.

From 1987 to 1994 the number of teachers in South Africa (excluding the former ‘independent’ homelands) increased by 23% (from 230 451 to 282 400). The number increased under the DET by 44% (from 51 493 to 74368), under the former non-independent homelands by 38% (from 70977 to 97 684), under the former House of Delegates by 15% (from 11736 to 13462) and under the former House of Representatives by 11% (from 36754 to 40 626).

The following table shows the number of teachers in schools (including pre-primary, private ordinary, public ordinary and special schools) in South Africa (excluding the former ‘independent’ homelands) from 198

Number of teachers in South Africa: 1987–1994 (excluding the former ‘independent’ homelands)

1987

1988

1989

1990

DET[a]

51 493

56 882

56 067

58 222

Former House of Assembly

59 491

60 466

60 483

59 124

Former House of Delegates

11 736

11 959

12 092

12 495

Former House of Representatives

36 754

36 642

37 158

39 964

Former non-independent homelands

70 977

76 410

80 505

83 245

Total

230 451

242 359

246 305

253 050

Number of teachers in South Africa: 1987–1994 (excluding the former 'independent' homelands) (continued)

1991

1992

1993

1994

DET[a]

62 901

68 310

69 013

74 368

Former House of Assembly

59 538

56 757

55 779 [b]

56 260 [b]

Former House of Delegates

12 498

12 778

12 887

13 462

Former House of Representatives

40 081

40 244

41 108

40 626

Former non-independent homelands

91 108

101 697

96 076

97 684

Total

266 126

279 786

274 863

282 400

a

Department of Education and Training.

b

Does not include teachers at public ordinary schools who are not paid

Teacher Qualifications

In 1993, 12% of teachers at African schools did not have a teaching qualification, an improvement of 7 percentage points on the proportion in 1987 (19%). (The number of teachers at African schools without

a teaching qualification also dropped in this period—from 24 322 to 21 509.) The proportion of teachers without a teaching qualification at coloured schools also decreased (from 7% to 2%), while the proportion of such teachers at Indian schools increased from less than I % to 2% in 1992 (figures for 1993 were unavailable). Riep said that although statistics on the qualification levels of teachers at white schools were unavailable, it could be assumed that all were qualified.[58] [58 Telephonic interview with Mrs S Plekker, November 1994]

The following table shows qualifications of teachers at public ordinary schools from 1987 to 1993:[59] [59 Riep, *Education and Manpower Development for 1990*, August 1991; Riep, *Education and Man-power Development for 1991*, August 1992; Riep, *Education and Manpower Development for 1992*, August 1993]

Teacher qualifications: 1987–1993

Unqualified [a]

Proportion

Qualified

Proportion

1987

African [b]

24 322

19%

102 153

81%

Coloured

2 513

7%

32 324

93%

Indian

41

0,4%

10 972

99,6%

White [c]

N/A

N/A

N/A

N/A

1988

African

28 723

16%

147 245

84%

Coloured

2460

7%

33 205

93%

Indian

38

0,3%

11 275

99,7%

White [c]

N/A

N/A

N/A

N/A

1989

African

28 045

15%

155 217

85%

Coloured

2 003

6%

34 003

94%

Indian

83

0,7%

11 722

99,3%

White [c]

N/A

N/A

N/A

N/A

1990

African

24 931

13%

165 310

87%

Coloured

1 571

4%

34 783

96%

Indian

176

2%

11 346

98%

White [c]

N/A

N/A

N/A

N/A

1991

African

24 934

13%

174 518

87%

Coloured

1 436

4%

35 667

96’%

Indian

175

1%

11 817

99%

White [c]

N/A

N/A

N/A

N/A

1992

African

25 044

12%

185 660

88%

Coloured

891

2%

35 892

98%

Indian

123

1%

11 958

99%

White [c]

N/A

N/A

N/A

N/A

1993

African

21 509

12%

155 024

88%

Coloured

607

2%

36 848

98%

Indian

N/A

N/A

N/A

N/A

White [c]

N/A

N/A

N/A

N/A

a

Includes people with a degree but no teaching qualification.

b

Excludes the former Transkei and Bophuthatswana.

c

Riep said that although figures on the qualification levels of white teachers were unavailable it could be assumed that all white teachers

The Education Policy and Systems Change Unit of the Urban Foundation (Edupol) said that when the minimum teacher qualification level of a matric plus three years' teacher training was introduced in all education departments in 1983 it had rendered the majority of African teachers underqualified and caused a 'rush for better qualifications'. Improvement in qualification levels had, however, not necessarily translated into improved performance in the classroom, Edupol said.

Pupil/teacher Ratios

According to the Department of Education, from 1987 to 1994 the pupil/ teacher ratio at schools (including public ordinary, special and private ordinary schools) in South Africa (excluding the former 'independent' homelands) remained almost static. The average pupil/teacher ratio across all departments increased from 30:1 to 32:1. The pupil/teacher ratio in former DET schools remained the same at 37:1, as did the ratio at schools under the former House of Representatives (23:1). At schools under the former House of Assembly it increased from 18:1 to 20:1, at schools under the former House of Delegates from 20:1 to 22:1 and at schools in the former non-independent homelands from 39:1 to 40:1. The following table shows pupil/teacher ratios at schools under different departments from 1987 to 1994:[60] [60 Information supplied by Ms S Jacobs, November 1994; DNE, *Preliminary Education Statistics for 1987*; DNE, *Preliminary Education Statistics for 1988*; DNE, *Preliminary Education Statistics for 1989*; DNE, *Preliminary Education Statistics for 1990*; DNE, *Preliminary Education Statistics for 1991*; DNE, *Preliminary Education Statistics for 1992*; DNE, *Preliminary Education Statistics for 1993*; DNE, *Preliminary Education Statistics for 1994*]

Pupil/teacher ratios: 1987-1994

1987

1988

1989

1990

1991

1992

1993

1994

DET[a]

37:1

36:1

38:1

38:1

37:1

37:1

39:1

37:1

Former House of Assembly

18:1

18:1

17:1

18:1

18:1

19:1

19:1

20:1

Former House of Delegates

20:1

21:1

21:1

20:1

21:1

22:1

23:1

22:1

Former House of Representatives

23:1

23:1

25:1

22:1

22:1

22:1

22:1

23:1

Former non-independent homelands

39:1

39:1

38:1

40:1

38:1

36:1

40:1

40:1

Average

30:1

30:1

30:1

30:1

30:1

30:1

32:1

32:1

a

Department of Education and Training.

According to calculations made by the DBSA of pupil/teacher ratios in 1993 in the nine new provinces, the province with the highest pupil/teacher ratio was the Eastern Cape (39:1) and the province with the lowest, the Western Cape (23:1). The DBSA estimated that pupil/teacher ratios in each of the provinces were as fol

Pupil/teacher ratios by province: 1993

Province

Ratio

Eastern Cape

39:1

KwaZule/Natal

37:1

Eastern Transvaal

36:1

Northern Transvaal

35:1

Orange Free State

34:1

PWV[a]

27:1

Northern Cape

25:1

North-West

24:1

Western Cape

23:1

Aver

Conditions of Service

Edupol said in December 1993 that in 1990 teachers' salaries constituted 78% of education spending and that this proportion could climb significantly. As the education system expanded to accommodate children of school-going age who were not attending school, teacher salaries could move into an 'unsustainable trajectory'. The need to rectify the racial and gender disparities which persisted in teacher salary scales and the emphasis placed on qualifications in determining salaries would exacerbate this trend. If all under-qualified teachers were upgraded to the minimum qualification level, almost R800m would be added to the total teacher salary bill, Edupol said.[62] [[62] Edupol, *UF Focus: Towards Sustainable Teacher Salaries*, No 3, December 1993]

Edupol said that although parity existed in the salary scales of the different education departments, women and black teachers lagged behind, not only in their qualification levels but also in the level of the posts which they occupied. The average package received by white male teachers was R56 837 a year. On average, white females received 83% of this, African males 62%, and African females 53%. White teachers constituted 16% of teachers, but were allocated 33% of the total wage bill. African teachers comprised 68% of teachers and were allocated 60% of the wage bill, said Edupol.[63] [[63] Ibid]

According to Edupol, the biggest problem relating to teachers' salaries was the extended salary scale in which the lowest basic salary was R10 413 a year and the highest R128 729 (with perks). The average annual salary was R51 585 (with perks).[64] [[64] Ibid]

Edupol added that salary increases for teachers had been good. Between *1988 and 1992 salaries rose by 124% in nominal terms and 30% in real terms.* Over the same period average manufacturing salaries had increased by 3% in real terms and the average salaries of the rest of the public service by 4%.[65] [[65] Ibid]

Edupol argued that the teacher salary scale should be completely revised and should shift from being linked to academic and professional qualifications to classroom competence and responsibility. In the short term the scales should be compressed by combining the categories at the bottom, removing altogether some of the highest categories and limiting salary increases at the highest level.[66] [[66] Ibid]

The acting dean of education at Rhodes University, Dr David McKellar, said that a performance-based remuneration system would probably have some short-term political benefits. However, it was likely that teachers would become apathetic about their own personal development, which could filter down to their pupils, he said.[67] [[67] *Daily Dispatch* 21 September 1994]

The government initially offered salary increases to teachers of between 1,4% and 6,6% in 1994. Both the National Professional Teachers' Organisation of South Africa (Naptosa) and the South African

Democratic Teachers' Union (Sadtu) demanded an increase of 18,4% across the board. Naptosa said that the offer represented an increase of R100 a month to the lowest-paid teachers, falling to R10 a month for teachers earning up to R45000 a year. The general secretary of Sadtu, Mr Thulas Nxesi, said that the government's offer effectively amounted to a wage freeze.[68] [[68] *Business Day* 11 November 1994, *The Citizen* 12 November 1994] In January 1995 the Department of Education and the two unions were due to present their positions over teachers' salaries to the cabinet.[69] [[69] Telephonic interview with a spokesman for the Department of Education, 19 January 1995]

Sadtu also said that the Education Labour Relations Act of 1993 should be abolished and a single labour relations act drawn up which applied to all workers. Separate legislation for different sectors of the economy created inconsistencies and unnecessary financial costs, Sadtu said. A spokesman for the DET, Mr Ray Venter, said that Sadtu had been part of the formulation of the act 18 months previously, that the act did not in any way militate against basic worker rights and that it was meant specifically to address the issues in the education sector.[70] [[70] *The Natal Witness* 26 August 1994]

Disruptions to School Education

The annual report for 1993 of the DET said that the defiance campaign conducted by teachers in 1993 had had a 'devastating' effect on education at many schools. Teachers had refused to perform their professional tasks such as preparing lessons, and administrative tasks had also been ignored. 'Endless' meetings had also been held during school hours. On the whole it was evident that since 1990 the teachers involved had conducted a long drawn-out strike, the DET said.[71] [[71] *Cape Times* 5 July 1994]

According to the communications manager of the DET, Mr Corrie Rademeyer, while there were no prolonged, nationwide teacher strikes or school boycotts in schools under the DET in 1994, there were consistent, more isolated disruptions throughout the year.[72] [[72] Interview with the communications manager of the DET, Mr Corrie Rademeyer, August 1994] Listed below are some of the disruptions which were reported in schools under the DET and the former houses of Delegates and Representatives during the period under review. It was not possible to ascertain the length of the disruption in each case or how comprehensively schooling was interfered with.

In January 1994, a week after schools opened, pupils at three high schools in Vosloorus (east Rand) disrupted classes saying that teachers had unfairly failed certain students because of their affiliation to the Congress of South African Students (Cosas). The pupils demanded automatic promotion to the next standard.[73] [[73] *Sunday Times* 23 January 1994]

At the end of February pupils at seven high schools in KwaThema (east Rand) boycotted classes for two weeks in protest against the arrest of certain Cosas members on murder, rape and robbery charges. The regional chairman of Cosas, Mr Mahlomola Kekane, said that the arrests arose out of conflict between members of Cosas and the Pan-Africanist Students' Organisation in 1993 and that only Cosas members had been arrested. He accused the police of bias and said that there could be no normal schooling when

pupils were forced to appear in court. 'Police are engaged in acts of terror against our members and our lax government is keen on seeing education collapse in our communities,' he said.[74] [[74] *Sowetan* 10 March 1994]

Also in February pupils in Imbali (KwaZulu/Natal) boycotted classes for a week in support of demands for the reinstatement of four expelled pupils. The four pupils had been suspended for 'drunkenness and bad behaviour'. The pupils were not reinstated.[75] [[75] *The Natal Witness* 23 February 1994]

In the same month teachers at a school in Bonteheuwel (near Cape Town) protested against a shortage of staff at the school, which they said had arisen as a result of the House of Representatives' rationalisation programme in 1993. It was reported that standard 6 and 7 pupils had not received mathematics or woodwork lessons since school started because there were no teachers for these subjects.[76] [[76] *The Argus* 15 February 1994]

Teachers at a high school in Zwide (near Port Elizabeth, Eastern Cape) staged a chalkdown in February in protest against the eviction of a white principal by the pupils. Classes were disrupted for about a week.[77] [[77] *Daily Dispatch* 10 February 1994]

In March in high schools in Mdantsane (Eastern Cape) pupils disrupted classes in support of demands for the return of their school fees, which, they said, were not being used to upgrade facilities at the school.[78] [[78] Ibid 18 March 1994]

In April at more than 100 schools in KwaZulu/Natal teachers did not report to work for about a week. A spokesman for Sadtu, Mr Mo Ally, said that teachers were uncertain about their future under a new KwaZulu/Natal government and wanted the Transitional Executive Council to take over the running of their education departments.[79] [[79] *The Natal Witness* 12 April 1994]

Schooling was also disrupted in April and May as a result of the elections. In the Northern Transvaal pupils accused the Independent Electoral Commission (IEC) of disrupting schooling by employing teachers and principals to assist with the elections. Sadtu also said that some senior officials had left their positions to work for the IEC. The IEC said, however, that teachers and principals had told them that there would be no schooling until after the elections and that their schools had been closed to be used as polling stations.[80] [[80] *Sowetan* 22 April 1994]

Business Day reported that after the elections attendance at 'numerous' schools across the country was erratic. The acting secretary general of the National Education Co-ordinating Committee, Mr Sipho Cele, said that 'post-election euphoria' had kept many pupils away and that many teachers were involved in counting ballots. He added that many pupils had been involved in campaigning for the elections and that much time had been lost over the term.[81] [[81] *Business Day* 6 May 1994]

While schools were officially allowed to close for three days over the election, all schools under the former House of Delegates closed for a week, following a request by Sadtu. A spokesman for the former House of Delegates, Mr Nagoor Bissetty, said that school principals could face disciplinary action, but that the teachers who had been involved with the IEC would be fully paid and receive special leave.[82] [[82] *The Leader* 10 May 1994]

At a high school in Soweto in May schooling was disrupted for two weeks following the shooting of one of the pupils by another pupil after an argument. Teachers who tried to intervene were threatened with violence.[83] [[83] *Sowetan* 24 May 1994]

Also in May, at a high school in Bronkhorstspruit (near Pretoria), 20 white teachers were held hostage for five hours because one of the teachers, whom pupils had demanded be suspended, was still present at the school. The pupils said that the teacher had made racist remarks to some of them.[84] [[84] *The Citizen* 27 May 1994]

In August, 30 teachers at a school in Mfuleni (near Cape Town) were locked *in the staff room by pupils who claimed that R24 000 in school fees had not been* accounted for. The pupils wished to hold the teachers until parents arrived in the evening for a meeting. Police persuaded the pupils to free the teachers on condition that the teachers arrived for the meeting in the evening.[85] [[85] *The Argus* 5 August 1994]

Also in August, high school pupils forcibly took over a primary school in Odendaalsrus (Orange Free State) which had been sponsored by the private sector and was better equipped than the high school. The pupils said that they would leave the building only if they got a school similar to the primary school. By October the issue had not been resolved and parents appealed to the premier of the Orange Free State, Mr Patrick Lekota, to intervene.[86] [[86] *Sunday Times* 9 October 1994]

At the beginning of September principals at 33 schools in Diepkloof (Soweto) were expelled by members of Sadtu and Cosas. The principals were accused of misappropriating funds belonging to the 'Do it with Diepkloof Trust' and Sadtu also demanded that the principals dissolve the Diepkloof Principals' Forum. After the intervention of the department of education in the PWV province, Sadtu and Cosas agreed at the end of October that the principals should return to their schools.[87] [[87] *The Star* 9 September 1994, *Sowetan* 15 October 1994, *Business Day* 27 October 1994]

Also in September, 300 teachers at 17 high schools in Clermont (near Durban) staged a sit-in at DET offices in Durban. They were demanding the resignation of the principal of one of the schools. The teachers said that the principal was 'hijacking' a commission of inquiry set up to investigate an incident in August in which teachers were sjambokked by pupils. Teachers at the school had not returned to teaching since the incident occurred.[88] [[88] *The Natal Mercury* 13 September 1994]

In October it was reported that the principal of a secondary school in Tuma-hole (Orange Free State)

had not reported for work since he had been evicted by pupils in June. The principal had charged four teachers with misconduct and pupils had forced him off the property, threatening him with violence.[89] [89 *Sowetan* 28 October 1994]

Also in October, teachers at a school in Eldorado Park (near Johannesburg) stopped work in support of a demand for the immediate suspension of two teachers who had allegedly been involved in a brawl with the acting principal.[90] [90 *The Citizen* 25 October 1994]

Technical Training and Apprenticeships

Enrolment at Technical Colleges

There were 95 944 pupils enrolled at technical colleges in South Africa (including all former homelands) in 1994. The following table gives a breakdown of enrolment and type of qualification for which pupils were enrolled:[91] [91 DNE, *Preliminary Education Statistics for 1994*, April 1994]

Enrolment at technical colleges: 1994

Up to matric level

Matric+ three years

Matric + more than three years

ToDET[a]

11 388

1 777

0

13 165

Former House of Assembly

40 813

19 923

708

61 444

Former House of Delegates

5 472

977

0

6 449

Former House of Representatives

4 302

1 630

76

6 008

Former non-independent homelands

4 159

749

0

4 90

Former ‘independent’ homelands

N/A

N/A

N/A

3 970

Total

N/A

N/A

N/A

95 944

a

Department of Education and Training.

N/A – Not availab

Enrolment at technical colleges in South Africa (excluding the former 'independent' homelands) increased by 70% from 1987 to 1994 (from 54078 to 91 974)—a greater increase than enrolment at schools over the same period (37%). Enrolment at colleges under the former House of Delegates increased the most (by 497% from 1 081 to 6 449), followed by enrolment at colleges under the Department of Education and Training (by 214% from 4191 to 13 165), the House of Representatives (by 90% from 3 169 to 6 008) and the House of Assembly (by 44% from 42 615 to 61 444).

The following table shows enrolment at technical colleges from 1987 to 1994:92 [92 DNE, *Preliminary Education Statistics for 1987*; DNE, *Preliminary Education Statistics for 1988*; DNE, *Preliminary Education Statistics for 1989*; DNE, *Preliminary Education Statistics for 1990*; DNE, *Preliminary Education Statistics for 1991*; DNE, *Preliminary Education Statistics for 1992*; DNE, *Preliminary Education Statistics for 1993*; DNE, *Preliminary Education Statistics for 1994*]

Enrolment at technical colleges: 1987-1994[a]

1987

1988

1989

1990

DET[a]

4 191

5 670

5 472

6 843

Former House of Assembly

42 615

42 700

47 696

49 446

Former House of Delegates

1 081

3 473

5 554

5 924

Former House of Representatives

3 169

4 183

4 122

5 366

Former non-independent homelands

3 022

2 769

2 530

4 595

Total

54 078

58 795

65 374

72

Enrolment at technical colleges: 1987-1994[a]

1991

1992

1993

1994

DET[b]

7 147

9 924

14 119

13 165

Former House of Assembly

54 517

63 855

62 823

61 444

Former House of Delegates

5 210

6 173

5 702

6 449

Former House of Representatives

5 661

5 837

5 829

6 008

Former non-independent homelands

3 900

4 144

4 571

4 908

Total

76 435

89 933

93 044

91 974

a

Excludes the former ‘independent’ homelands.

b

Department of Education and tra

Apprenticeship

In 1993 there were 21 677 apprenticeship contracts in operation. The largest proportion (32%) were in the metal industry, followed by the motor and mining industries (each 19%).

From 1984 to 1993 the number of apprenticeship contracts in operation dropped by 42% from 37 130 to 21 677. The number of apprentices in the metal industry dropped the most (by 41% from 11 790 to 6 972), the number of apprentices in local authority undertakings grew the most (by 224% from 138 to 447). Apprenticeship in the coal mining industry was terminated in 1989 and started in the textile industry in 1993, when 19 apprentices were indentured.

The following table shows the number of apprenticeship contracts by industry which were in operation each year from 1984 to 1993:[93] [93 CSS, *South African Labour Statistics 1994*; Information supplied by the Department of Labour, November 1994]

Apprenticeship contracts in operation: 1984-1993

1984

1985

1986

1987

1988

1989

Aerospace

362

327

326

451

571

651

Automobile manufacturing

491

426

360

304

303

367

Building

2962

2726

2064

1148

829

908

Coal mines

177

205

183

123

72

51

Diamond cutting

5

2

15

22

18

22

Electrical conrtacing

0

0

4

126

225

256

Electricity supply

1039

949

754

524

402

364

Explosives

243

246

265

297

305

370

Furniture

399

348

329

294

280

279

Government undertakings

995

943

816

714

541

559

Hairdressing

726

894

961

973

906

815

Jewellers and goldsmiths

111

91

75

57

62

79

Local authority undertakings

138

109

132

129

121

137

Metal engeneering

11 790

10 289

9 555

9 059

8 522

10 971

Mining

4 484

4 354

4 594

4 603

4 349

4923

Motor

5 864

5 467

4 528

3 830

3 659

3 880

Printing

1 163

1 106

958

776

785

946

Sugar refining

178

150

144

149

173

172

Transnet

5 900

5 011

3 648

2 009

1 200

1 099

Tyre and rubber

103

109

115

101

93

92

Total

37 130

33 752

29 826

2

Apprenticeship contracts in operation: 1984-1993(continued)

1990

1991

1992

1993

Aerospace

550

501

386

206

Automobile manufacturing

408

499

450

547

Building

850

786

853

659

Coal mines

0

0

0

0

Diamond cutting

8

9

5

5

Electrical conrtacing

340

397

437

479

Electricity supply

382

453

754

689

Explosives

266

266

195

112

Furniture

116

271

309

423

Government undertakings

489

476

457

307

Hairdressing

876

695

632

823

Jewellers and goldsmiths

92

127

103

104

Local authority undertakings

94

574

628

447

Metal engeneering

8 202

9 567

8 472

9 672

Mining

4 523

3 929

4 703

4 067

Motor

4 867

5 033

4 547

4 173

Printing

1182

1236

1035

661

Sugar refining

126

119

99

92

Textile

0

0

0

19

Transnet

989

1704

1 689

885

Tyre and rubber

88

72

31

7

Total

24 448

26 714

25 785

21 677

The number of people registering for and completing apprenticeship contracts dropped by 44% and 19% respectively from 1977 to 1993. The following table shows the number of registrations for apprenticeship contracts from 1977 to 1993 and the number of contracts completed o

Apprenticeship contracts started and completed: 1977-1993

Registered

Completed

1977

11 247

11 611

1978

8 248

9 329

1979

9 192

9 754

1980

10 527

7 790

1981

11 967

7 134

1982

14 497

8 272

1983

12 485

9 149

1984

12 661

11 306

1985

11 573

12 933

1986

9 660

11 769

1987

8 185

10 686

1988

7 919

8 578

1989

9 891

5 138

1990

9 054

7 132

1991

10 758

6 987

1992

7 492

5 212

1993

6 247

9 362

In 1993 there were 274 trainees with the Department of Manpower (ie people who, instead of entering into a contract with an employer as an apprentice, entered into a contract with the department and studied at one of the department's training centres before working for an employer for two years. Trainees also wrote trade tests to become artisans). The following table shows the number of trainees with the Department of Manpower fro

Trainees in training:1984-1993

Year

Number

1984

924

1985

468

1986

464

1987

N/A

1988

N/A

1989

344

1990

359

1991

N/A

1992

296

1993

264

N/A - Not

Tertiary Education

Enrolment at Teacher Training Colleges

The following table shows the number of students enrolled at teacher training colleges in South Africa (excluding the former 'independent' homelands) from 1987 to 1994:[96] [[96] DNE, *Preliminary Education Statistics for 1987*; DNE, *Preliminary Education Statistics for 1988*; DNE, *Preliminary Education Statistics for 1989*; DNE, *Preliminary Education Statistics for 1990*; DNE, *Preliminary Education Statistics for 1991*; DNE, *Preliminary Education Statistics for 1992*; DNE, *Preliminary Education Statistics for 1993*; DNE, *Preliminary Education Statistics for 1994*]

Enrolment at teacher colleges:1987-1994

1987

1988

1989

1990

DET[a]

6 867

9 493

10 278

10 319

Former House of Assembly

13 720

12 391

10 918

9 754

Former House of Delegates

625

1 111

1 235

732

Former House of Representatives

7 787

8 417

8 223

7 546

Former non-independent homelands

14 430

20 207

21 948

21 733

Total

43 439

51 619

62 602

50

Enrolment at teacher colleges:1987-1994 (continued)

1991

1992

1993

1994

DET[a]

9 516

9 418

9 482

9 709

Former House of Assembly

9 163

8 930

9 647

15 829

Former House of Delegates

1 874

1 861

2 452

2 071

Former House of Representatives				
7 755				
7 438				
6 640				
6 238				
Former non-independent homelands				
25 830				
29 429				
31 697				
32 030				
Total				
54 138				
57 076				
59 918				
65 877				

There were 65 877 students enrolled at teacher training colleges (excluding the former ‘independent’ homelands) in 1994—an increase of 52% on enrolment in 1987. The largest proportional increase in enrolment occurred in the former House of Delegates (231%), followed by the former non-independent homelands (122%)—where the greatest numerical increase occurred (from 14 430 to 32 030). Enrolment declined by 20% at colleges under the House of Representatives.

According to the Department of National Education, there were 20 803 students enrolled at teacher training colleges in the former ‘independent’ homelands in 1

Enrolment at Universities and Technikons

The following table shows university enrolment by race over a ten-year period from 1985 to 1994:[98] [98 DNE, 'Education Realities in South Africa 1986–1993'; information supplied by Ms S Jacobs, 10 November 1994]

University enrolment by race:1985-1994

1985

1986

1987

1988

1989

African

42 872

52 936

64 388

79 439

91 759

Coloured

12 914

12 850

15 676

17 788

18 842

Indian

17 300

18 390

19 118

19 574

19 736

White

138 670

149 449

151 061

155 644

156 022

Total

211 756

233 625

250 243

272 644

286 3

University enrolment by race:1985-1994

1990

1991

1992

1993

1994

African

94 870

125 847

120 125[a]

135 482

168 372

Coloured

17 934

19 575

17 952

17 406

18 225

Indian

18 921

21 036

22 500

23 491

34 683

White

154 261

157 431

158 367

153 531

148 970

Total

285 986

323 889

318 944

329 892

360 250

a

This figure does not include all the universities in Bophutaswana, the Ciskei, the Transkei and Venda.

Between 1985 and 1994 the most significant fluctuations in the proportion of students, per population group, enrolled at South African universities occurred among whites and Africans. In 1985 most students registered at South African universities were white (66%) and only 20% were African, but in 1994 the largest proportion of all students registered at South African universities were African (47%), while 41% were white. During the same period the proportion of coloured students dropped from 6% to 5% of the total, while the proportion of Indian enrolments dropped from 8% to 7%. Thus, only African enrolments, as a proportion of the total number of enrolments, increased. In the period under review the number of white students increased by 7%, coloured students by 41%, Indians by 43% and Africans by 293%. The total number of students enrolled increased by 70% over the same period.

In 1985 the ratio of white students to African students registered at South Africa's universities was 3:1 but by 1994 the ratio was 1:1,1.

The following table shows technikon enrolment by race over a ten-year period from 1985 to 1

Technikon enrolment by race:1985-1994

1985

1986

1987

1988

1989

African

1 604

3 150

6 390

6 635

11 625

Coloured

2 765

811

4 570

4 928

6 291

Indian

3 680

3 467

3 941

4 695

6 624

White

51 069

36 062

41 545

40 557

51 257

Total

59 118

43 490

56 446

56 815

75

Technikon enrolment by race:1985-1994

1990

1991

1992

1993

1994

African

17 452

25 298

28 699

43 949

65 150

Coloured

7 941

8 946

9 783

11 820

13 662

Indian

7 243

6 743

6 847

7 787

8 917

White

60 085

64 735

68 541

74 887

80 156

Total

92 721

105 722

113 870

138 443

167 885

The total number of students enrolled at technikons increased by 184% during the ten-year period from 1985 to 1994. The largest increase occurred among Africans (3 962%) and the smallest among whites (57%). Coloured enrolments increased by 394%, while Indian enrolments increased by 142%. In 1985 most students registered at South African technikons were white (86%) while Africans accounted for the lowest proportion of students (3%). Coloured students accounted for 5% of the total number of students, while Indians accounted for 6%. In 1994, however, 48% of the students registered at South Africa's technikons were white, while 39% were African. The proportion of coloured students increased slightly to 8%, while the proportion of Indian students dropped marginally to 5%. While in 1985 the ratio of white students to African students was 32:1, by 1994 the number of African students had increased significantly to narrow the ratio to approximately 1,2:1.

The following table illustrates university enrolment by institution and by race in 199

University enrolment: 1994

Universities	African	Coloured	Indian	White	Total
Cape Town	2 997	1 930	725	8 857	14 509
Durban-Westville	5 071	156	4 941	337	10 505
Fort Hare	5 175				

N/A

N/A

N/A

N/A

Medunsa[a]

2 777

29

479

114

3 399

Natal

3 979

385

3 832

6 926

15 122

North-West[b]

3 914

N/A

N/A

N/A

N/A

The North

13 500

N/A

N/A

N/A

N/A

Orange Free State

969

444

13

7 831

9 257

Port Elizabeth

883

702

146

3 886

5 617

Potchefstroom

1 448

204

30

8 301

9 983

Pretoria

2 261

218

160

21 500

24 139

Rand Afrikaans

4 301

481

347

10 364

15 493

Rhodes

857

131

323

2 730

4 041

Stellenbosch

254

1 128

64

13 016

14 462

Transkei

6 628

N/A

N/A

N/A

N/A

Unisa[c]

57 603

4 732

10 735

53 088

126 158

Venda

6 400

N/A

N/A

N/A

N/A

Vista

33 008

631

66

174

33 879

Western Cape

6 662

6 715

689

184

14 250

Witwatersrand

4 025

339

2 133

11 662

18 159

Zululand

5 660

N/A

N/A

N/A

N/A

Total

168 372

N/A

N/A

N/A

N/A

a

Medical University of Southern Africa.

b

Previously University of Bophuthatswana.

c

University of South Africa.

N/A – Not available.

The following table illustrates technikon enrolment by race a

Technikon enrolment: 1994

Technikons

African

Coloured

Indian

White

Total

Border[a]

1 167

1

3

14

1 185

Cape

617

1 288

112

5 937

7 954

Mangosuthu

3 463

N/A

N/A

N/A

N/A

ML Sultan

2 141

167

3 772

441

6 521

Natal

2 138

256

878

4 478

7 750

Northern Tvl[b]

6 617

27

36

51

6 731

OFS[c]

1 432

213

8

3 985

5 638

Peninsula

3 395

4 628

136

126

8 285

Port Elizabeth

2 124

812

82

4 030

7 048

Pretoria

6 118

348

192

18 827

25 485

South Africa

27 592

5 474

3 128

31 680

67 874

Setlogelo

1 429

N/A

N/A

N/A

N/A

Transkei

1 227

N/A

N/A

N/A

N/A

Vaal Triangle

2 250

97

54

4 158

6 559

Witwatersrand

3 440

351

516

6 429

10 736

Total

65 150

N/A

N/A

N/A

N/A

a

Previously the Ciskei Technikon.

b

Transvaal.

c

Orange Free State.

N/

PROPOSED CHANGES TO THE EDUCATIONAL SYSTEM

National Level

A draft of the new central government's first policy document on education and training was published for comment by the Department of Education on 23 September 1994. The document said that the creation of a new national department of education and nine new provincial departments of education, working in close liaison with each other, was a fundamental policy objective of the national education department. The government was committed to the 'significant and visible' unification of existing education departments by 1 January 1995. The draft white paper said that affirmative action principles would be applied in the making of appointments and promotions in the new department.[102] [[102] Education and Training in a Democratic South Africa (Draft Policy Document for Consultation), *Government Gazette* no 15974, 23 September 1994]

The document said that an organisational structure for the new national Department of Education had been proposed to the Public Service Commission (see chapter on *Government and Constitution*). According to the proposed structure, the new department would be divided into three branches. The first branch would be Education Training Systems and Resources and it would be responsible for researching, planning and evaluating the overall design, co-ordination and performance of the education and training system. Financial and human resource planning would also be a part of this branch's functions. The second branch—Education and Training Programmes—would be responsible for managing the development of the national qualification network as well as the research and development of national norms and standards for educational programmes at all levels. The co-ordination of new initiatives in areas such as early childhood development, adult basic education, vocational training and community education and training, and distance and media training would also be part of this branch's functions. The feasibility study for the national institute of curriculum development would be launched here. The third branch, Education and Training Support, would be responsible for service matters affecting educators and for managing the process of labour relations both bilaterally and with the Education Labour Relations Council. This branch would also look after the department's internal and external communication needs as well as its legislative, administrative and financial requirements. Development and management of externally funded projects would be handled by this department, the document said.[103] [[103] Ibid]

The draft policy document said that the creation of new provincial education departments would entail the amalgamation of all existing educational structures operating within a province into a single provincial department. The head offices of the education departments of the former homelands would have to be combined with the departments operating within a province. The head offices of former departments which operated across the country would have to be closed and new posts would have to be assigned to provincial education departments. Over time all education structures within a province would have to be reorganised into a new system of sub-provincial management.

According to the document, the national Department of Education planned to set up a national qualification framework (NQF) in order to achieve a fundamental restructuring of education. The South African qualifications authority, which would be established through legislation, would have responsibility for developing the NQF. The NQF would encourage new and flexible curricula and facilitate the movement of students from one qualification level to another. The NQF would enable learning to be assessed and certified, regardless of whether it had been achieved in formal programmes, by personal study, or by experience in the workplace. The draft white paper proposed that the NQF comprise eight qualification levels as follows:

Level 1: This level would be reached after the attainment of a general certificate of education at the end of the compulsory schooling phase—standard 7—or at the end of the adult basic education and training phase, comprising three sub-levels;

Levels 2–4: These levels would be reached through the attainment of further education certificates to be achieved through a variety of modes comprising core units and optional units in different combinations.

These would be attainable upon completion of standard 10, on completion of technical college and community college programmes and on completion of programmes offered by accredited private providers or nongovernmental organisations (NGOs). They would also be obtainable through industry training and regional training centres; and

Levels 5–8: These levels would be attainable through higher education and research comprising professional institute programmes, national and higher national diplomas, initial degrees, higher degrees and research.

In addition the draft white paper proposed the establishment of a national adult basic education and training (Abet) programme which would focus on ‘groups that had historically been deprived of education and training’. The document said that the programme would provide an appropriate Abet curriculum whose standards would be incorporated into the NQF. A national Abet council was expected to be established to advise the minister, while a directorate for Abet was to be set up as part of the new national Department of Education. The document said that this directorate would undertake research on adult basic education and training. It would also liaise with the reconstruction and development programme office, the Department of Labour and the provincial departments of education.

The draft white paper proposed a feasibility study into the concept of an independent national institute of curriculum development to advise the minister of education on the development of school curricula. It further proposed the urgent preparation of a draft education and training charter which would form the basis for countrywide consultation out of which a revised text would be developed and negotiated.

The white paper also outlined plans for a directorate for early childhood development and lower primary education. This directorate would develop policy for the reception year—the first year of compulsory general education—in consultation with its provincial counterparts. Similar units would be established in provincial departments of education. These new provincial units would spearhead that phasing in of policy, in conjunction with NGOs and accredited training agencies. The document said that the process would work through a partnership of local government, the community, business, workers and developmental agencies.

In the draft white paper the national Department of Education also said that the concept of community learning centres—a network of facilities which would offer regular support and service to students—should be investigated.

Legislation

The draft white paper said that new legislation would, among other things, provide for the establishment of bodies such as the Council of Education Ministers (CEM) and the new Heads of Education Departments Committee (Hedcom), curriculum policy, the establishment of a national framework for education, and education personnel. Provincial legislatures would need to replace all laws emanating from the previous provincial administrations with laws reflecting their own policies.

Consultative Bodies

According to the draft policy document, the Department of Education planned to abolish the South African Council of Education, the Education and Training Council and similar bodies and replace them with ‘democratic and representative’ bodies which could be consulted by the minister. It said that the department believed that it was imperative that provincial education departments abolished existing racially based consultative structures and replaced them with new, representative bodies.

In the document the Department of Education agreed to:

• the establishment of a national council for teacher education as a statutory body to advise the minister on all aspects of teacher education policy; and

• conduct an investigation into the feasibility of establishing a national open learning agency to promote the open learning principles ‘wherever they were the most influential’.

According to the draft white paper, the cabinet had approved the idea of appointing a national commission on further education to undertake the research, consultation and planning needed to set this level of learning ‘on an energetic growth path’. The commission was expected to advise the government on the composition, scope, resourcing and development of this level of education with particular reference to the qualifications, standards, curricula and new institutional forms that would be required to revitalise learning at this level. At the time of writing the commission had not yet been appointed.

The department also proposed the establishment of a gender equity task team headed by a gender equity commissioner who would report to the national director general of education. The task team would investigate and advise the Department of Education on the establishment of a permanent gender equity unit in the department. The task team had not been appointed at the time of writing.

According to the document, two bodies had been created to enable provincial and the national departments of education to share information and advice and to collaborate on plans for the establishment of the new provincial departments and the future direction of the national education system.

The first of these bodies was the CEM, which comprised the national minister of education and the nine members of the executive councils for education in the provinces. It would continue to be a forum for clarifying the constitutional division of responsibility for education between the national and provincial legislatures. The CEM would also provide an inter-provincial perspective on the development of national education and training policy. All draft legislation prepared by the national and provincial departments of education would be submitted to the CEM for advice.

The second body was Hedcom, which would consist of the head of the national Department of Education and the heads of the nine provincial departments of education. It would advise the CEM and provide a regular forum in which the administrative heads of education departments could consult and collaborate in the interests of the system as a whole.[104] [104 Ibid] Legislation providing a statutory basis for the CEM and Hedcom committees had not been tabled at the time of writing.

The document revealed that the CEM had charged its interim committee of heads of departments with the technical management of key aspects of education policy for the transitional period.

Financial Arrangements

The document said that financial accountability for education would be assigned to the provinces as soon as new provincial administrations had been established. This was expected to occur before the beginning of the 1995 school year. In the interim, the national Department of Education would be responsible for co-ordinating provincial education budgets for 1995/96.

Provincial governments would have constitutional responsibility for establishing, running and financing schools, but they would have to do this within the framework of national policy on matters such as the legal status of different types of schools, and the norms and standards by which they should be governed and financed. The document said that the present pattern of organisation, governance and funding of schools contravened the rights to equality and non-discrimination in the bill of rights and therefore had to be changed. Uniform pupil/teacher and class size norms significantly above the historic norms in the former House of Assembly, House of Representatives and House of Delegates systems but below those of the Department of Education and Training and homelands would be phased in. This, the document argued, would result in an increase in quality of education for the majority of schoolchildren.

In the document the department said that it was committed to providing ten years of free and compulsory education. Consequently, all children in the age group 5–14 would be required by law to attend school or alternately all children would be required to be in school until they had completed the equivalent of standard 7. However, because of a shortage of funds, implementation of this commitment would begin only on a phased basis in January 1995 with the enrolment in sub A of all children aged six. As capacity within the system increased, compulsory education would be extended to each age group. The document argued that teachers should be remunerated not according to qualifications but rather according to ability.

Legal Categories of Schools

The Department of Education in its draft document proposed a number of principles which should form the basis of a new policy for school ownership, governance and finance.

Ownership

The principles on school ownership proposed in the draft document included the following:

• there should be as few legal categories of schools as possible;

• these categories should be based on clear criteria such as ownership, funding, and relationship to the national and provincial departments of education;

• the categories should be uniform across the country;

• these categories of schools should assist the elimination of inequitable and outmoded divisions between the inherited categories of schools;

• these categories should include state, state-aided, and independent schools and accommodate the constitutional provisions affecting school ownership; and

• there should be clearly stated conditions under which schools might be permitted to change their category.

Governance

Suggested principles on governance in the document included the following:

• local education and training forums, representative of the main stakeholders in the system, should be established as interim consultative and negotiating structures;

• school governing bodies should be representative of the main stakeholders in the school, and reflect the principle of ownership of the school by the community which it served. In primary schools the main stakeholders should, at least, comprise parents, teachers and representatives of the broader community served by the school. The stakeholders in secondary schools should comprise parents, teachers, students and representatives of the broader community served by the school. Students should, however, not participate in certain categories (undefined) of school business;

• the composition of the governing bodies of schools should be sensitive to racial and gender representation;

• the involvement of the state in school governance should be the minimum required for legal accountability, and should be based on participative management;

• the decision-making powers of governing bodies should reflect their capacity to render effective service; and

• a capacity-building programme should go hand in hand with the assignment of powers to governing bodies.

Finance

Principles on finance proposed in the document included the following:

• financial allocations to different categories of schools should be equitable and transparent and aimed at eliminating historical disparities based on race and region while ensuring an acceptable quality of education;

• a uniform staff provision formula, based on teacher/pupil ratios, should be phased in at state and state-aided schools;

• the eligibility of independent schools for state subsidy should be based on clear and uniform criteria, including the observance of constitutional guarantees;

• fee-free schooling could not guarantee levels of teaching quality. Fee-paying was an option that schools and communities would have to consider if they wanted to offer a quality of schooling higher than that which the state could afford. The level of fees levied would, however, be determined by the capacity of the community to pay and on the quality of schooling which the community deemed affordable, beyond the acceptable minimum which the government provided from public funds. It was, however, vital to ensure that children were not excluded from such schools because of an inability to pay; and

• the state would also subsidise senior secondary education but the level of this subsidisation would depend on the level of per capita expenditure allocated to the general education sector in the compulsory phase (sub A to standard 7). It would also be possible to fund senior secondary education according to socio-economic status. Means testing would have to be introduced to facilitate this and a range of fees would be set relative to parental income.

Reaction

In his reaction to the publication of the draft white paper on education, the deputy minister of education, Mr Renier Schoeman (a National Party (NP) member), said that a reference in the document to it being issued by the Department of Education did not imply that he accepted co-authorship or co-ownership of it at that stage.[105] [[105] *Cape Times* 23 September 1994]

The spokesman for the NP on education, Mr Piet Marais, criticised ‘the apparent desire to change everything and start from scratch’. He said that his party was concerned about what he called ‘the tendency to pursue what was desirable without taking into account its feasibility’.[106] [[106] *Sunday Tribune* 25

September 1994]

The spokesman on education for the Democratic Party, Mr Mike Ellis, said the issue of funding 'posed real problems' because the document was vague about how it hoped to achieve a funding system that would provide equity in education without seriously affecting the standards of education in some sectors.[107] [[107] Ibid]

The Inkatha Freedom Party said that while it applauded the bold initiatives outlined in the document, it had 'grave concerns' over the apparent tendency to centralise the education bureaucracy. The party said that teacher education and curriculum development should both be the responsibility of the provinces.[108] [[108] *Business Day* 26 September 1994]

The South African Federation for State-aided Schools (Safsa), the National Professional Teachers' Organisation of South Africa, the Teachers' Federal Council, and the Union of Teachers' Associations of South Africa commended the fact that the draft document had been a consultative document which had invited input from all interested parties. The chairman of Safsa, Dr Hennie van Deventer, said that his organisation would see to it that the subsidy formulation for state-aided schools remained such that parents in the middle-income group would still be able to afford this education for their children.[109] [[109] *The Citizen* 24 September 1994]

Provincial Level

North-West

Responding to questions on education policy posed to the member of the executive council (MEC) for education, training and culture in the North-West province, Ms Mamokoena Gaoretelelwe, her personal assistant, Mr David van Wyk, outlined some of the most serious challenges facing education in the province. He said that some 160 000 to 400 000 pupils who had either dropped out of school or had never attended school—despite being of school-going age—had to be accommodated in the school system. This situation, he pointed out, was aggravated by an above-average population growth rate of 3,2% in the province. In addition, a very high level of repeats in the Department of Education and former Bophuthatswana education systems would add an estimated R30m per year to the province's education budget.

However, Mr van Wyk pointed out that there were 31 former white schools in the province, many of which were being used for purposes other than teaching. His department was in the process of attempting to retrieve these schools and had already secured 11 of them. Furthermore, the department had instructed all schools that it expected a pupil/teacher ratio of 35:1 at high schools and 40:1 at primary schools as part of its drive to meet the challenges facing it. A number of former underutilised whites-only schools had combined and placed all their pupils in one school, leaving the others vacant, in order to avoid integration. Mr van Wyk said that while his department was not considering forcing such schools to integrate, where black schoolchildren were refused admission they would be able to seek

redress from the courts.[110] [110 Telephonic interview with the personal assistant to the member of the executive council (MEC) for education in the North-West, Mr David van Wyk, 23 November 1994]

Mr van Wyk pointed out that in some of the white farming areas, staff, school infrastructure and equipment were totally inadequate. The province was considering offering incentives, such as free accommodation, in order to entice teachers to work in these areas. Because the rural population was constantly mobile, with many rural inhabitants moving to urban areas, particularly in times of drought and depression, his department was considering using prefabricated mobile schools that could shift to the rural areas in most need and would not be wasted if the population it served moved.

All new schools built in the province would have technical facilities. Legislation making this possible was being prepared by the provincial administration, he said. This would give students who had just completed school the opportunity to obtain marketable skills.

Mr van Wyk said that the North-West was tackling the challenge of pre-school education through the establishment of preschool resource and training centres throughout the province. These centres would train pre-school teachers and provide them with the necessary skills training to open their own preschools. Five such centres had already been established and an additional nine centres would be constructed. Mr van Wyk said that while his department, together with nongovernmental organisations, would provide financial and technical assistance to help establish such schools, it preferred to see these teachers open preschools as private businesses.

The provincial government was satisfied that it had adequate powers to enable it to implement its education policies and effectively run education in the province, according to Mr van Wyk. Another challenge, he said, was the integration of the syllabi from the various education departments that had previously operated in the province, into one comprehensive syllabus.[111] [111 Telephonic interview with Mr D van Wyk, 23 November 1994]

A spokesman for the Department of Education in the province, Mr S K Semakane, said in January 1995 that free education in the North-West would be phased in, starting with children under ten years who had registered for the first time in 1995. Pupils from sub A to matric would receive free books, Mr Semakane said.[112] [112 *The Citizen* 12 January 1995]

Northern and Eastern Transvaal

Business Day reported in January 1995 that the issue of language had become an obstacle to admissions of pupils to model C schools in the Northern and Eastern Transvaal. While Afrikaans model C schools had been prepared to accept black pupils, they had been reluctant to change to dual medium of instruction, which would increase their accessibility to black pupils.[113] [113 *Business Day* 12 January 1995]

Pretoria-Witwatersrand-Vereeniging

The MEC for education in the Pretoria-Witwatersrand-Vereeniging (PWV) province, Ms Mary Metcalfe, said in January 1995 that the payment of school fees at state schools and state-aided schools was not a condition for admission. Model C schools could only turn children away if they were already full and not for non-payment of a 'voluntary school fee'. However, some form of means test would have to be devised to ensure that those who were able to pay did so. The government would have to subsidise those who could not pay fees. Afrikaans schools which were not full would have to become dual medium schools and the state could not be expected to provide for language and cultural exclusivity in schools, Ms Metcalfe said.[114] [114 *The Citizen* 12, 13 January 1995]

Western Cape

The MEC for education, training and cultural affairs in the Western Cape province, Ms Martha Olckers, indicated that 'representative task teams' were investigating many of the educational issues in the province. She said that she would supply the information requested when the recommendations of the various task teams had been studied and evaluated.[115] [115 Reply to questions posed to the MEC for education in the Western Cape, Mrs Martha Olckers, 25 October 1994]

KEY PROJECTIONS

• The minister of education, Professor Sibusiso Bengu, said that it would take ten years to accommodate all pupils of school-going age in schools.

• A spokesman for Professor Bengu, Mr Lincoln Mali, said that in 1995 the first year of primary school would be free for pupils at state schools.

• The education policy and system change unit of the Urban Foundation (Edupol) said that as the education system expanded to accommodate children of school-going age who were not attending school, teacher salaries could move into an 'unsustainable trajectory'. Teacher salaries constituted 78% of education spending in 1990, according to Edupol.

HEALTH AND WELFARE

KEY POINTS

• Free health care where a need exists for children under six and pregnant mothers, as well as postnatal care and support if complications arise, for 42 days after delivery, were implemented in June 1994.

• Of the various components of medical aid expenses, hospital fees showed the steepest rise over the previous ten years, closely followed by drugs. Dentists showed the lowest price increases, but their increases still far exceeded the consumer price index.

• In April 1994 the South African Medical and Dental Council reported that its expenditure on defending member doctors in cases brought against them by patients had increased from R1,4m in 1992 to more than R2m in 1993. Most cases concerned overprescription by doctors.

• According to the United Nations Children's Fund, South Africa's infant mortality rate (deaths of children under five years old per 1000 live births) was double the rate expected from a country with its level of income.

• A survey of six-year-old children in 1988/89 showed that approximately 80% of coloured, 76% of Indian, 68% of African and 59% of white children experienced some degree of dental decay. About 60% of white people in their twenties had a complete set of teeth, compared with 56% of Africans, 52% of Indians and 27% of coloured people in the same category.

• The director general of national health, Dr Coen Slabber, said that academic hospitals would be rationalised to curb health care spending. The University of the Witwatersrand, with five academic hospitals, would be looked at particularly closely and would probably only retain Johannesburg and Baragwanath hospitals.

• A nationwide survey commissioned by the National Progressive Primary Health Care Network, published in March 1993, found that political violence had prevented more than 2m people from receiving adequate health care.

• South Africa's 2,6m social pensioners (including the ten homelands) received a total of R9,67bn in 1994.

• In June 1994 the South African National Council on Alcoholism and Drug Dependence said that the cost of alcoholism to the country—including vehicle accidents, medical costs, loss of life, violence, crime and other factors—was approximately R5bn a year.

HEALTH

Election Commitments

According to the National Progressive Primary Health Care Network, none of the six major political parties in South Africa had worked out a clear and adequate financing plan for providing basic health needs. The plan of the African National Congress (ANC) was the most detailed, according to the network, but still had to complete its identification of funding sources.[1] [[1] *Sowetan* 28 February 1994]

African National Congress

The ANC stated in its Reconstruction and Development Programme, published in March 1994, that the focus of its health care programme would be to encourage communities to participate actively in the management and delivery of primary health care services in their areas. Other important commitments made by the ANC included the following:

• the establishment of a national health information system to collect data from district, provincial and national levels to facilitate health care planning;

• the redistribution of personnel to underserviced areas through retraining, providing incentives for medical workers to work in rural areas (including child education allowances), limiting openings for private practice in overserviced areas and introducing contractual obligations for those receiving subsidised training;

• the introduction of immunisation programmes to provide full immunisation for 80% of all children under the age of two by 1995, and 90% by the end of 1997;

• the provision of free health care for children under six at government health centres, and within five years the provision of ‘a whole range of services free of charge’ to the aged, disabled, the unemployed and students;

• the provision of ‘affordable’ medicines through greater use of essential drug lists coupled with a single national price for each drug;

• the building of 2 541 health care clinics by 2000 to add to the 2 218 health care clinics already operating in the public sector in South Africa;

• having 75% of the population living within reach of a primary health care facility by the end of 1995;

• the direction of major resources to tuberculosis, AIDS and ‘other plagues’, aiming to eradicate poliomyelitis and neonatal tetanus by 1995; and

• the promotion of a healthy lifestyle and eating habits (including a food policy which limits sugar consumption).

National Party

The National Party (NP) said in its election manifesto that it believed it was beyond the capabilities of the state to take full responsibility for the health of every citizen of the country, but that the government had to accept responsibility for basic health care for indigent people.[2] [2 National Party (NP) election manifesto, April 1994]

The principle features of the NP health plan were:

• the immunisation of all children by 2000, and the extension of the party's feeding development programme;

• the provision of affordable health care in the public and private sectors. The NP would 'ensure the constructive co-operation between the public and private health sectors by 2000';

• the construction of 'enough' clinics by 2000 to provide access to health facilities for everyone; and

• the decentralisation of health care by making basic health services the responsibility of local authorities and by giving priority to primary health care. The NP would also 'set up a local health committee for each community by 2000'.

Inkatha Freedom Party

The Inkatha Freedom Party made the following election commitments:

• the redistribution of the health budget by giving the reconstruction of the health system priority since the amount spent on health could not be increased significantly;

• the implementation of an integrated health service that was hospital based and community-orientated; and

• an improvement in the efficiency of the private sector through the freeing of the insurance market to make it more competitive, the provision of alternatives to medical aid societies and the integration of private hospitals into the broader health system.

Policy

National Policy

At the time of writing the government had not published its white paper on health. However, the third draft of the *National Health Plan for South Africa* of the African National Congress (ANC)—which has the status of a planning document only—will form the basis of future policy.

According to the second draft of the plan, published in January 1994 and prepared with the help of the World Health Organisation and the United Nations Children's Fund, the proportion of gross domestic product (GDP) spent on health care in 1993 (3,4%) would be sufficient to provide adequate health care for the country.[3] [3 *Sunday Times* 23 January 1994] However, the final version of the plan, published in May 1994, made provision for an increase in state health spending from between 2,8% and 3,4% of GDP (the average health expenditure in the previous few years) to 4%. The proportion allocated to health in the

budget would increase from 11,5% in 1993/94 to at least 13%.[4] [4 African National Congress (ANC), *A National Health Plan for South Africa,* May 1994, p76]

In May 1994 the head of the department of health of the ANC, Dr Ralph Mgijima, said that the programme set out a five-year plan to create a single, integrated, national, health care system based on effective primary health care. This programme would be funded through existing taxation, by increasing levies on alcohol and cigarettes, and through the establishment of a national health insurance scheme based on employer and employee contributions, rather than tax hikes.[5] [5 *Business Day* 19 May 1994]

The document stated that every woman had the right to choose 'early termination of pregnancy', and that medical practitioners should be able to choose whether they wished to perform abortions or not. According to the ANC, this policy was aimed at reducing the number of complications and deaths arising from illegal abortions.[6] [6 *The Star* 20 May 1994]

The health plan stated that communicable diseases would be targeted through a combination of social and educational upliftment and community-based prevention and control activities. Government services for high-risk and vulnerable groups would be increased, and 'compassionate' care of human immuno-deficiency virus (HIV)-infected people would be guaranteed. Counselling and support services would be established in all community health centres for HIV-positive people and people with other sexually transmitted diseases, and more efficient recording mechanisms would be devised. Voluntary organisations involved in AIDS assistance would receive funding. Education on sexuality, family planning and substance abuse should be encouraged.[7] [7 *ANC, A National Health Plan for South Africa*, May 1994, pp41–43]

No changes were made to the composition of the Department for Health (previously the Department of National Health and Population Development) after the election in April 1994, and the contract of the director general of national health, Dr Coen Slabber, was renewed after it expired in November 1994.[8] [8 *The Star* 19 May 1994]

Primary Health Care

Primary health care formed the basis of the ANC health plan. The programme aimed to change the focus of health care from health professionals at the secondary and tertiary health care levels to the community, patients and primary health care.[9] [9 *ANC, A National Health Plan for South Africa*; May 1994, p19] Rural health services would be given priority.[10] [10 *The Citizen* 20 January 1994]

Structure of Delivery System

According to the *National Health Plan*, a single minister of health and a single national health authority would be accountable for the implementation of a national health system. The national health authority

would co-ordinate the activities of the provincial health authorities (PHAs), which would in turn co-ordinate approximately 100 district health authorities (DHAs). The DHAs would ensure access to and delivery of health services to all the people falling under their authority at the secondary and tertiary referral hospitals provided by the PHAs. The PHAs would identify development needs in the province and allocate resources according to these needs. They would provide support for the DHAs by providing, among other things, specialist hospitals, organising training of health care workers and planning primary health care services.[11] [11 ANC, *A National Health Plan for South Africa,* May 1994, pp59–66]

All communities 'will be encouraged' to form intersectoral community development committees, which would liaise with those employed to run their health facilities to identify community health needs and present these to the DHA.[12] [12 Ibid]

The programme maintained that it was important that technology be understood easily and applied by community health workers, and added that efforts must be made to promote locally manufactured equipment and materials. A national commission would be established to administer a system of quality control and regulate the import of expensive equipment.[13] [13 Ibid, p61]

Free Health Care

Provision would be made for free health care where a need existed for children under six, and free antenatal delivery and postnatal care and support for women if complications arose, for 42 days after delivery. This plan, implemented in June 1994, applied to state hospitals and for people without medical aid cover or foreigners visiting the country (as long as they were not visiting for the purpose of receiving free health care). It was estimated that the plan would cost R50m a year.[14] [14 *Sowetan* 2 June 1994]

The new minister for health, Dr Nkosazana Zuma, warned that there were parts of the country where the scheme would have little impact, because of a lack of adequate facilities.[15] [15 *The Star* 31 May 1994] The director general of national health, Dr Coen Slabber, said that the Department for Health (previously the Department of National Health and Population Development) would make recommendations to Dr Zuma on whether it would be viable to extend the free health care programme to other vulnerable groups such as lactating mothers, social pensioners and disabled people.[16] [16 *The Citizen* 1 June 1994]

Soon after the implementation of the plan, many hospitals reported an increase in the number of patients, but the senior medical superintendent at the Far East Rand Hospital, Dr Renier Greyling, reported that there was uncertainty about whether all fees that would normally be included in the cost of the services (such as ambulance transport) were also to be free.[17] [17 *The Star* 15 June 1994]

Other childcare targets in the plan were that, by the end of 1995, 50% of births would be supervised and carried out under hygienic conditions and that at least 70% of children would be breastfed until the age of six months. Special attention would be given to increasing immunisation against measles and to

programmes to reduce dehydration and respiratory infections in the very young. Targets included the eradication of polio and neonatal tetanus by 1995 and full immunisation of 90% of children younger than two.[18] [18 ANC, *A National Health Plan for South Africa*, May 1994, pp84–87] These projects have not yet been implemented as policy.

School Feeding Scheme

In May 1994 the new president, Mr Nelson Mandela, proposed a scheme to feed 2,8m schoolchildren. Specific schools in impoverished areas would be targeted and each child would be subsidised at approximately R1 a day. Dr Zuma announced that R473m had been allocated to the scheme. The previous government spent R40m on school feeding schemes and R400m on a national nutrition surveillance scheme annually.[19] [19 *Business Day* 2 June 1994] The scheme was scheduled to start in September 1994, but was postponed after it was found that there were too few companies with sufficient capacity to service the schools, there was a lack of telephones at schools, and bad roads and poor directions had caused delays in some areas.

According to the group executive of the community health research division of the Medical Research Council (MRC), Dr Derek Yach, the plan would provide many more children with proper nutrition in infancy, which would mean fewer premature deaths and greater intellectual development. However, he warned that the impact of the feeding scheme would be reduced without a national nutrition surveillance scheme to target the areas most in need.[20] [20 Ibid]

Medical Services and Practitioners

According to the health plan, existing laboratory services would be restructured and a national health laboratory service would be established to integrate the various laboratory services. Laboratory training institutions would also be restructured, with the emphasis on primary health care needs. The health plan also proposed the establishment of a statutory body responsible for the accreditation of health laboratories.[21] [21 ANC, *A National Health Plan for South Africa*, May 1994, pp43–44]

According to the document, doctors would be encouraged to work in primary health care centres on a rotational basis (by, for example, improved conditions of service, travel allowances, child education allowances, training opportunities and promotional credits) in order to compensate for the shortage of doctors in impoverished areas.[22] [22 *Business Day* 25 March 1993] The document proposed that subsidies to private hospitals be cut to discourage their growth. The document also proposed barring doctors from holding shares or having other financial interests in private hospitals. Doctors in private practice should not feel threatened, because the health plan could open many more opportunities for them, the document stated.[23] [23 Ibid 21 January 1994]

The health plan proposed that a registration process for drugs be introduced to ensure their safe use, efficacy and cost-effectiveness. The setting of maximum prices would also be considered. When new

drugs were submitted for registration, their cost-effectiveness would need to be demonstrated, and wider use of generic drugs would be encouraged.[24] [[24] *ANC, A National Health Plan for South Africa*, May 1994, p38]

The ANC said in June 1994 that 'non-discriminatory' drug pricing schemes, such as a single exit price (price charged by the manufacturer) for all drugs, would be introduced to ensure that wholesalers, doctors and retailers were charged the same price by the manufacturer. Every participant in the supply chain would be looked at to where costs could be contained. It was reported that the ANC would establish a negotiating forum to enable the government and the pharmaceutical industry to discuss the issue.[25] [[25] *Business Day* 3 June 1994]

In June 1994 the National Aids Convention for South Africa announced the completion of an AIDS budget plan amounting to R350m over two years. Details of the plan were not available at the time of writing, as they were only to be published on the presentation of the plan to the Department for Health.[26] [[26] *The Citizen* 15 June 1994]

Medical Aid Schemes

The health plan proposed a compulsory national health insurance scheme, to be administered by the state, by a private organisation or through existing medical aid schemes acting as financial intermediaries. Contributions would be based on income, and it would provide a statutorily defined basic health care package. The long-term goal would be the provision of cover for all South African citizens, including the unemployed. Existing medical aid schemes would be free to offer 'top-up' cover for services not covered in the basic compulsory insurance package.[27] [[27] *ANC, A National Health Plan for South Africa*, May 1994, p71]

In May 1994 the ANC proposed the establishment of a commission of inquiry to examine the medical aid industry and to consider alternatives, such as the compulsory national health insurance scheme proposed in the health policy document. The investigation would be based on whether current medical schemes could form the basis of a new system and whether existing schemes met specified statutory conditions governing the health insurance system.[28] [[28] *Business Day* 19 May 1994] There were no further developments at the time of writing.

While the executive director of the Representative Association of Medical Aid Schemes (Rams), Mr Reg Magennis, cautiously welcomed the proposal, he warned against continuous changes to legislation. The medical aid industry had only recently been deregulated and was still trying to adjust to the new environment, he said.[29] [[29] Ibid 16 June 1994]

In June 1994 Dr Zuma announced draft regulations for mandatory and explicit health warnings on tobacco products and advertisements. If accepted by Parliament the regulations would compel the tobacco industry to include in its advertisements specific information on the effects of smoking on health. Prior to the draft regulations, tobacco products carried a small warning that smoking was 'a

health risk'. The new regulations would require that a larger space (24% of the front of a cigarette box and half of the back) be devoted to health warnings.[30] [30 *The Citizen* 4 June 1994]

District health authorities should ensure that emergency transport was available at health care centres, irrespective of whether the patient could afford it, and if necessary transport would be provided by the South African Air Force.[31] [31 ANC, *A National Health Plan for South Africa*, May 1994, p33]

Provision was also made in the document for traditional healing to become 'an integral and recognised part of health care in South Africa'. It was reported subsequently that a committee would be appointed to investigate the incorporation of traditional healers into the mainstream health care system. According to Dr Zuma, 'Consumers will be allowed to choose whom to consult for their health care, and legislation will be changed to facilitate controlled use of traditional practitioners.' She said that traditional practitioners would be controlled by a recognised and accepted body so that harmful practices could be eliminated and the profession promoted. It was reported that between 66% and 80% of the African population consulted traditional healers, of which there were about 300 000.[32] [32 *The Argus* 16 April 1994]

In response to the second draft of the document, the National Party (NP) stated that the health plan would be 'difficult if not impossible' to implement in its entirety. The minister of national health in the previous government, Dr Rina Venter, said in January 1994 that the plan was vague and that only 'superficial viewpoints' on financing had been put forward. The proposed district health authorities were impractical as they represented an additional level of government between local and provincial authorities. The ANC's proposed price control of medicines could create problems for the pharmaceutical industry, she said.[33] [33 *The Citizen* 27 January 1994]

However, Dr Venter also said that several features of the ANC plan had already been implemented by the NP government, including plans announced in 1991 for the creation of a phased reconstruction plan for health care in South Africa.[34] [34 Ibid 21 January 1994]

The Democratic Party (DP) said that the document showed 'distinct socialist overtones' in its intention to restrict private medicine. Ms Carole Charlewood, the deputy spokeswoman for health of the DP, stated that while the DP welcomed provisions for the disadvantaged, there would be no money to fund social welfare unless private enterprise was encouraged, thereby expanding the economy. 'The market, not regulations, should determine fee structures.' She added that to place ceilings on private health service fees and remove tax concessions for medical contributions could lead to a deterioration in the quality of service and a further flight of medical expertise from the country. However, she welcomed proposed increases in taxes on tobacco and alcohol.[35] [35 Ibid]

The Conservative Party said that the state would not have sufficient funds to pay for the free services provided for in the plan. Those who could afford medical services should be encouraged to provide for themselves, while the state should deliver a service to the poor within the limits of its ability.[36] [36 Ibid 14 June 1994]

According to Dr Slabber, the rationalisation of health services would be relatively easy in some parts of the country where services were less fragmented, but the provinces that incorporated parts of the former homelands would need to co-ordinate the health departments of these areas with the previous provincial administrations. There would be problems in rationalising differing pay scales and conditions of service in the various health departments, as well as standardising different methods of storage and data collection. Dr Slabber said that in some of the former homelands there was no information on previous health expenditure.37 [37 *The Star* 19 May 1994]

The Medical Association of South Africa (Masa) said that it was encouraged by the principles contained in the health document, which were historically sound. Masa added, however, that it was uncertain what benefits would be obtained from discouraging the growth of the private sector.38 [38 Ibid 21 January 1994]

A spokesman for Rams said that by emphasising a centrally funded compulsory national health insurance scheme, the ANC health plan reflected an intention to redistribute funds away from the private sector and to control and even reduce the medical aid market. The spokesman said that Rams believed that the ANC intended to promote cost containment through state intervention and by allowing existing state hospitals to raise funds by competing with private hospitals for patients. 'References to the need for public and private sector collaboration appear to be designed to strengthen the hand of the state in controlling and redirecting the activities of the private sector, the spokesman said.'39 [39 *Business Day* 23 May 1994]

Smoking and Drinking

The National Council Against Smoking welcomed the proposals contained in the document to increase tax on cigarettes, saying that South Africa's tobacco tax was low compared with tax on tobacco in European countries—there was an 86% tobacco tax in Denmark and a 76% tax in the United Kingdom, compared with South Africa's 38%. The MRC estimated that an increase of R1 in the price of a packet of 20 cigarettes would eventually result in 250 000 fewer deaths from smoking-related diseases over ten years.40 [40 *The Star* 20 May 1994] Some 25 000 South Africans die every year (69 people each day) from tobacco-related causes. 41 [41 *Sunday Times* 27 March 1994]

However, the Tobacco Institute of South Africa said that a large price increase leading to a cutback in smoking would trigger massive job losses in farming and manufacturing, and that smokers would resort to contraband cigarettes rather than give up, or pay the higher price.

A spokesman for South African Breweries (SAB) said that an increase in the price of liquor would lead to a drop in sales, and that SAB already provided almost twice the tax revenue generated by the mining industry.42 [42 *The Star* 20 May 1994]

The South African National Council on Alcoholism and Drug Dependence (Sanca) said that an increase

in alcohol taxation would not necessarily help to combat alcoholism. Sanca estimated that alcoholism cost South Africa R5bn annually.[43] [43 Ibid 27 May 1994] A researcher at the MRC, Dr Charles Parrey, said that although a limited number of jobs would be lost through an increase in alcohol tax, this had to be weighed against a reduction in the social and economic costs of alcohol misuse.[44] [44 *The Citizen* 21 May 1994]

Other Proposals

In February 1994 the Medical Research Council (MRC) published a guide to the ethics of medical research. All potential recipients of funding from the MRC would be obliged to follow the guidelines if they were to receive funding. According to the president of the MRC, Dr Walter Prozesky, the guidelines brought South Africa up to date with ethics standards overseas, and reflected the growing support for individual human rights in the country. The guidelines included the following principles:[45] [45 *The Argus* 9 February 1994]

• reproductive biological research should not cause moral dilemmas or be harmful to patients;

• maintaining embryos *in vitro* beyond a gestational age of two weeks and research into selecting the sex of a foetus should not be morally acceptable. Research into extending child-bearing age beyond menopause was usually ethically unacceptable;

• research into artificial insemination by a donor should be limited to ‘the essential’. The use of donor eggs was considered to be controversial, but acceptable to the MRC providing the donor was not paid;

• research using animals should be considered necessary for future progress, but should be kept to a minimum. All institutions using animals should establish an ethics committee, and no animal experiment should be carried out before the MRC’s research committee and the institution’s ethics committee had approved it; and

• therapeutic research should be allowed on child volunteers, provided legal consent was obtained. Nontherapeutic research was justified if it would benefit other children. Research which could be done equally well on adults should not be done on children. Similar conditions should apply to mentally handicapped people.

In April 1994 the South African Medical and Dental Council expressed concern that access to primary health care services for South Africans was the worst in Africa, although training for surgeons was comparable with the best in the world. The council said that it was prepared to play a more active role in ensuring that health services became more accessible. According to the director general of national health, Dr Coen Slabber, South Africa provided education for some of the best surgeons in the world, but this was of no use when health services were not financially or geographically accessible to all South Africans. He added that the council should stop granting posts for specialist training to universities just

because the universities requested them, but should begin to grant posts in accordance with the health needs of the population.[46] [[46] *Die Burger* 12 April 1994]

Also in April, the MRC proposed the establishment of a standing committee on the health of tourists and local travellers to advise on infectious diseases associated with travel to and from South Africa. The group executive of the community health division of the MRC, Dr Derek Yach, said that tourists and business travellers tended to have a low risk of contracting many endemic local infections, but should be given accurate information to allay concerns. There were many international examples of how infectious disease outbreaks or even isolated cases had resulted in the collapse of tourism industries overnight.[47] [[47] *The Citizen* 15 April 1994]

In June 1994 the Medical Association of South Africa published guidelines on living wills because of the lack of legislation in South Africa regarding such wills. The guidelines were based on the principle that every person had the right to refuse medical treatment and to be kept alive artificially. A doctor could relieve the suffering of a terminally ill patient by withholding treatment with the consent of the patient or the immediate family if the patient was unable to express his or her will. The patient had to be over the age of medical consent and of sound mind. The guidelines also recommended that an advance directive be drafted by the patient, after medical advice and counselling, that a doctor should relieve suffering and act with no exceptions in the case of incurable disease.[48] [[48] *Business Day* 24 June 1994]

National Health Forum

In May 1994 Dr Slabber reported that the operation of the National Health Forum had been temporarily suspended, while the Department for Health, in conjunction with the African National Congress (ANC), considered its restructuring. He said that the forum had initially been established to stop unilateral restructuring of the health care sector by the government before the election, but that this was no longer necessary (see also 1993/94 Survey, p108).[49] [[49] Ibid 24 May 1994]

Although the co-chairman of the forum and head of the ANC department of health, Dr Ralph Mgijima, suggested that the forum become a statutory body, Dr Slabber said that this was unlikely to take place in 1994 as the new government had other priorities.[50] [[50] Ibid]

Dr Slabber said that the restructuring of the forum had been discussed with the new minister for health, Dr Nkosazana Zuma, who had been concerned that the forum was not inclusive. Few medical faculties of universities or private clinics were represented in the forum. However, Dr Slabber said that it was impossible to include everybody ‘without it becoming a circus’. He said that at best, the forum could become an advisory body.[51] [[51] Ibid]

Legislation

In April 1994 the minister of national health, Dr Rina Venter, declared three additional medical conditions to be notifiable conditions in terms of the Health Act of 1977. They were acute laccid paralysis, Haemophilus influenza type B (Hib) and whooping cough.[52] [52 *The Natal Witness* 24 May 1994]

According to Ms Diane McIntyre, head of the Department of Community Health at the University of Cape Town, the amendment to the Medical Schemes Act of 1967 stating that a woman would no longer be obliged to become a dependant member on her husband's medical aid scheme was likely to add to the financial crisis in South African health care. Women generally earned less than their husbands, and therefore made lower contributions to their medical aid schemes. If they chose to remain on their own medical aid schemes instead of joining their husbands', contributions to medical aid schemes would decrease.[53] [53 *South* 28 January 1994]

The Medical Association of South Africa (Masa) said that 'The principle of cross-subsidisation should be entrenched in legislation relating to the provision and funding of health care. It is unacceptable that any distinction be made between people deemed to be "good" or "bad" risks in terms of health.'[54] [54 *Sunday Times* 13 March 1993] However, Masa added that the legislation would probably make medical aid schemes adopt a more active role in providing services, and that the removal of the scale of benefits would allow schemes to negotiate more effectively with health care suppliers.[55] [55 Ibid]

Finance

According to a report commissioned by the African National Congress entitled *Preparing to Govern*, submitted to the MEC for health in the Pretoria-Witwatersrand-Vereeniging (PWV) province in June 1994, actual spending on health in the province was approximately R300m over the budgeted amount, about 10% of the total PWV provincial budget. The document stated that overspending, largely due to inefficient management, had been rising steadily from R93m in 1992/93 (an increase of 223%). By September 1994 government hospitals would start to run out of supplies and the national government would have to reduce the number of hospital beds in order to meet the budget.[56] [56 *The Star* 17 June 1994]

The allocation of funds to health in the 1994/95 budget increased by 2,4% from R13,97bn in the 1993/94 budget to R14,3bn. The following table shows the proportion of the budget and gross domestic product allocated to health (including the 'independent' homelands):[57] [57 Figures obtained from the Department for Health]

Expenditure on health: 1991/92–1994/95

Expenditure on health Rm

Proportion of budget

Proportion of GDP [a]

1991/92

10 630

11,0%

3,3%

1992/93

12 709

10,8%

3,3%

1993/94

13 969

10,6%

3,5%

1994/95

14 299

10,2%

3,2%

a

Gross domestic produ

Provincial Health Budgets

The following table shows the per capita provincial distribution of public sector health care expenditure in 1991/92 in South Africa (including the ten homelands):[58] [58 McIntyre D, *An Analysis of the Geographical Distribution of Public Sector Health Care Expenditure*, 1994]

Per capita expenditure on health care in South Africa by province: 1991/92

Proportion spent on health per province

Proportion of population

Per capita expenditure

Eastern Cape

13,6%

15,5%

R249,34

Eastern Transvaal

3,5%

7,0%

R142,75

KwaZulu/Natal

17,4%

21,1%

R234,88

North-West

4,9%

9,0%

R154,69

Northern Cape

2,0%

1,9%

R293,65

Northern Transvaal

6,4%

12,4%

R148,09

Orange Free State

7,3%

6,9%

R298,50

PWV[a]

27,6%

17,1%

R459,22

Western Cape

17,3%

9,1%

R543,11

Average

100,0%[b]

100,0%[b]

R284,63

a

Pretoria-Witwatersrand-Vereeniging.

Per capita health expenditure in the Eastern Transvaal is only 26% of expenditure in the Western Cape (the Eastern Transvaal has the lowest per capita expenditure on health). The Northern Cape has the most equitable relationship between population and health expenditure. Five of the provinces do not receive a share of the total health budget in proportion to their populations, with the PWV province and the Western Cape having health budget allocations far in excess of their populations.

Homeland Budgets

The ten homeland administrations made the following allocations for health and welfare in the 1993/94 and 1994/95 financial years:[59] [[59] *Estimates of expenditure for the various homelands for 1993/94 and 1994/95*]

Health expenditure in the homelands: 1993/94 and 1994/95

199199Increase

Bophuthatswana

864 400

966 200

12%

Ciskei

269 629

298 713

11%

Gazankulu

187 443

223 386

19%

KaNgwane

79 658

102 000

29%

KwaNdebele

20 765

28 382

37%

KwaZulu

696 319

751 096

8%

Lebowa

371 299

397 913

7%

QwaQwa

74 966

96 187

28%

Transkei

571 672

648 854

14%

Venda

106 921

109 207

2%

Total

3 243 072

3 621 938

12%

Medical Aid Schemes

According to Presmed, a medical aid company, the number of members of medical aid schemes varied

between 1982 and 1992 as follows:[60] [60 *Financial Mail Survey* 11 February 1994]

Changes in medical aid scheme membership: 1982–1992

Number of members

Increase (decrease)

1982

1 890 000

N/A

1984

1 990 000

5,3%

1986

2 020 000

2,0%

1988

2 200 000

8,9%

1990

2 380 000

8,2%

1992

2 260 000

(5,0%)

N/A – Not avail

The following table is based on indices provided by the Representative Association of Medical Schemes and shows the increase in annual costs per medical aid scheme member from 1983 to 1991:[61] [61 *Sunday Times* 13 March 1994]

Annual growth in medical aid scheme costs per member: 1983–1991

YeGen

Sp

De

Ho

Dr

CP1983

21%

21%

22%

26%

28%

12%

1984

18%

26%

22%

23%

24%

12%

1985

17%

20%

21%

31%

23%

17%

1986

35%

18%

20%

30%

27%

18%

1987

11%

10%

12%

23%

18%

16%

1988

17%

20%

14%

20%

15%

12%

1989

23%

18%

16%

22%

23%

15%

1990

20%

25%

24%

47%

38%

14%

1991

24%

37%

28%

22%

37%

15%

a

Consumer price index.

The figures show that medical costs have far outstripped the consumer price index (CPI), hospitals showing the steepest (although also the most erratic, in terms of percentage) rise. Hospitals were closely followed by drugs. Dentists showed the lowest price increases over the years, but their increases still far exceeded the CPI.

The Commission into the Manner of Providing for Medical Expenses (the Melamet commission) found in April 1994 that expenditure on medicines through medical aid schemes in South Africa was the highest in the world. Of the R689m paid out in benefits by medical aid schemes in 1991, the highest proportion (29%) was paid for medicines. The cost of medicines formed 10,3% of the British National Health Service's expenditure in 1991, while the figure in the United States was 8%.[62] [62 Ibid 11 May 1994]

The Melamet commission recommended that medical aid schemes should have stricter controls and greater transparency and that their committees should be more active in the management of the schemes. The chairman of the commission, Mr Justice David Melamet, said that medical aid schemes had expanded rapidly in recent years and that the understaffed registrar's office did not have the capacity to process the increasing number of transactions. The registrar of medical aid schemes was established in terms of the Medical Aid Schemes Act of 1967 to evaluate medical aid schemes and accept or reject them for membership. The commission recommended that medical aid schemes should fall under the Financial Services Board (FSB) (the regulatory authority for the insurance industry, pension funds and financial markets), which had more resources available, including the services of actuaries, to deal with medical aid scheme transactions and prevent long delays in payment. The commission added that as the insurance industry had also become a major player in the medical insurance field, it would be better to have both the medical aid schemes and the insurance companies under the auspices of the FSB.[63] [[63] *Business Day* 22 April 1994]

According to the commission's report, the pharmaceutical industry and pharmacists were partly responsible for the poor state of medical aid schemes because they were charging inflated prices for medicines. Wholesalers marked up the manufacturers' selling price by 21% and pharmacists marked up 50% on the wholesalers' selling price plus a dispensing fee. The commission was critical of legislation barring large retail firms from dispensing medicine, because allowing them to trade would reduce overtrading (resulting in larger and fewer outlets) and the cost to the consumer. The Pharmacy Amendment Bill, which would have allowed large retail firms to dispense medicines, was withdrawn in November 1993 as a result of pressure from several pharmacy groups (see also 1993/94 Survey, pp50–51).[64] [[64] *Sunday Times* 11 May 1994]

The Pharmaceutical Society of South Africa (PSSA) dismissed the findings of the commission as misleading. The executive director of the PSSA, Mr Ivan Cotze, said in May 1994 that the medical profession had taken over much of the community pharmacy's function over the past decade. If pharmacists were permitted to prescribe higher schedule drugs, costs could be reduced 'considerably', as patients would not have to consult their doctors so frequently.[65] [[65] Ibid] The society said pharmacists had been keeping prices of medicines low in recent years.[66] [[66] *Financial Mail* 13 May 1994]

Old Mutual conducted a survey in May 1994 among 69 of the top 300 companies listed on the Johannesburg Stock Exchange. The survey showed that medicines were the single biggest expense to medical aid schemes (26,4%), followed by hospitals (22,4%), specialists (17,9%) and general practitioners (11,3%). In 1993 health plan costs increased by an average of 20% over the previous year, accounting for 8%–11% of the total costs of the companies' payrolls, according to the survey.[67] [[67] *The Star* 10 June 1994]

In March 1994 the registrar of medical aid schemes, Mr Danie Kolver, said that between 1991 and 1992 there had been an annual growth of 33,4% in benefits paid to members of medical aid schemes, while

membership had declined by 5,1%. In recent years contributions to medical aid schemes had risen by almost double the inflation rate.[68] [68 *Financial Mail* 13 May 1994]

Mr Kolver said in June 1994 that his office was negotiating with the FSB and the Commissioner for Inland Revenue about introducing tighter regulation mechanisms for health benefit funds. According to Mr Kolver, the ideal arrangement would be for his office to supervise conventional medical aid schemes based on indemnity funding, while the FSB supervised insurance-driven schemes and benefit funds not offering health care.[69] [69 *Business Day* 6 June 1994]

In June 1994 the minister for health, Dr Nkosazana Zuma, announced plans to establish a commission of inquiry into the medical aid industry.

According to Dr Max Price and Mr Patrick Masobe of the Centre for Health Policy at the University of the Witwatersrand, the increased cost of medical aid scheme membership was the result of several factors, including:[70] [70 Department of Community Health, University of the Witwatersrand, *The Future of Medical Schemes*: *issues and options for reform,* 1993]

• supplier-induced demand and consumer ignorance of the options open to them;

• the rand in a sector where much technology and medicine is imported;

• increased medical costs resulting from new technology;

• growing consumer expectations of what schemes should provide, linked to rising incomes, education and urbanisation; and

• the general ageing of the white population, who contribute the most to schemes. This means that greater contributions from younger members would be required to cover the costs of elderly members.

Dr Price and Mr Masobe said the Medical Schemes Amendment Act of 1993 would allow medical aid schemes to have greater control over cost escalation. However, it would also increase competition, thereby aggravating the cost crisis of medical aid schemes, and would quickly result in the elimination of cross-subsidisation (the young and healthy supporting the ill and elderly) by removing the obligation of schemes to offer similar benefits to all members. This had, in the past, made medical aid affordable for the elderly and sick. Previously, medical aid schemes were obliged to offer a similar package of benefits to all their members, regardless of their risk profile, and contribution rates were affected only by the member's income and family size. Minimum benefits were specified by law, but this is no longer the case.[71] [71 Ibid]

Dr Price and Mr Masobe proposed that all medical aid schemes should be funded through a compulsory

income-related premium, which would cover the costs of a statutorily defined essential health care package. Premiums would be pooled in a central fund. Every medical aid scheme would be assessed in terms of its overall risk profile and money would be redistributed between schemes on this basis.[72] [72 Ibid]

In June 1994 several doctors' organisations said that they objected to the introduction of a Maximum Medical Aid Price (MMAP) list by several medical aid schemes. The MMAP list, first introduced in 1985 by the PSSA, was designed to encourage the use of generic medicines wherever possible by allowing doctors (at the request of the patient) to prescribe a generic alternative to a prescription medicine where one was available. The list had been slow to take off until diminishing funds and increasing costs had forced many schemes to introduce it. The MMAP listed the maximum price that a medical aid scheme would be prepared to pay for 136 selected generic medicines that a doctor could dispense. Approximately 68 schemes, almost one third of the medical aid industry, were operating with MMAP lists by June 1994.[73] [73 *Business Day* 1 June 1994]

The South African Medical and Dental Practitioners, an organisation reportedly representing about 20 000 doctors and dentists, said that the list had been designed 'unilaterally' and did not take into account the needs of doctors. The National Association of Independent Practitioner Associations said that the list 'forces doctors to use generic medicines, and while there are good generic substitutes a large percentage of them are not up to the standard of the original'.[74] [74 Ibid]

However, the general manager of MediKredit (a medical aid scheme), Mr Wolf Furst, said that the use of the MMAP list had allowed medical schemes to save up to 23% of their total medicine bill. Generic medicines had to be registered with the Medicines Control Council, and they had to undergo the same approval procedures as original medicines before they could be registered.[75] [75 Ibid]

Foreign Aid

A $600m United States Agency for International Development aid plan was announced in October 1994 to 'help heal the legacies of apartheid'. Some $30m (R108m) of the total would be allocated to improving primary health care in South Africa.[76] [76 *The Citizen* 6 October 1994]

In August 1994 the United Nations Children's Fund (Unicef) announced a $6,8m budget for 1995 concentrating mainly on primary health care ($1,3m), children in especially difficult circumstances ($950 000), AIDS ($700 000), education ($650 000), and nutrition and food security ($600 000), among other things. According to Unicef, its central strategy would be 'to assist the new government and nongovernmental organisations to reduce social disparities and pursue human development priorities'. The organisation aimed to achieve, by 2000, the halving of the maternal mortality rate, universal access to safe water, reduction of the adult illiteracy rate to at least half its 1990 level (with emphasis on female literacy), and universal access to basic education and completion of primary education by at least 80% of children.[77] [77 *Planned Unicef Assistance to Accelerate Improvements in the Situation of Children and Women in South Africa:*

1994–1996, August 1994]

Unicef announced in the same month that it would invest approximately R70m to stimulate the development of resources for women and children in South Africa. Some R20m would go to lowering the mortality rate among South African children over the following five years, and priorities would include reducing deaths from diarrhoea by between 80% and 90% and immunisation programmes for diseases such as tetanus. According to the international executive director of Unicef, Mr James Grant, prior to this announcement South Africa was the only area in the world where there were children in difficulty that Unicef could not reach. South Africa's knowledge base was the best in Africa, but it had to be refocused in order to meet the needs of all children. Mr Grant added that 90% of children's deaths in South Africa could have been prevented if the sick children had been in the care of a paediatrician.[78]
[78 Personal communication with the United Nations Childre's Fund (Unicef), 12 August 1994]

Medical Personnel

According to the South African Medical and Dental Council (SAMDC) and the South African Pharmacy Council, the following numbers of dentists, doctors and pharmacists were registered with the councils in 1991, 1992 and 1993 in South Africa (excluding the 'independent' homelands):[79] [79 Personal communication with the South African Medical and Dental Council, 15 June 1994]

Registered dentists, doctors and pharmacists: 1991–1993

Dentists

Doctors

Pharmacists

1991

3 944

24 619

9 058

1992

3 998

25 375

9 277

1993

4 024

25 967

9 52

Doctors

In March 1994 members of the Junior Doctors' Association of South Africa (Judasa) threatened legal action if authorities failed to pay them for overtime or adhere to the maximum 80-hour working week stipulated by the Commission for Administration. Judasa said that interns were regularly made to work 120-hour weeks and 40-hour shifts.[80] [80 *Business Day 17* March 1994]

An agreement was later reported to have been reached with the Transvaal Provincial Administration (TPA) and Johannesburg Hospital superintendents, whereby from 1 April 1994 interns would comply with a 40-hour working week, which might be extended to 80 hours, provided that the consent of the doctor was obtained and overtime was paid.[81] [81 *The Citizen* 24 March 1994] However, the TPA announced that the proposals still had to be studied. A spokesman for the TPA said that the TPA could not engage in collective bargaining with the Medical Association of South Africa (which had been granted a mandate by Judasa to negotiate on its behalf) or Judasa because they were not formally recognised by the TPA as employee organisations.[82] [82 Ibid 25 March 1994]

In April 1994 the SAMDC reported that its expenditure on defending member doctors in cases brought against them by patients had risen from R1,4m in 1992 to more than R2m in 1993, an increase of more than 42%. Some 48 completed cases, 179 new cases and 61 pending cases had been dealt with in the first six months of 1994. The SAMDC appealed to doctors to communicate better with their patients and to inform each patient fully on his or her condition, particularly before an operation. Most cases brought against doctors concerned overprescription, the SAMDC said.[83] [83 *Die Burger* 12 April 1994]

In May 1994 it was reported that the Zimbabwean government was seeking talks with the South African government on ways to stop the flow of Zimbabwean doctors to South Africa. It was estimated that between 1 500 and 3 000 Zimbabwean doctors were employed in South Africa in 1994, where they earned up to five times as much as they did in their own country. A spokesman for the Zimbabwean government said that if the talks succeeded no Zimbabwean doctors would be employed in government hospitals in South Africa. Similarly, South African doctors who had fled South Africa as a result of apartheid policies would be repatriated.[84] [84 *The Citizen* 23 May 1994] A spokesman for the SAMDC said

that no decision had been taken yet on the registration of foreign doctors.

An amendment to the Medical, Dental and Supplementary Health Service Professions Act of 1974 passed in April 1994 permitted doctors to practise through companies under section 53(b) of the Companies Act of 1973 (which applied to other professionals such as architects and attorneys). Mr Michael Katz, a partner at Edward Nathan and Friedland (a firm of attorneys), said that the amendments would still preserve ethical and personal responsibility as the companies would operate under unlimited liability. Doctors operating through incorporated companies would be entitled to tax-deductible provident fund contributions, and tax on profits could be reduced by channelling profits through salary payments. However, doctors would be obliged to produce financial statements and run annual audits.[85]
[85 *Business Day* 25 April 1994]

Nurses

The following table provides figures for the total number of nurses in South Africa (excluding the 'independent' homelands) from 1991 to December 1993:[86] [86 ANC, *A National Health Plan for South Africa*, May 1994]

Nurses in South Africa: 1991–1993

1991

1992

Increase

1993

Increase

Registered nurses

67 984

70 236

3,5%

72 170

2,8%

Enrolled nurses and midwives

28 047

28 270

0,8%

28 440

0,6%

Enrolled nursing auxiliaries

44 519

45 285

1,7%

45 426

0,3%

Total

140 550

143 791

2,4%

146 036

1,6%

The proportional increases for the three categories between 1992 and 1993 were significantly lower than the increases between 1991 and 1992.

In January 1994 the South African Nursing Association registered one of its departments as a trade union with the Department of Manpower to provide an enabling mechanism for access to the industrial council for private sector nurses. It became known as the South African Nurses' Trade Union.87 [87 *South African Medical Journal* January 1994]

In March 1994 the South African Nursing Council, in response to several recent strikes at various hospitals by nurses (see chapter on *Labour Relations and Employment*), reported that 'The council is very concerned that a minority nursing group is out of control but there is very little we can do.' The council said that it was not empowered to take disciplinary action against groups of nurses on the basis of general complaint

Traditional Healers

Five organisations representing traditional healers in the northern Transvaal resolved at a conference in Giyani (Gazankulu) in March 1994 to lobby for representation for traditional healers at all levels of government, and to work towards the building of a hospital where workers would receive traditional medicine.89 [89 *The Citizen* 21 March 1994]

Other Health Workers

According to a lecturer in the Department of Pharmaceutics at the Medical University of Southern Africa (Medunsa), Dr Beverly Summers, affirmative action was necessary in the pharmaceutical industry. The lack of pharmacies in South African townships was the result of a shortage of black pharmacists in an industry where 90% were white. She added that the reason for this shortage was the lack of role models for students and the fact that few black matriculants considered pharmacy as a career. The industry should start a public relations campaign aimed at encouraging matriculants to become pharmacists. She also suggested that pharmacy graduates should complete a period of 'national service' by working in rural areas when they qualified.90 [90 *Business Day* 25 April 1994]

According to the director of the Medicines Control Council, Mr Johan Schlebusch, the council would ask the minister for health, Dr Nkosazana Zuma, to allow pharmacists to dispense drugs for treatment of diseases such as cholera. This would reduce health care costs, as patients would no longer have to pay for doctors' consultations, and widen public access to such drugs. The Pharmaceutical Society of South Africa (PSSA) said that this would not bypass doctors' services, as pharmacists would refer patients to doctors if necessary.91 [91 Ibid 23 May 1994]

At its national congress in May 1994, the PSSA resolved to press for changes to the Medicines and Related Substances Control Act of 1965 to allow pharmacists to be able to dispense higher schedules of drugs without a prescription.92 [92 *The Citizen* 18 May 1994] Pharmacists would have to undergo further training, and the PSSA said that the development of appropriate courses for this purpose would be negotiated with universities and the Academy of Pharmaceutical Sciences. This was expected to increase

access of the population to primary health care.[93] [93 Ibid 16 May 1994]

The congress resolved to lobby the government to allow pharmacists to substitute therapeutically equivalent (generic) medicines on prescriptions without having to seek the prescriber's permission, except where prescriptions were marked 'no substitution'. This resolution was motivated by the commitment of 'pharmacists to reducing the costs of medicines to patients.[94] [94 Ibid]

A spokesman for the PSSA, Mr Johan van der Walt, said that pharmacists would encounter difficulties with 'vested interests' if the PSSA lobbied government to legalise this practice, but that the government would probably favour such a policy because it would reduce the cost of health care.[95] [95 *Business Day* 18 May 1994]

Mr van der Walt also urged pharmacists 'to change from a culture of apathy and resistance and accept realities in pharmacy', saying that they would need to provide a package of primary health care services designed to improve accessibility of the whole population.[96] [96 Ibid]

According to the SAMDC, the following numbers of health workers were registered in South Africa (excluding the ten homelands) in December 1991 and 1992:[97] [97 *ANC, A National Health Plan for South Africa*, May 1994; Department of National Health and Population Development Health Trends in South Africa,]

Health workers: 1991 and 1992

1991

1992

Ambulance and emergency care assistants

544

827

Clinical technologists

321

338

Dental therapists

160

166

Dieticians

632

714

Health inspectors

2 515

2 574

Medical scientists

236

364

Medical technologists

4 557

3 913

Occupational therapists

1 614

1 648

Optometrists

1 182

1 219

Physiotherapists

3 185

3 150

Psychologists

6 528

6 764

Radiographers

3 791

3 595

Speech therapists and audiologists

1 046

930

Oral hygienists

682

717

Total

In May 1994 Frames Unlimited, a private company selling spectacles and sunglasses, was fined R2 000 by the Cape Town regional magistrate's court for practising as an optical dispensary without being registered as such. The trial followed a complaint by the South African Optometrics Association. Mr Justice A L Laubscher said in his judgement that although the Competition Board had recommended the deregulation of legislation controlling optometry, the proposals had not been implemented yet. Frames Unlimited said that it would take the matter to the Constitutional Court, in terms of the transitional constitution, which guaranteed the right to freely engage in economic enterprise and pursue a livelihood.[98] [[98] *The Citizen* 21 May 1994]

Health Indicators

Infant Mortality Rates

In May 1994 the Medical Research Council said that full electrification of South Africa had the potential to reduce government health expenditure by R800m through savings on health services.[99] [99 *The Star* 26 May 1994]

According to the United Nations Children's Fund (Unicef), South Africa's infant mortality rate (deaths of children under five years old per 1000 live births) was twice as high as to be expected of a country with its level of income. The representative of Unicef in South Africa, Mr Ian McLeod, provided the following figures for 1991:[100] [100 Telephonic interview with Mr Ian McLeod, Unicef, 11 May 1994]

Comparative infant mortality rates: 1991

Infant mortality rate

Country

GNP [a] *per capita (US dollars)*

Expected

Actual

South Africa

2 530

34

72

Malaysia

2 490

35

20

Mauritius

2 420

25

36

Mexico

2 800

32

36

a

Gross national product.

According to the Department of National Health and Population Development, the average infant mortality rate in South Africa in 1991 (by the new provincial boundaries) was 41,8 per 1 000 live births. However, there were wide provincial dispariti

Provincial infant mortality rates: 1991

Province

Infant mortality rate

Eastern Cape

58,2

Eastern Transvaal

41,2

KwaZulu/Natal

44,7

North-West

43,3

Northern Cape

31,5

Northern Transvaal

57,0

Orange Free State

45,4

PWV[a]

35,2

Western Cape

26,8

Average

41,8

a

Pretoria-Witwatersrand-Ver

Health Services

In March 1994 the South African Institute for Medical Research (SAIMR) suggested measures that could be implemented by blood banks to recruit blood donors, while reducing the risk of transmitting the human immuno-deficiency virus through blood transfusions. The SAIMR recommended that:[102] [[102] *The Citizen* 25 March 1993]

• an intensive education programme for potential blood donors be adopted;

• confidential self-exclusion systems be implemented, providing those with high-risk behaviour with the opportunity of excluding themselves from giving blood after approaching a blood bank confidentially;

• subgroups with high-risk behaviour (such as prostitutes, truck drivers, prisoners, and inhabitants of single-sex hostels and the armed forces) be identified and excluded;

• first-time donations be used only for preparing virus-inactivated blood components and laboratory reagents; and

• blood and blood products be used only when necessary as too often blood was transfused unnecessarily.

According to the head of the Department of Community Dentistry at the University of the Witwatersrand, Dr Ulme Chikte, a survey of six-year-old children in 1988/89 showed that approximately 80% of coloured, 76% of Indian, 68% of African and 59% of white children experienced some degree of dental decay. Some 60% of whites in the 20–29 age group had a complete set of teeth, compared with 56% of Africans, 52% of Indians and 27% of coloured people in the same category. Dr Chikte argued that in order to deal with the problem of dental decay South Africa needed to adopt a more developmental approach, focusing on the provision of clean water—preferably with fluoride added—and the education of people to reduce their consumption of sugar products and to encourage them to avoid cigarettes.[103] [[103] *Sunday Nation* 27 March 1993]

Family Planning

The table below shows the rate of teenage pregnancy (as a percentage of total births) according to population group from 1984 to 1991. (Figures were not available for 1988 and 1989, nor were they available for Africans in 1985 and 1986.):[104] [[104] *Department of National Health and Population Development, Health Trends in South Africa*, 1993,]

Teenage pregnancy rate in South Africa: 1984–1991

African

Coloured

Indian

White

1984

12,4

16,0

10,9

7,2

1985

N/A

15,1

9,7

7,3

1986

N/A

13,9

9,2

7,0

1987

11,4

13,8

8,4

6,6

1988

N/A

N/A

N/A

N/A

1989

N/A

N/A

N/A

N/A

1990

16,5

12,8

8,2

5,9

1991

15,5

10,5

7,2

5,1

N/A – Not ava

The proportion of married women of reproductive age who used contraceptives in South Africa in 1991 is shown below along with contraceptive coverage in other regions of the world:[105] [105 Ibid]

Comparisons of contraceptive coverage: 1991

South Africa

African

44%

Coloured

59%

Indian

60%

White

64%

Africa

17%

South Asia

40%

Latin America

60%

East As

Hospitals

The Department of National Health and Population Development (now the Department for Health) provided the following figures on the number of hospital beds, the number of beds per 1 000 people in South Africa (in both public and private hospitals), the number of admissions and outpatients, as well as the average bed occupancy in 1992, according to the nine new provinces:[106] [[106] DBSA, *South Africa's Nine Provinces,* 1994]

Provincial hospital usage:1992[a]

Hospital beds

Fixed treatment points[b]

Province

Number

PerNumber

Per 1 000 population

Eastern Cape

29 806

4,6

586

0,1

Eastern Transvaal

6 501

2,4

391

0,1

KwaZulu/Natal

48 843

5,8

782

0,1

North-West

15 409

4,5

457

0,1

Northern Cape

4 064

5,5

295

0,4

Northern Transvaal

23 122

4,7

849

0,2

Orange Free State

11 075

4,1

453

0,2

PWV[c]

43 548

6,5

1 167

0,2

Western Cape

19 830

5,6

703

0,2

Total

202 198

4,9[d]

5 683

0,2[d]

a

Figures for the ten homelands are estimates.

b

Hospitals, health centres and fixed clinics (public and private).

c

Pretoria-Witwatersrand-Vereeniging.

d

These are averages.

Provincial hospital usage:1992[a] *(continued)*

Ave*Num*Number of Out patients [b]

Eastern Cape

87,15%

198 808

1 945 609

Eastern Transvaal

96,34%

149 942

701 137

KwaZulu/Natal

79,00%

442 512

2 845 141

North-West

88,55%

792 386

809 431

Northern Cape

82,32%

107 522

426 575

Northern Transvaal

59,24%

62 806

398 530

Orange Free State

76,95%

236 057

933 574

PWV[c]

84,36%

792 386

13 399 208

Western Cape

91,25%

438 552

4 589 687

Total

81,54%[d]

2 562 033

26 048 892

a

Figures for the ten homelands are estimates.

b

Excludes the ten homelands.

c

Pretoria-Witwatersrand-Vereeniging.

d

This is an average.

The PWV province had by far the greatest number of fixed treatment points in 1992 (1 167), followed by the Northern Transvaal, which only had 73% of the number in the PWV. However, KwaZulu/Natal had the highest number of hospital beds and the second highest number of beds per 1 000 of the population after the PWV.

Public Hospitals

The director general of national health, Dr Coen Slabber, said in June 1994 that academic hospitals would be rationalised in an attempt to curb health spending. Dr Slabber said that the University of the Witwatersrand (Wits) in particular, with five academic hospitals, would be examined, and it would probably only retain the Johannesburg and Baragwanath hospitals. While Wits produced 200 doctors a year with 5 000 academic hospital beds, the University of Pretoria produced the same number of graduates with only 2000 beds. Rationalisation would involve curtailing the number of expensive specialist services. Academic hospitals, because of their high staff numbers and expensive training costs, were far more expensive to run than ordinary regional hospitals. Therefore, many academic complexes would be changed into regional hospitals, Dr Slabber said.[107] [[107] *Business Day* 24 June 1994]

Private Hospitals

In March 1994 the vice chancellor of the University of Cape Town, Dr Stuart Saunders, criticised private hospitals for creating an overprovision of expensive technology in South Africa, which meant greater cost to the patient and ultimately to medical aid schemes, which then increased their rates. Dr Saunders said that half the total health care budget was spent on the private sector which only catered for 20% of the population.[108] [[108] *The Star* 29 March 1994]

In May 1994 the first private hospital in an east Rand township was opened, in Vosloorus. The Botshelong-Empilweni Clinic was the result of an initiative of a group of black doctors with assistance from the Bonitas and Sizwe medical aid schemes, among other shareholders (see also chapter on *Business*).[109] [[109] *Sowetan* 26 April 1994] The R21m clinic would offer a full range of advanced medical facilities.[110] [[110] *Cape Times* 21 March 1994]

The following table shows trends in private medical care expenditure in various years between 1985 and 1991: [111] [[111] Department of National Health and Population Development, *Health Trends in South Africa,* 1993]

Trends in private medical care expenditure in South Africa

1985/86 Rm

1987/88 Rm

1989/90 Rm

1990/91 Rm

Products

1 050

1 500

2 240

2 718

Services

1 900

2 530

4 140

5 076

Total

2 950

4 030

6 380

7 856

The total cost of products and services of private medical care increased by some 166% between 1985/86 and 1990/91. Expenditure on services showed the highest increase in that period (167%), while expenditure on products increased by

Strikes

In January 1994 hospital workers embarked on a nationwide strike after the Transvaal Provincial Administration (TPA) issued a R500 goodwill bonus to health workers at Baragwanath Hospital who had not participated in a strike in 1993. The bonus was subsequently extended to all workers at the hospital, after they went on strike in protest, initiating strikes and demands for bonuses at other hospitals around the country.[112] [[112] *Sunday Times* 16 January 1994] The TPA later announced that an arbitrator would determine whether the TPA should retain or repay the bonus. The payment had been a mistake, it

said.[113] [113 *Business Day* 6 May 1994]

During the period under review other strikes took place at the following medical institutions:[114] [114 *The Natal Witness* 21 May 1994, *Sunday Tribune* 29 May 1994, *The Argus* 13 April 1994, *Cape Times* 14 April 1994, *Eastern Province Herald* 12 April 1994, *Daily Dispatch* 30 March 1994, *Sunday Times* 17 April 1994, *Sowetan* 25 February 1994, *The Citizen* 19 February 1994]

• Edendale Hospital (KwaZulu), where the hospital closed down for nearly two months as a result of strike action;

• King Edward VIII and McCord hospitals (Durban);

• Prince Mshiyeni and Appelsbosch hospitals (Natal);

• nearly 100 clinics and the Tshilidzini, Donald Fraser and Siloam hospitals and the Hayani Haven Hospital for the Mentally and Physically Handicapped (Venda);

• Bisho Hospital (Ciskei);

• Umtata General Hospital, Butterworth Hospital and the other 30 state hospitals in the Transkei;

• Khayalethemba Children's Home, the Livingstone Hospital and most other hospitals in East London and Uitenhage (both in the eastern Cape);

• Bophelong, George Stegmann, Gelukspan, Jubilee, and Thusong community hospitals and the Odi health centre (Bophuthatswana); and

• most hospitals in Gazankulu.

The strikes revolved principally around wages, pensions and the reinstatement of dismissed workers.

Violence and the Provision of Health Services

According to a report by the Human Sciences Research Council published in April 1994, more than 35% of South Africans experienced high levels of stress, compared with about 10%–22% in the United States and Europe. Stress indicators included South Africa's incidence of coronary disease among the five highest in the world, the divorce rate among the three highest, and the use of drugs among the highest in the world.[115] [115 *Business Day* 18 April 1994]

A nationwide survey commissioned by the National Progressive Primary Health Care Network and published in March 1993 found that political violence had prevented more than 2m people from receiving adequate health care.[116] [[116] *Sowetan* 11 March 1993]

In January 1994 only three out of the more than 15 available positions for doctors in hospitals and clinics under the Cape Provincial Administration had been filled. Most of the vacant posts were at hospitals in Crossroads, Guguletu, Khayelitsha, Nyanga (all near Cape Town) and other African townships. Medical personnel said that they were unwilling to work in an unsafe environment. It was reported that staff in Mitchell's Plain, Hanoverpark and Elsiesrivier (all in the Western Cape) were being attacked by gang members if injured gang members died in hospital, or if members of other gangs were admitted.[117] [[117] *Die Burger* 15 January 1994]

Primary Health Care

Policy Issues

In *Reducing Poverty in South Africa*, published in June 1994, the World Bank said South Africa devoted less than 5% of its health budget to primary health care (PHC). However, according to Dr William Pick, head of the Department of Community Health at the University of the Witwatersrand, on average almost 20% of the health budget had been spent on PHC over the previous few years.[118] [[118] *South African Medical Journal*, September 1992]

Dr Leon du Toit, chief director of PHC at the Department for Health, said that exact spending on PHC was very difficult to determine as some aspects, such as the provision of safe water and health education, fell under other departments, and were not accounted for in the PHC budget.[119] [[119] Personal communication with Dr Leon Du Toit, September 1994]

While the entire AIDS budget formed part of PHC, Dr du Toit said, the treatment of AIDS sufferers at hospitals for complications did not. The PHC department had a programme to build more clinics in rural areas, but it was being implemented by the provinces and was included in their budgets. Many millions of rands were spent on PHC outside the areas accounted for in the PHC budget, he said.[120] [[120] Personnel communication with Dr L du Toit, Department for Health, September 1994]

The 1994/95 budget allocated R3,5bn to PHC. This was 25% of the national health budget, against 20% the year before. However, Dr du Toit said that the increase was not as large as it might appear. Although the concept of PHC was new (it was adopted by the department in 1990), the activities and facilities which now fell under it had always existed but had previously fallen under other departments.

In April 1994 a spokesman for the previous government said that it had begun delivering PHC, and had so far built 141 community clinics out of a planned 600. He said that PHC addressed the health problem at the right stage, where treatment could still be given cheaply.[121] [[121] *The Natal Witness* 5 April 1994]

According to Dr Pieter van den Berg, acting deputy director of health services for the TPA, PHC was driven mainly by professional nurses working at local clinics, with back-up from doctors. Clinics were cost-effective because they did not have expensive facilities and staff. He said that one way of improving services and containing costs would be to persuade private hospitals to become more involved. The private sector, with no training expenses, had been able to offer higher salaries and better working conditions, resulting in a drain of staff from provincial institutions. Dr van den Berg suggested that private hospitals make a proportional contribution to the training costs of PHC staff. He advocated a minimum fee for all patients at public and private clinics and hospitals so that everyone in a position to pay would do so, but with provision for those who genuinely could not pay.[122] [122 *Sunday Times* 20 February 1994]

A PHC train introduced by Transnet to provide health care to rural areas in South Africa embarked on the first leg of a nine-month countrywide tour in January 1994. The train contained an eye clinic, a health clinic, a medicine clinic and an education clinic, and it was reported that at a later stage it might accommodate minor surgery. It was run by community nurses and medical students.[123] [123 *The Citizen* 8 January 1994] In April 1994 Transnet reported that the train would be withdrawn from service until the following month because of 'unfounded rumours' linking it to 'unsavoury electioneering tactics'.[124] [124 Ibid 15 April 1994] The service has since become operational again.

The table below shows expenditure on PHC in 1992/93 and 1993/94 (excluding the 'independent' homelands):[125] [125 Information obtained from the Department for Health, September 1994]

Primary health care expenditure: 1992/93 and 1993/94

1992/93 R(000)

199Communicable disease control

49 682

53 620

PHC[a] services

366 297

517 800

Health promotion

35 681

56 134

Total

451 660

627 554

a

Primary health care.

Alternative Proposals

According to Dr Clive Evian, head of the Community AIDS Centre in Johannesburg, although there were some areas in South Africa where comprehensive PHC facilities existed, the country lacked a 'comprehensive, co-ordinated and appropriate' PHC service. He argued that a PHC service had to be affordable, accessible and equitable; had to contain basic curative services, maternal and child health facilities, immunisation and communicable disease facilities; and had to provide safe water, sanitation, essential foods and basic medicines. Fragmentation of services should be kept to a minimum, and it should be supported by secondary and tertiary services and have 'adequate and meaningful' community participation.[126] [[126] Medical Research Council (MRC), *AIDS Bulletin*, April 1994]

A deputy director of the Centre for Health Policy at the University of the Witwatersrand, Ms Laetitia Rispel, said that the following three principles were important for a successful PHC policy:[127] [[127] *Sunday Times* March 27 1994]

• a shift in emphasis from large hospitals to smaller centres, allowing patients an integrated range of services at a single site;

• community involvement in planning, organising and managing PHC facilities, especially by training health care workers from the communities, so that facilities could be tailored to meet the needs of particular areas; and

• the adoption of an intersectoral approach to health. All sectors which contributed to the country's development should collaborate in change.

Availability of Services

A PHC service investigation of informal settlements and suburban homes across the country, commissioned by the National Progressive Primary Health Care Network, conducted by the Community Agency for Social Enquiry, and published in March 1994, found that only 10% of Africans had a flush lavatory, and that 7% of people in informal settlements and in rural areas had no lavatories at all. Two thirds of Africans in formal metropolitan areas had a weekly refuse removal service. Africans identified a lack of adequate water supplies as the main environmental problem, while coloured people mentioned inadequate housing, and Indians and whites identified air pollution.128 [128 Ibid 6 March 1993]

Medicines

In March 1994 it was reported that an international investigation firm, Hamilton Whitton, had been hired by South African pharmaceutical manufacturers to investigate widespread theft in the industry. A spokesman for the investigation firm said that a process known as 'roundtripping', where goods were stolen from low-security centres and sold at a fraction of the wholesale price to wholesalers, was being used. A task group consisting of members of the Narcotics Bureau, the Medicines Control Council, the Pharmaceutical Society of South Africa, and the customs and excise branch of the Department of Finance had been established to co-ordinate a protection scheme.129 [129 *Business Day* 18 March 1993]

A year-long investigation during 1993 by the South African Police (SAP) into the pharmaceutical industry's claim that R1bn worth of stock was stolen each year found that it was greatly exaggerated, according to the attorney general of the Witwatersrand, Mr Klaus von Lieres und Wilkau.However, a spokesman for Hamilton Whitton said that the SAP had investigated only the number of reported crimes, while the actual shrinkage in companies was much higher.130 [130 Ibid 11 March 1993]

Vaccination

In May 1994 the United Nations Children's Fund (Unicef) challenged the president, Mr Nelson Mandela, to launch an immunisation programme against the six major childhood illnesses (diptheria, measles, pertussis, poliomyelitis, tetanus and tuberculosis) to reach 90% of South African children within the first 90 days of his term. According to Unicef, South Africa had an immunisation rate of 63%, ranking 14th out of 38 sub-Saharan African countries and behind Burundi and Rwanda.131 [131 *The Citizen* 4 May 1994]

The following table compares immunisation coverage in 1990 with that in 1994:132 [132 Information obtained from the Department for Health, October 1994]

Immunisation coverage in South Africa: 1990 and 1994

1990

1994

BCG[a]

87%

68%

DTP[b]

69%

81%

Poliomyelitis

75%

81%

Measles

64%

77%

a

Tuberculosis vaccine

b

Diptheria, tetanus and pertus

Combating of Diseases

The Department for Health provided the following figures on the incidence rate per 100 000 of the population of notifiable diseases in the nine provinces in 1991:[133] [[133] DBSA, *South Africa's nine provinces,* 1994]

Notifiable diseases in South Africa: 1991[a]

ConMalaria

Measles

Meningococcal infection

Eastern Cape

4,79

0,14

51,72

0,91

Eastern Transvaal

0,36

66,97

93,36

0,83

KwaZulu/Natal

0,39

3,80

44,46

0,41

North-West

0,23

1,19

27,79

0,29

Northern Cape

2,42

0,54

111,46

2,15

Northern Transvaal

0,93

7,75

47,83

0,62

Orange Free State

0,22

0,51

105,54

0,62

PWV[b]

1,92

2,69

68,95

0,53

Western Cape

6,96

0,31

40,20

8, 45

Average

2,03

7,08

57,21

1,32

a

Incidence per 1000 of population

b

Pretoria-Witwatersrand-Vereeniging.

Notifiable diseases in South Africa: 1991[a] (continued)

Tuberculosis

Typhoid fever

Viral hepatitis

Eastern Cape

220,00

1,71

2,46

Eastern Transvaal

95,64

5,83

3,11

KwaZulu/Natal

137,07

4,47

6,13

North-West

83,85

0,58

2,51

Northern Cape

353,04

0,27

5,51

Northern Transvaal

55,08

10,75

3,46

Orange Free State

332,44

0,70

3,05

PWV[b]

173,59

1,11

12,29

Western Cape

669,58

0,76

15,89

Average

206,77

3,33

6,35

a

Incidence per 1 000 of population.

b

Pretoria-Witwatersrand-Vereeniging.

A report by the Central Statistical Service on death registrations in 1992 recorded that the largest single cause of death during the year was diseases of the circulatory system (18,9%). These were followed by accidents, poisoning and violence (14,2%), cancer (10,2%), diseases of the respiratory system (9,1%), and infectious and parasitic diseases (8,6%). Some 17 567 deaths of children under the age of one year were recorded in 1992, which were primarily as a result of disorders relating to short gestation and low birthweight (18,9%) and intestinal infectious diseases

AIDS

Policy

In August 1994 the government announced that it would not introduce routine human immuno-deficiency virus (HIV) tests on people prior to employment in government institutions or admission to hospital. Pre-employment testing was unacceptable, discriminatory and infringed basic human rights, according to the minister for health, Dr Nkosazana Zuma. She added that it was a costly waste of resources and ineffective because of the post-infection 'window period' during which the infection did not show up on tests.[135] [[135] *Business Day* 31 August 1994]

Statistics

The following figures were available on AIDS budgets in other African countries and in South Africa:[136] [[136] Centre for Health Policy, University of the Witwatersrand, annual report 1993]

AIDS expenditure

Country

PerProportion of per capita GDP [a] *on AIDS*

Ethiopia[b]

0,12

0,1%

Namibia[b]

0,31

0,02%

Senegal[c]

0,41

0,06%

South Africa[d]

0,18

0,007%

Tanzania[c]

0,40

0,4%

Zambia[c]

0,60

0,14%

Zimbabwe[e]

0,93

0,15%

a

Gross domestic product.

b

Figures are for 1993.

c

Figures are for 1991.

d

Figures are for 1993/94.

e

Figures are for 1992/93.

In April 1994 the Department of National Health and Population Development (now the Department for Health) estimated that the rate of infection by HIV had nearly doubled every year in the three years from 1990 to 1992.[137] [137 *Sunday Tribune* 1 May 1994]] The statistics were based on surveys conducted annually between 1990 and 1992 on women attending antenatal clinics, on the presumption that this would be a reflection of the HIV epidemic in the population as a whole. The prevalence rate (ie the percentage of infections in the population) of HIV-infected women at antenatal clinics in South Africa increased from 0,76% in 1990 to 1,49% in 1991 and 2,69% in 1992 (an increase of 254% compared with 1990). The prevalence rate in KwaZulu/Natal, 4,77% in 1992, was the highest in the country. Venda and the Cape were the least affected areas, with rates of 0,64% and 0,66% respectively.[138] [138 *South African Medical Journal,* April 1994, p195]

The surveys, using the rate of infection in antenatal women as a base and adjusting the figure according to region, population group and age group, produced the following results:[139] [139 Ibid, May 1994]

Prevalence rate of HIV infections by region: 1991 and 1992

1991

1992

Cape

0,37

0,66

KwaZulu/Natal

2,87

4,77

OFS[a] (including QwaQwa)

1,49

2,87

Transvaal (including Gazankulu, KaNgwane, KwaNdebele, and Lebowa)

1,11

2,16

Ciskei

0,94

1,20

Transkei

0,49

0,83

Venda

0,45

0,64

RSA (excluding the 'independent' homelands)

1,49

2,69

RSA (excluding Bophuthatswana)

1,35

2,42

a

Orange Free

Prevalence rate of HIV infections by population group and by age: 1991 and 1992

By population group [a]

1991

1992

African

1,60

2,80

Coloured

0,14

0,33

Indian

0,11

0,33

White

0,00

0,09

By age group:

Younger than 20

1,58

2,40

20–24

1,97

3,54

25–29

1,27

1,82

30–34

0,60

1,84

35–39

0,33

1,64

40–44

1,03

0,14

45–49

0,00

0,00

a

(excluding Bophuthatswana):

The Department for Health estimated that 50 179 women in South Africa (excluding the 'independent' homelands) were infected with HIV at the end of 1990, 93 712 at the end of 1991 (an increase of 86,8% on 1990) and 175 380 at the end of 1992 (an increase of 87,1% on 1991). Assuming that 30% of babies born to HIV-infected mothers would themselves be infected, 1 936, 3 897 and 8 045 HIV-infected babies respectively would have been born from 1990 to 1992.[140] [140 Ibid]

An estimated 6% of pregnant women in Soweto (about 60 000 women) were infected with HIV, according to Professor Alan Flemming, a researcher for the South African Institute for Medical Research. The head of the Community AIDS Centre, Dr Clive Evian, said in January 1994 that the incidence of HIV in pregnant women had risen from one in 330 to one in 17 in the previous six years.[141] [141 *Business Day* 3 January 1994, *The Citizen* 20 January 1994]

Of the 6,2m blood donations tested between January 1985 and June 1993, the Department of National Health and Population Development (now the Department for Health) reported that 0,5% were HIV positive. Blood transfusion services, which annually test 1m blood donations, request prospective donors to refrain from donating blood if they follow a high-risk lifestyle. Therefore, HIV prevalence in prospective donors can be used as an indication of the prevalence of AIDS infections in that part of the population which does not regard itself as

The director of epidemiology at the Department of National Health and Population Development, Dr H Kustner, said in March 1994 that the proportion of sexually active adults who had been infected with HIV (as opposed to the rate of infection in the population) was 4,69%. The highest incidence of HIV was in KwaZulu/Natal, where the proportion of infected people was 9,62%, followed by the Orange Free State with 4,13%, the Transvaal with 3,09% and the Cape with 1,33%.[143] [143 *The Natal Witness* 31 March 1994] The high rate in KwaZulu/Natal was partly due to the high levels of violence and family

disruption.[144] [144 Ibid 5 April 1994, 27 May 1994]

A total of 3 071 AIDS cases had been reported by March 1994,[145] [145 *The Citizen* 12 March 1993] and 762 people were estimated to have died from AIDS by February 1994 since the outbreak of the epidemic in South Africa in 1982.[146] [146 *Eastern Province Herald* 12 February 1994]

According to the department, the adult male/female ratio of AIDS infections was approximately 1,5:1 (excluding homosexuals and bisexuals, the ratio was 1:1). Of the reported AIDS cases with known ages, almost 75% were in the economically active age group between 15 and 50 years.

The table below shows the number of cases of AIDS reported in South Africa in the period 1983–1994:[147] [147 Department of National Health and Population Development, *November 1994*]

AIDS cases reported in South Africa: 1983–1994

	Num	Num	Fatality rate
1983			
	4		
		3	
			75%
1984			
	8		
		8	
			100%
1985			
	8		
		8	
			100%

1986

24

23

96%

1987

40

33

83%

1988

91

56

62%

1989

175

97

55%

1990

318

88

28%

1991

443

111

25%

1992

659

100

15%

1993

1 353

269

20%

1994[a]

761

120

21%

a

As of 18 October 1994.

The department provided the following figures on AIDS cases by province, as of 18 October 1994:[148]
[148 *Ibid, October 1994*]

Cases of AIDS by province: 1982–1986, 1990, 1992 and 1994

1982–1986

1990

1992

1994

Total

Eastern Cape

0

10

68

122

200

Eastern Transvaal

0

3

6

42

51

KwaZulu/Natal

4

130

310

17

461

North-West

0

3

4

55

62

Northern Cape

0

3

5

40

48

Northern Transvaal

0

5

7

116

128

Orange Free State

1

8

44

219

272

PWV[a]

29

118

251

65

463

Western Cape

12

39

63

39

153

Total

46

319

758

715

1 838

a

Pretoria-Witwatersrand-Ver

A report by the Department of National Health and Population Development stated in March 1994 that sexual transmission of AIDS accounted on average for almost 80% of AIDS cases, transmission from mother to child accounting for 16%. Some 1,5% of infections were through blood transfusions and blood products. The mode of infection was unknown in 3,5% of cases. According to the department, AIDS was still under-reported, paediatric AIDS probably being the most under-reported.[149] [[149] *The Citizen* 12 March 1993]

An analysis by Mercantile and General, a reinsurance company, of AIDS and AIDS-related claims reported by the insurance industry, published in January 1994, showed that the total number of AIDS-related insurance claimants in 1993 had increased by 78% over the previous year, to 603. Almost half the claimants fell into the 31–40 age group and more than 10% were over the age of 50. The average age of the patients was 38 (37 in 1992). Married claimants accounted for 67% of the total, compared with 34% in 1992. The number of female claimants rose to 11,4% of the total by the end of 1993, compared with 10,6% in January 1993.[150] [[150] *Business Day* 1 February 1994]

Southern Life disclosed in February 1994 that since starting AIDS testing in August 1990 it had refused life cover totalling R73,5m to 1,1% of assurance applicants who had tested HIV positive.[151] [[151] Ibid 5 May 1994]

According to Dr Evian, AIDS needed to be tackled through a comprehensive primary health care (PHC) infrastructure if combating it was to be sufficiently cost-effective and comprehensive. There were many other serious diseases competing for attention, Dr Evian said, and a comprehensive PHC infrastructure would enable health workers to cope with all these health care priorities at once.[152] [[152] MRC, *AIDS Bulletin*, April 1994]

New Trends

In May 1994 Metropolitan Life launched a new AIDS-related policy similar to Southern Life’s

Exclusive Life launched in May 1993 against AIDS sufferers, which obliged applicants to undergo an AIDS test every five years until the age of 45 but which guaranteed that their premiums would not increase while policy-holders could increase their cover by 10% after every negative HIV test.[153] [[153] *Business Day* 5 May 1994]

According to the National Union of Mineworkers (NUM), ten miners from Randfontein Estates from General Mining's Beatrix estate and six from the Johannesburg Consolidated Investment Company (JCI) were dismissed after testing HIV positive at the end of 1993, in contravention of an agreement between the Chamber of Mines of South Africa and the NUM drawn up the previous year. The agreement stated that no employee would be fired or denied alternative employment 'merely on the basis of HIV infection'. The NUM alleged that workers had undergone 'forcible' medical examinations. However, a spokesman for General Mining, Mr Andrew Davidson, said medical examinations were compulsory for prospective employees, and that no miners had been dismissed because of testing HIV-positive. A spokesman for JCI, Mr André Geldenhuys, said that JCI was investigating the claims.[154] [[154] *Cape Times* 2 February 1994]

It was reported in January 1994 that rape victims were not tested routinely for AIDS at Baragwanath Hospital. The TPA said that although the hospital treated rape victims for injuries and trauma, it had to refer them to a clinic for an AIDS test because it did not have funds for this. According to the National Institute of Virology, it cost R57,20 to run an AIDS test on one patient. Rape victims would have to be tested twice because of possible inaccuracies due to the window period (the period before which the HIV is detectable in the blood).[155] [[155] *City Press* 9 January 1994]

Projections

According to the chairwoman of the Johannesburg City Council health committee, Mrs Marietta Marx, a study of Soweto indicated that 137 000 children would lose their parents to AIDS in that area alone by 2010. She added that the traditional health care system would not be able to cope with the orphans, which meant that alternative systems, such as home-based care, would be necessary.[156] [[156] *Business Day* 30 March 1994]

A report by the Central Witwatersrand Metropolitan Chamber found that the AIDS epidemic would cost the Pretoria-Witwatersrand-Vereeniging (PWV) region more than R3,5bn a year in lost production by 2000.[157] [[157] Ibid] The Economics Research Unit at the University of Natal (Durban) said that AIDS would cost the country R16,7bn in lost production and health care costs by 2000.[158] [[158] Ibid 1 June 1994]

According to a researcher for the unit, Mr Alan Whiteside, the economic effects of AIDS in South Africa could be worse than in neighbouring countries, because of the country's relatively sophisticated economy and shortage of skilled and experienced personnel.[159] [[159] Ibid] The growing number of AIDS cases, combined with better management of the complications of HIV infection, would inevitably result in more infected people in the workplace, according to the national vice chairman of Planned

Parenthood, Mr James McIntyre.[160] [[160] *The Argus* 20 May 1994]

Projections of total HIV infection in 2005 ranged from 4,8m to 6,4m, while between 429 000 and 525 000 AIDS-related deaths were expected, according to the Department of National Health and Population Development (now the Department for Health). Between 17% and 24% of people aged 15 to 49 would be infected.[161] [[161] *Cape Times* 1 January 1994]

Cancer

Statistics

The number of deaths from the four most predominant forms of cancer (lung, oesophageal, breast and cervical) from 1985 to 1990 were as follows:[162] [[162] Department of National Health and Population Development, *Health Trends in South Africa:* 1993]

Deaths from lung, oesophageal, breast and cervical cancer: 1985–1990

African

Coloured

Indian

White

Lung cancer

1985

5

23

7

29

1986

5

23

8

30

1987

5

28

8

28

1988

6

26

8

30

1989

6

23

6

25

1990

4

23

5

31

Oesophageal cancer

1985

10

9

2

3

1986

9

9

2

3

1987

10

10

4

3

1988

11

9

2

3

1989

9

7

2

2

1990

7

7

2

3

Breast cancer

1985

3

12

8

27

1986

2

14

9

28

1987

3

14

11

28

1988

4

12

9

29

1989

3

11

11

26

1990

3

11

8

24

Cervical cancer

1985

8

15

4

4

1986

7

14

6

4

1987

9

18

7

4

1988

10

15

5

4

1989

9

13

7

4

1990

N/A

N/A

N/

New Trends

In April 1994 a cancer of the lymph gland sufferer, Ms Barbara Loots, was awarded R150 000 in an out-of-court settlement against her former employer, Transnet, which she sued for alleged discrimination against her and her advancement opportunities owing to her illness. The case was the first of its kind to come before the industrial court.[163] [163 *The Citizen* 23 April 1994]

Diarrhoea

The South African representative to Unicef, Mr Ian McLeod, said in May 1994 that about 25% of deaths of children under one year of age in South Africa were related to diarrhoea.[164] [164 *Business Day* 4 May 1994] According to the deputy director of veterinary public health, Dr Malcolm de Bude, between 50% and

60% of diarrhoea cases were caused by contaminated meat. About half the meat eaten by South Africans was slaughtered at pavement butcheries and abattoirs. Furthermore, farmers often sold diseased live animals to the street abattoirs, at higher prices than healthy animals fetched at municipal abattoirs. In addition, because the street butchers paid relatively high prices for meat, they had to maintain low profit margins and could not afford to improve hygiene standards, Dr de Bude said.[165] [165 *The Argus* 13 April 1994]

Mr M Ratsaka, a researcher at the Institute for Urban Primary Health Care at the University of the Witwatersrand, said in April 1994 that while oral rehydration therapy (ORT)—prepackaged or home-prepared water, sugar and salt solutions—was effective and cheap in the treatment of diarrhoea, there had been no promotion of ORT by the government. Studies conducted in several parts of the country had shown that mothers had little knowledge of ORT.[166] [166 *South African Medical Journal* March 1994, p234] In spite of this claim, however, all government clinics and hospitals did provide ORT.

Malaria

Statistics

According to the principle medical natural scientist at the Department of National Health and Population Development (now the Department for Health), Dr Danette Lombard, South Africa's malaria figures for 1993 were the worst in six years. Years of drought had kept the mosquito population under control, but with the good rains in 1993 there were 10 477 reported cases and 39 known deaths. Some 2 872 cases were reported in 1992. The easing of travel restrictions on South Africans in Africa had led to many more people visiting malaria-infested regions, she said.[167] [167 *Sunday Times* 23 January 1994]

Malnutrition

Statistics

A study conducted by the Medical Research Council (MRC) in March 1994 found that of the 4m children under five years of age in South Africa, nearly 25% were stunted, and 25% were anaemic as a result of malnutrition. Some 12% were underweight. The MRC found that undernourished children were more susceptible to disease and had a higher mortality rate, and might also suffer from long-term effects such as impaired cognitive development, short stature and a lower work capacity. Stunted growth was the most common manifestation of malnutrition. The factors causing this, such as the quantity and quality of food intake, certain infectious diseases, weaning and childcare practices, were already present before the second year of life, the study concluded.[168] [168 *Business Day* 28 March 1993]

The MRC found low energy intakes in two thirds of rural preschool children, compared with one third of urban preschool children. However, the quality of the diet of the urban children was poorer.[169] [169 Ibid]

New Trends

Statistics published by the Edendale Hospital (Pietermaritzburg, Natal) showed that in 1989, some 6,8% of children (353) admitted to the children's medical ward were suffering from kwashiorkor. Of this 6,8%, 13% died from the disease and 39,9% from gastro-enteritis (which usually precedes kwashiorkor and predisposes the child to the disease). The situation was even worse in 1993, when 3 920 children were admitted, of whom 380 (10%) had kwashiorkor. Of those some 30% died from the disease, while 36% succumbed to gastro-enteritis. A doctor was reported to have said that many of the deaths were caused by children's being taken to the hospital too late, as their parents were unable to afford the health care costs.[170] [[170] *The Natal Witness* 7 March 1994]

In February 1994 Unicef reported that the infant mortality rate in South Africa had dropped over the preceding 30 years, from 126 per 1 000 live births in 1964 to 70 per 1 000 births in 1994 (including estimates of under-reporting).[171] [[171] *Daily Dispatch* 9 February 1994]

Measles

Statistics

According to a report in the *South African Medical Journal*, average annual notifications of measles were 15 000 in the 1980s, with 300 deaths per year (2% of all notifications). The high incidence of measles in South Africa was attributed to overcrowding and poor socio-economic conditions, which adversely affected infants and children.[172] [[172] *South African Medical Journal* March 1994]

The Department for Health said that in 1993 it had devised a flexible strategy involving a two-dose vaccination schedule to target measles in the adult population, with a three-dose strategy for children under eight months of age.

The effect of the measles strategy on the percentage immunised was still being processed, according to the department. However, the notification rate for measles dropped from 50,09 per 100 000 people in 1989 to 31,5 in 1993.[173] [[173] *The Citizen* 21 March 1994]

Tuberculosis

Statistics

It was reported in February 1994 that the national incidence of tuberculosis (TB) in South Africa was 300 per 100 000 people, with a particularly high incidence rate in the Western Cape, where between 400 and 600 per 100 000 were infected. Approximately 2 000 people were reported to have died of TB in 1993. However, a large number of deaths and infections went unreported.[174] [[174] *The Star* 3 February 1994] According to the South African National Tuberculosis Association (Santa), 36 people died of TB every

day during 1993.[175] [175 *Sowetan* 24 February 1994]

Stress, drought (which has contributed to economic decline in rural areas), unemployment, urbanisation and violence (which impeded the efforts of health workers) contributed to its spread. HIV was also an aggravating factor, as its presence increased an individual's chances of developing TB by between eight and ten times.[176] [176 *The Star* 3 February 1994]

There was no explanation by Santa for the high incidence of TB among coloured people in the Western Cape. Africans in the province often lived in conditions of greater poverty but had a lower rate of TB.[177] [177 *Sunday Nation* 13 March 1993]

According to Professor Erik Glatthaar, head of the Department of Community Health at the University of Pretoria, 'It is widely acknowledged that about half of all South Africans carry the TB bacillus in a dormant state. This dramatically enhances the spread of the disease from infected people to those around them. The secret to controlling the disease is to treat infected people quickly, and to ensure that they finish the treatment.' He added that about 25% of all TB sufferers did not complete their treatment.[178] [178 *The Star* 3 February 1994] About 10 000 beds were set aside nationwide for the treatment of TB in 1994, according to the Department of National Health and Population Development. Some 44% of the available beds belonged to Santa, 33% to provincial administrations, 19% to Life Care, 3% to local authorities, and 1% to mines or were privately owned. The department reported that there were approximately 1 200 fixed TB treatment centres, 750 satellite clinics and 500 mobile clinics.[179] [179 Information supplied by the Department of National Health and Population Development, March 1994]

New Trends

In June 1994 a large pharmaceutical company, Glaxo, opened a TB research laboratory in Pretoria as part of the company's worldwide programme to find a cure for TB. The medical director of Glaxo, Dr Peter Moore, said that this would be the first time that South African researchers would be involved in laboratory research for the development of a drug. South Africa's research had previously been only through clinical trials of drugs. The laboratory would be used to produce bulk supplies of drug-resistant strains of the TB virus. These would be used in the United Kingdom and the United States to find an antibiotic or vaccine for TB. The laboratory would also trace the spread of the disease in South Africa and examine socio-economic aspects such as the extent to which patients adhered to their treatment programmes and the economics of drug production.[180] [180 *Business Day* 9 May 1994]

According to a spokeswoman for the MRC, Dr Karen Weyer, a new multidrug resistant strain of TB was emerging in South Africa, about 2% of TB cases (between 1 000 and 1 200 people) proving resistant to treatment. According to Santa, the new strain first began to reach serious proportions in 1984. Researchers said that the emergence of the new strain was the result of the failure of patients to complete their treatments. Dr Weyer said that management of patients infected with the new strain was difficult and expensive. Treatment cost R20 000 per patient, compared with R250 for normal TB treatment.

There was a 30% cure rate and death occurred in more than 50% of cases.[181] [181 Ibid 15 March 1994]

Typhoid Fever

Statistics

A total of 384 typhoid fever cases were reported between January and July 1994, compared with 1 127 in 1993 and 1 147 in 1992. The Department for Health provided the following provincial breakdown for January to July 1994:

Reported cases of typhoid fever by province: January–July 1994

Eastern Cape

61

Eastern Transvaal

112

KwaZulu/Natal

65

North-West

1

Northern Cape

0

Northern Transvaal

75

Orange Free State

10

PWV[a]

49

Western Cape

11

Total

384

a

Pretoria-Witwatersrand-Vere

New Trends

According to the provisional findings of medical experts from the South African Institute for Medical Research, the universities of Pretoria and the Witwatersrand, and the Council for Scientific and Industrial Research, the Delmas Town Council was partly responsible for the typhoid fever outbreak in November 1993 that killed 14 people and hospitalised many others in the Botleng township near Delmas (east Rand) (see also 1993/94 Survey, pp48–49). The water supply provided by the town council was said not to have been sufficiently chlorinated. Another cause of the outbreak was that the township borehole was built on dolomitic rock which easily corroded during heavy rains. The report found that the surface water had been contaminated with human faeces and other material from the nearby squatter camp, and had found its way into the borehole.[182] [182 *Sunday Nation* 30 January 1994]

Termination of Pregnancy

In May 1994 it was estimated that approximately 300 000 women in South Africa had abortions each year (an average of 822 a day). Slightly fewer than 1 000 (0,3%) were legal. About 80% of legal abortions had been performed on white women.[183] [183 *The Star* 20 May 1994] In June 1994 the Abortion Rights Action Group reported that 1 500 legal abortions had been carried out in 1992.[184] [184 *Sunday Times* 12 June 1994]

In June 1994 a survey conducted by the Department of Obstetrics at the University of Cape Town found that of 1 000 doctors interviewed, 770 had received requests for abortions during 1993. Six doctors said that between 150 and 3 000 women had asked them for abortions. The doctors who participated in the survey received an average of 12 requests during 1993.[185] [185 Ibid] Some 68% of these doctors referred the patients to a gynaecologist for psychiatric assessment for abortion at a state hospital. The doctors

performed an average of five abortions during 1993, of which only one was a legal abortion. Some 55% of the doctors supported legalised abortion and one third had one or more patients who had gone to a back-street abortionist during 1993.[186] [186 Ibid]

In April 1994 the National Progressive Primary Health Care Network published the results of a survey it had conducted on 800 households. The survey found that 47% of white women and 28% of African women were in favour of legalised abortion—an average of 33%. However, the survey found that only 20% of males supported legal abortion. Informal settlers were the group most in favour of abortion (41%), but only 18% of rural Africans were in favour. About 46% of those with post-matric education, compared with 15% of illiterates, favoured legalising abortion.[187] [187 Ibid 10 April 1994]

Occupational Health

In May 1994 the new minister of environmental affairs and tourism, Dr Dawie de Villiers, asked an environmental task group of the African National Congress to submit formal proposals for a commission of inquiry into Thor Chemicals.[188] [188 Ibid 29 May 1994] Thor Chemicals was facing two charges of culpable homicide and 29 charges relating to contraventions of the Machinery and Occupational Safety Act of 1984 for exposing workers to high levels of mercury, causing the deaths of two casual workers in 1992 and the mercury poisoning of 29 others (see also 1992/93 *Survey*, p164). Thirteen counts against Thor Chemicals were withdrawn in May 1994.[189] [189 *The Natal Witness* 17 May 1994]

Pollution and Health

See chapter on *Environment*.

International Relations

In March 1994 the Medical Research Council was readmitted as a national member of the Council for International Organisations of Medical Sciences, which comprises 31 medical research councils and 65 other medical research organisations.[190] [190 *The Citizen* 29 March 1994] In May 1994 South Africa rejoined the World Health Organisation (WHO) after the acceptance of a proposal by Zimbabwe that she be afforded full voting rights. The leader of the South African delegation, Dr Ralph Mgijima, said, 'We can count on substantial technical support for the reconstruction programme in the health sector.'[191] [191 *The Star* 5 May 1994] The South African government had its voting rights suspended by the WHO in 1964. It was reported that assistance would largely be in the form of training and personnel.[192] [192 *Business Day* 11 January 1994]

WELFARE

Election Commitments

The African National Congress (ANC) said in its election manifesto in January 1994 that an intensive programme would be devoted to homeless children, and that government pensions and grants due to people would be assured. Discrimination against the disabled in the provision of services and jobs would be eliminated.193 [193 ANC, *A Better Life for All*, January 1994]

Although the National Party (NP) did not set out a welfare policy in its election manifesto, an NP policy document published before the election in April 1994 committed the party to making the social welfare system more effective without discrimination. The government could not assume responsibility for the welfare of each citizen, but had a duty to assist indigent people and to institute welfare programmes aimed at 'helping people to help themselves'.194 [194 *National Party Policy*, April 1994]

The NP committed itself to the provision of adequate training facilities and financial support to voluntary welfare organisations throughout the country, proper protection for all pensions, and the continuation of welfare allowances to those in need, subject to a means test (setting eligibility standards) and paid out on an equal basis to all.195 [195 Ibid]

In February 1994 the National Children's Rights Committee alleged that none of the major political parties had written children's rights into their election manifestos.196 [196 *Sowetan* 28 February 1994] However, the ANC responded that its *Draft Reconstruction and Development Programme* included several provisions relating to children's rights, including recommendations for immunisation and nutrition programmes and proposals for the removal of children from prisons to alternative detention centres.197 [197 *ANC Draft Reconstruction and Development Programme*, 17 February 1994] The NP said that its election manifesto focused on the right to a proper education, the right to a safe environment, the right to receive health care and many other basic rights. 'Although these rights are not exclusive to children, they are fundamental rights to which every human being is entitled, the NP said.'198 [198 Information supplied by the NP, 8 March 1993]

Policy

The African National Congress identified the following social welfare priorities in the final draft of its *Reconstruction and Development Programme* (RDP) published in March 1994:

• the redressing of past imbalances through a deliberate process of affirmative action in respect of those who have been 'historically disadvantaged';

• the enabling of individuals, families and communities to take part in deciding on the range of needs and problems to be addressed through local, provincial and national initiatives; and

• the recognition of the role of organs of civil society in the welfare system, among them civic associations such as community-based rehabilitation centres, nongovernmental development organisations, the private sector, religious organisations, traditional and other complementary healers, and the establishment of guidelines for the mutual co-operation of these organs.[199] [[199] ANC, *Reconstruction and Development Programme,* March 1994]

The national welfare system would be restructured, according to the RDP, 'in line with international norms and standards', to ensure that the poorest benefited the most. The new Department for Welfare and Population Development would be responsible for the development of service conditions and professional standards to guide education training, and employment of social service personnel. It would also be responsible for monitoring and evaluating the implementation of social welfare goals and priorities. Provincial departments would be responsible for the provision and evaluation of social welfare and community development services required at provincial and district levels. [200] [[200] Ibid]

According to the RDP, the national social security system would meet the needs of formal and informal workers and the unemployed. Social assistance in the form of cash or in-kind benefits would be given to those most at risk. This assistance could be the provision of clothing, food and health care, disability grants, foster care grants, maintenance grants or grants for veterans, and could also be in the form of work opportunities in public works programmes.

The RDP stated that the present number of social workers was 'inadequate', and that their training was often 'inappropriate'. Social workers would have to be retrained and reorientated within a developmental approach to social welfare. The document stated that within five years a minimum of 3 000 community development workers would have to be trained to work for provincial and local government structures.[201] [[201] Ibid]

Alternative Proposals

National Welfare Forum

In November 1993 more than 600 representatives of nongovernmental and government welfare organisations met at the World Trade Centre (east Rand) and agreed to establish a National Welfare Forum (see also 1993/94 Survey, pp51–52). The forum had made little progress at the time of writing.

Legislation

The Correctional Services Amendment Bill, which prohibited the detention of children (under 18 years) in prison while awaiting trial unless they could be taken immediately to a 'place of safety', was tabled in August 1994. However, it was withdrawn in the same month after the parliamentary select committee on correctional services found that there was insufficient alternative accommodation available.

In November 1994 an amended version of the act was passed. It allowed for the detention of children between 14 and 18 years of age, provided the person could be brought to trial and could not be placed in the care of a parent or guardian (see also chapter on *Security*).

Finance

The following amounts were estimates of social security and welfare spending in the 1994/95 and 1995/96 budgets (including the ten former homelands):[202] [202 Personal communication with the Department of Welfare and Population Development, November 1994]

Social security and welfare expenditure in South Africa:1994/95 and 1995/96

199199IncCapital expenditure

53 293

57 503

7,9%

Welfare services

1 679 310

1 710 081

1,8%

Social grants

10 744 550

10 799 664

0,5%

Total

12 477 153

12 567 248

0,7%

An amount of R418m was made available in the 1994/95 budget for a 'general increase in the various social pensions' and the elimination of the backlog among potential beneficiaries.[203] [[203] *1994/95 Budget Review*, June 1994]

The table below shows budgeted expenditure on social welfare for the first six months of fiscal 1994/95, compared with the same period in 1993/94:[204] [[204] Personal communication with the Department of Welfare and Population development, November 1994]

Social welfare budget estimated expenditure: September 1993– September 1994

Type of grant

NumbNumb

Inc

GraAmouOld age

1 584 904

1 616 602

2%

R390

7 566

War veterans

17 760

16 162

(9%)

R390

76

Disability

548 224

593 162

8%

R390

2 776

Special care

11 048

12 595

14%

R390

59

Parent

115 803

130 857

13%

R390

612

Child

303 464

342 914

13%

R121

498

Foster

48 051

52 375

9%

R274

172

Single parent

3 964

3 409

(14%)

R390

16

Total

2 634 218

2 768 077

5%b

R342[b]

11 775

a

Based on figures for September 1994.

b

These figures are averages.

In June 1994 the president, Mr Nelson Mandela, announced that he was donating R150 000 for the establishment of a presidential trust fund to help street children and child detainees. He undertook to pay the same amount into the fund for the following five years.[205] [205 *Business Day* 17 June 1994]

Games Africa, the fundraising arm of the Ithuba and Viva trusts, said in June 1994 that, excluding costs, its scratch card competition had raised R44,8m for Ithuba and R1,17m for Viva by the end of May 1994. The costs included R173,5m in prize money from Ithuba and R2,7m from Viva.[206] [206 Ibid]

In August 1994 several major fundraising organisations announced the formation of a controlling council to co-ordinate their activities. The council, to be known as the super trust co-ordinating council (SCC), would focus on the distribution of funds for social causes raised by lotteries, including the proposed state lottery. The SCC consisted of the Ithuba Trust, the South African Red Cross Society, the United Community Chests of South Africa and Viva Trust. Kagiso Trust would advise the SCC on aspects of social reconstruction and community development. Members would continue to operate independently.[207] [207 *The Citizen* 11 August 1994]

Welfare Personnel

Ms Frances Lund, a researcher at the Centre for Development Studies at the University of Natal, said in December 1992 that the numbers of people being served per public sector social worker were as follows: coloured people, 8560; Indian, 10 298; and white, 12 174. The number of Africans per public sector social worker was 14 576 in 1991. However, in the former homelands the number of Africans per public sector social worker exceeded 25 000.[208] [208 1993/94 Survey, p153]

Welfare Services

According to a report published in February 1994 by the Employment Research Unit at Vista University, more than half a million people were receiving assistance from Operation Hunger in the eastern Cape and Border-Kei regions alone. In the first three months of 1994 Operation Hunger had secured R1,6m from the government's national nutrition and social development programme to continue its feeding and self-help projects.[209] [209 *Daily Dispatch* 10 February 1994]

According to the Department for Health, more than half of the patients admitted to psychiatric hospitals were admitted under a committal order (involuntarily). Professor Aubrey Levin, professor of psychiatry at Rhodes University, said that this was partly owing to inadequate community clinic services and almost non-existent general hospital psychiatric services. Although 80% of mentally ill patients requiring admission could be treated adequately in general hospitals, some provincial hospitals had actively discouraged this. Professor Levin suggested that the system of involuntary admission be replaced by a 'more transparent, appropriate, less legalistic system'.[210] [210 Ibid 1 June 1994]

Social Pensions

In January 1994 a working group consisting of several government and nongovernmental organisations presented a report focusing on the administration of pensions for Africans to the Department of Welfare (now the Department for Welfare and Population Development). According to the report, there were a total of 2,6m social pension scheme beneficiaries in South Africa (including the ten homelands) in 1994, receiving altogether R9,67bn annually.[211] [211 *Cape Times* 18 January 1994]

The report found proof of fraud, corruption, inefficiency, and 'inhuman' treatment of pensioners and the disabled.[212] [212 Ibid]

The most critical problem experienced at pension payout points was that beneficiaries were required to stand in queues of 300 to 400 people for up to six hours to receive their pensions. Beneficiaries had to receive their pensions in person, even if they were ill, meaning that it was not unusual for pensioners to die waiting in the queue.[213] [213 Ibid]

Other problems highlighted in the report were as follows:[214] [214 Ibid, *Eastern Province Herald* 17 January 1994]

• complicated and time-consuming application procedures, which 'often lead to fraud and corruption by officials who take advantage of the ignorance of beneficiaries';

• muggings and theft at payout points;

• underpayment of beneficiaries by officials. Beneficiaries were sometimes made to pay for a position in the queue by officials;

• requirement of acknowledgement of receipt of money by beneficiaries before receiving it, opening the system to corruption;

• transportation and storage of large amounts of cash in unlocked containers;

• non-notification of death of a beneficiary. Some family members continued to draw the pensions after a beneficiary had died; and

• understaffing of district surgeons' offices. They could often not cope with the large volume of applications for medical reports.

The report stated that the unification of the different pension schemes operated by government departments, non-independent homelands, pension payment agencies and the provincial administrations should be a government priority.[215] [215 *Cape Times* 18 January 1994]

The deputy minister for welfare, Mr Glen Carelse, said in January 1994 in response to the findings that the government could not make any financial commitment regarding the improvement of pensions administration or facilities.[216] [216 Ibid]

In May 1994 the African National Congress (ANC) said that it would honour the rights of civil servant pension fund members, following demands by civil servants for immediate pension payouts because of fears that pension schemes would be abandoned after the general election.[217] [217 *The Citizen* 13 May 1994]

Old-Age Pensions

In January 1994 the ANC announced that it would call on the new government to legislate for full disclosure and transparency of government pension schemes. Mr Jay Naidoo, the former secretary general of the Congress of South African Trade Unions (now minister without portfolio), said that pension and provident funds must insist on proper and adequate employee and union representation on the boards of trustees. The call followed allegations of an R18m fraud at Eskom's pension fund.[218] [218 *Sunday Times* 30 January 1994]

Alcoholics and Drug Addicts

In June 1994 the South African National Council on Alcoholism and Drug Dependence (Sanca) said that the cost of alcoholism to the country was approximately R5bn a year.[219] [219 *The Citizen* 8 June 1994] This figure did not include the cost to the country where alcohol was abused, but the person was not an alcoholic. On the other hand, the Department of Finance estimated that it would receive R1,09bn from excise duties and sales tax on alcohol.

According to Sanca, there were more than 1m alcoholics in the country, and one in three urban African males could be considered an alcoholic.[220] [220 Ibid]

Sanca said that lost productivity constituted 45% of the total cost of alcoholism. The other 55% included factors such as violence and crime, fire losses, loss of life, medical and mental costs, and motor vehicle accidents. The efficiency of alcoholic workers was about 25% lower than that of their non-alcoholic colleagues, Sanca said.[221] [221 *Sowetan* 15 June 1994]

According to Major General Wouter Grové, head of the specialised drug control unit of the South African Police, South Africa (which has frequently served as a transit point for drugs destined for Europe) was rapidly developing into a market for hard drugs. Political instability, lawlessness, unemployment, insufficient border controls and a lack of the awareness of the dangers of drug abuse made South Africa an attractive market for traffickers. He added that well financed, profitable and heavily armed drug business was likely to leave government institutions vulnerable to corruption and intimidation (see also chapter on *Security*).[222] [222 *The Star* 23 May 1994]

In May 1994 the Pharmaceutical Society of South Africa announced that plans for the implementation of a needle exchange programme for drug addicts were well advanced, but that the society was waiting for a reply on the matter from the Department for Welfare and Population Development. The purpose of the programme was to limit the spread of AIDS within this high-risk group.[223] [223 *Sowetan* 19 May 1994]

Children

In January 1994 it was reported that the South African National Council for Child and Family Welfare would consider staff retrenchments after a recommendation by the finance committee of the council. According to the national chairman of the council, Professor Daan Eloff, 'The present economic climate is not conducive to financial rehabilitation and this corrective action means the council will not be able to continue its services' without action such as retrenchments.[224] [224 *The Star* 19 January 1994]

In May 1994 the president, Mr Nelson Mandela, said that his government was committed to a comprehensive programme to ensure security rights and privileges for children in line with the United Nations Declaration on the Rights of the Child. The government had already started implementing several programmes aimed at realising these objectives. These programmes included:[225] [225 *The Citizen* 2 June 1994]

• free medical care for children under six in state hospitals;

• a nutritional feeding scheme in state hospitals;

• a detailed programme to provide alternative care centres for children in jail;

• legislation introducing free and quality education for all children;

• urgent attention to the plight of homeless street children; and

• legislation on the eradication of child abuse and child labour.

In June 1994 the new minister of correctional services, Dr Sipho Mzimela, said that there were 880 children serving jail sentences and 756 children awaiting trial for various offences (see also chapter on *Security*). A number of educational and nutritional programmes were being conducted for children serving sentences, designed to rehabilitate them and ensure that they were 'resocialised' after their sentences, the minister said.[226] [[226] *Sowetan* 9 June 1994]

According to a spokesman for the Soweto police, Major Joseph Ngobeni, approximately 200 children had been raped in Soweto between January and May 1994. It was reported that, on average, 29 children were sexually molested in the township every month. Maj Ngobeni said that to tackle the problem, the police would increase the number of seminars being held at schools and churches to educate adults on children's safety.[227] [[227] *The Star* 2 June 1994]

In June 1994 a director of the Johannesburg Child Welfare Society, Ms Jackie Loffel, called on the government to allocate a large part of its budget to schemes aimed at protecting children from abuse. She said that most organisations working to ensure safety were generally 'understaffed, under-resourced and underfinanced'.[228] [[228] Ibid]

A 'misery index' published by the United Nations Children's Fund (Unicef) and based on life expectancy, education and financial security of children in Africa, found that South Africa rated eighth out of 23 countries surveyed. A Unicef spokesman said that South Africa's low rating was tragic when compared with its resources and wealth.[229] [[229] *Business Day* 14 March 1994]

The Department of National Health and Population Development (now divided into the Department for Welfare and Population Development and the Department for Health) expressed anxiety about figures suggesting that some 800 000 children under the age of 15 were being employed illegally in 1994, often at cut-rate pay.[230] [[230] *The Star* 12 April 1994]

Disabled People

Using worldwide averages of numbers of disabled people, the National Council for the Physically Disabled estimated in 1993 that 2,9% of the population in 1993 were physically disabled, while another 1% suffered from serious disabilities. According to the council, the following numbers of people were physically disabled in South Africa in 1993:[231] [[231] Information obtained from the National Council for the Physically Disabled September 1994]

Disabled people in South Africa: 1993

Physical disabilities[a]

Serious disabilities[b]

Eastern Cape

18 667

14 698

Eastern Transvaal

84 725

6 671

KwaZulu/Natal

246 655

19 422

North-West

94 337

7 428

Northern Cape

21 382

1 684

Northern Transvaal

150 847

11 878

Orange Free State

79 078

6 227

PWV[c]

199 204

15 686

Western Cape

105 359

8 296

Total

1 000 254

91 990

a

People who are able to function without assistance.

b

People whose disabilities are severe enough to require assistance.

c

Pretoria-Witwatersrand-V

Returning Exiles

A survey of 450 returning exiles, undertaken jointly by the Human Sciences Research Council and the

Pretoria Returnees Project Committee, found that 76% of exiles lived in informal settlements and most suffered from depression and a loss of personal power and status. It found that the exiles, who were often well educated and qualified, were dissatisfied and disillusioned with their social and economic status. The survey concluded that the most powerful reason for addressing the problems of returnees was related to the need to maintain peace and stability—experience in other countries had shown that returning exiles, and especially ex-combatants, could pose a threat to stability if their grievances were not addressed.[232] [[232] *Cape Times* 28 March 1994]

KEY PROJECTIONS

• A study by the Johannesburg City Council indicated that 137 000 children in Soweto alone would have lost their parents to AIDS by 2010.

• A report by the Central Witwatersrand Metropolitan Chamber found that the AIDS epidemic would cost the Pretoria-Witwatersrand-Vereeniging province R3,5bn a year in lost production by 2000, and the Economic Research Unit at the University of Natal (Durban) estimated that AIDS would cost the country R16,7bn in lost production and health care costs by the same year.

• The *National Health Plan for South Africa* of the African National Congress stated that by the end of 1995, 50% of births should be supervised and carried out under hygienic conditions and that at least 70% of children should be breastfed until the age of six months. Targets also included the eradication of polio and neonatal tetanus by 1995.

• In May 1994 the Medical Research Council stated that full electrification of South Africa had the potential to reduce government health costs by R800m through savings on health services.

GOVERNMENT AND CONSTITUTION

KEY POINTS

• South Africa’s first all-race election took place on 26, 27 and 28 April 1994. The African National Congress (ANC) won the election with the support of 62,6 % of the electorate.

• The cabinet of the government of national unity—composed of ministers from the ANC, the Inkatha Freedom Party and the National Party—was announced on 11 May 1994 at the Union Buildings in Pretoria.

• The nine new provincial governments held their inaugural meetings in May 1994.

• In May 1994 the Freedom Front exercised its right in terms of the constitution to elect a 20-member

Volkstaat Council. Its aim was to enable proponents of a volkstaat to pursue the establishment of such a volkstaat constitutionally.

• The Constitution of the Republic of South Africa Second Amendment Act, gazetted on 26 April 1994, provided for the institution, role, authority and status of traditional monarchs to be included in provincial constitutions, where appropriate. It specifically provided for the institution of the Zulu monarchy in the KwaZulu/Natal constitution.

• At the end of July 1994 the minister of justice, Mr Dull'ah Omar, detailed proposals for an eight-to-ten member truth and reconciliation commission.

• In August 1994 an intergovernmental forum was established at a meeting between the minister for provincial affairs and constitutional development, Mr Roelf Meyer, the minister for public service and administration, Dr Zola Skweyiya, and the nine provincial premiers, in an attempt to solve the problem of the devolution of powers to the provinces.

• The Local Government Transition Act Amendment Act, passed in November 1994, provided for the president to amend the Local Government Transition Act of 1993 by proclamation. The amending act stipulated, however, that the parliamentary select committees responsible for local government had to approve such a proclamation or it would cease to be valid. In addition, the amendment act provided for provincial governments to grant an extension of the time in which a local government negotiating forum had to submit an agreement on a new local government structure to the premier of the province Concerned.

CONSTITUTIONAL NEGOTIATIONS

Negotiations Outside the Constitutional Assembly

On 25 May 1994 the leader of the Conservative Party (CP), Dr Ferdi Hartzenberg, held talks with the new president, Mr Nelson Mandela, on the issue of self-determination for the Afrikaner 'volk'. Dr Hartzenberg said that he had gained the impression that Mr Mandela was sympathetic to the demands of the CP. He added that, while they had not discussed the structure and establishment of a volkstaat, negotiations for the Afrikaners' demand for self-determination had been initiated. Dr Hartzenberg said that the CP would negotiate with the government on behalf of those people not represented in Parliament, while the Volkstaat Council (a body set up in terms of the transitional constitution) would negotiate on behalf of those people represented in Parliament.[1] [1 *Beeld* 27 May 1994] A number of right-wing organisations criticised Dr Hartzenberg for holding talks with Mr Mandela. The Boerestaat Party and the Herstigte Nasionale Party said that Dr Hartzenberg had not spoken on behalf of Afrikaners when he met Mr Mandela.[2] [2 *The Citizen* 26 May 1994] In June 1994 Dr Hartzenberg told a meeting at Donkerhoek (Pretoria) that his party's aim was to reach a settlement with the government on an Afrikaner volkstaat by 1996 before the implementation of the final constitution.[3] [3 *Business* Day 1 June 1994]

Addressing a gathering organised by the National Peace Secretariat in Johannesburg in June 1994, Mr Mandela said that the government would pursue negotiations with representatives of the right wing which were not represented in Parliament in spite of criticism from some sectors of the African National Congress (ANC). The government had found a new determination among right-wing groups to resolve problems through peaceful means. Mr Mandela said that he hoped to meet with the leader of the Afrikaner Weerstandsbeweging, Mr Eugene TerreBlanche.[4] [4 *The Citizen* 8 August 1994] However, Mr TerreBlanche said later that he would only meet with Mr Mandela if the government granted all right-wing political prisoners, including those who were awaiting trail in connection with a number of pre-election bomb blasts, amnesty (see also chapter on *Political Developments*).[5] [5 Ibid 26 May 1994]

In August 1994 the president of the Inkatha Freedom Party (IFP), Chief Mangosuthu Buthelezi, said that he had written letters to Mr Mandela and the executive deputy president from the largest minority party, Mr F W de Klerk, to ask why international mediation on outstanding constitutional safeguards for the Zulu kingdom and on provincial powers had not taken place in terms of an agreement signed between the three leaders on 19 April 1994. The agreement—which resulted in the IFP entering the election just seven days before voting began—committed the government to mediation immediately after the election. Chief Buthelezi said that his correspondence on the matter had, however, gone unanswered.[6] [6 *Business Day 4* August 1994]

A spokesman for the president, Mr Joel Netshitenzhe, said that no such correspondence had been received by Mr Mandela's office. He added, however, that the role of the Zulu king would be dealt with 'in the context of constitution making'. A spokesman for Mr de Klerk, Mr Richard Carter, said that the executive deputy president was considering the matter.[7] [7 Ibid 9 August 1994]

In November 1994 the chairman of the Constitutional Assembly (CA), Mr Cyril Ramaphosa, announced that the CA had taken legal opinion on the matter and was advised that it was not legally bound by the agreement concluded between the ANC, the IFP and the NP.[8] [8 Ibid 29 November 1994]

However, in December 1994, Mr Mandela told the KwaZulu/Natal regional congress of the ANC that the ANC would not breach its agreement with the IFP on international mediation. He said that the ANC would arrange a meeting with Chief Buthelezi to discuss the mediation.[9] [9 Ibid 5 December 1994] Earlier Chief Buthelezi had warned that the government of national unity would not last 'for even 12 months' if the ANC reneged on its promise of international mediation. He said that Zulus wanted their monarchy entrenched in the transitional constitution.[10] [10 *The Star* 28 November 1994] The meeting had not yet taken place at the time of writing.

Negotiations in the Constitutional Assembly

The Issues

Speaking in Parliament in August 1994, the new minister for provincial affairs and constitutional development, Mr Roelf Meyer, said that the Constitutional Assembly (CA) would have to pay special attention to the enforcement of provisions in the chapter on fundamental human rights such as the right to life, freedom of expression, access to information, administrative justice, property rights and customary law. Other issues that would have to be addressed included the composition and structure of the government of national unity after five years, provisions for the provincial system of government and the system of proportional representation. Mr Meyer added that the accountability of parliamentary representatives to voters in a specific area was already under discussion.[11] [11 *The Citizen* 5 August1994]

The new deputy minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, told the CA in August 1994 that the electoral system should be revised to make provision for a constituency-based system. The CA would have to address the role of Parliament, including the separation of power between the legislature and the executive, as well as the size of the government. Mr Moosa said that the CA would have to define a role for the provincial legislatures in contributing to the drafting of the final constitution. (The transitional constitution does not provide a role for provincial and local authorities to participate in the drafting of the final constitution.)[12] [12 Ibid 16 August 1994]

Addressing National Party (NP) senators in September 1994, the executive deputy president from the largest minority party, Mr F W de Klerk, said that the CA would have to look at the desirability of electing senators directly instead of indirectly. The CA should also look into the election of senators for a longer term than members of Parliament (MPs) as was the case in the United States, Mr de Klerk said.[13] [13 *Die Burger* 3 September 1994]

In the same month the spokesman on constitutional affairs for the Democratic Party (DP), Mr Colin Eglin, submitted a draft private member's bill' providing for the repeal of section 43(b) of the transitional constitution which stipulated that MPs would lose their seats in the legislature if they ceased to be members of the political parties which had nominated them to that legislature. Mr Eglin argued that this provision impinged on the fundamental right to freedom of association and limited the concept of parliamentary responsibility and 'transparency'.[14] [14 *Beeld* 24 September 1994]

Structure

At the inaugural meeting of the CA in May 1994—consisting of the Senate and the National Assembly sitting together—the secretary general of the African National Congress (ANC), Mr Cyril Ramaphosa MP, was elected chairman of the assembly and Mr Leon Wessels MP (NP) as his deputy.[15] [15 *The Citizen* 25 May 1994] In his acceptance speech Mr Ramaphosa said that 'civil society' had to be involved in the drafting of the final constitution. This included business, the churches, student organisations, trade unions and women's organisations. He added that he was confident he could find a balance between being the secretary general of the ANC and a neutral chairman of the CA.[16] [16 Ibid]

Mr Ramaphosa indicated that some of the work of the CA could be done by committees. The drafting of

a new constitution would be carried out democratically and would be guided by the principles enshrined in the transitional constitution.[17] [17 Ibid 16 August 1994]

Steering Committee

In July 1994 Mr Ramaphosa selected, in consultation with the all-party rules committee of Parliament, a 14-member steering committee consisting of six members of the ANC, three members of the NP, and one member each of the African Christian Democratic Party (ACDP), the DP, the Inkatha Freedom Party (IFP), the Freedom Front (FF) and the Pan-Africanist Congress (PAC) to oversee the process of constitution making.[18] [18 *Business Day* 6 July 1994] The steering committee agreed that a quorum for an ordinary meeting of tbe CA should be one third of its 490 members (ie 163 members).[19] [19 *The Citizen* 24 June 1994]

In June 1994 the steering committee resolved to ask for nominations from political parties and the public for a statutory panel of five constitutional experts to advise the CA on matters pertaining to its functions.[20] [20 Ibid] The panel would be selected by at least a two-thirds majority of the CA. Section 73 (3) of the transitional constitution stipulates that where a draft of the final constitution fails to obtain the support of two thirds of the CA the chairman of the CA must refer such a draft to the panel for its advice on amendments to the constitution which might secure the required support.

Setting out some of the criteria for the selection of these experts, Mr Wessels said that although the panel should be fully representative of the population the individual's expertise and integrity were important because the panel's opinion would be decisive if a stalemate developed in the CA.[21] [21 Ibid 16 August 1994]

The Constitution of the Republic of South Africa Sixth Amendment Act, which was passed by the CA in November 1994, increased the number of constitutional experts needed for the panel from five to seven (see *Changes to the Constitution* below).[22] [22 Ibid 15 November 1994] On the same day the CA appointed the panel of seven constitutional experts. They were Professor Gerhard Erasmus, Mr Zac Jacoob, Professor Johan Kruger, Professor Christina Murray, Mrs Masechaba Sedibe-Mcholo, Mr Ishmael Semenya and Professor Johann van der Westhuizen.[23] [23 *Business Day* 11 November 1994] Mr Moosa said that the panel's most important task would be mediation.[24] [24 *The Citizen* 15 November 1994]

At its plenary session in August 1994 the CA decided to broaden participation in drafting the final constitution beyond the parties represented in Parliament. Parties were also unanimous in their support for a 'transparent' constitution-making process.[25] [25 *The Star* 16 August 1994]

The CA also decided to establish six theme committees—assisted by technical experts—which would conduct countrywide public hearings on a number of issues relevant to the final constitution. The committees would report to the constitutional committee (see *Constitutional committee* below). A

management committee would facilitate proceedings in the constitutional committee (see *Management committee* below). The CA would refer matters to the constitutional committee for detailed negotiation and the constitutional committee would report to the CA.

Constitutional Committee

In August 1994 the CA accepted a decision of its steering committee that a 46-member constitutional committee be established to co-ordinate 'under the control and guidance of the CA', the drafting of the new constitution and the work of all committees and to periodically submit reports and recommendations to the CA.26 Political parties would be represented on a proportional basis. The ANC was allocated 26 [26 *Business Day* 16 August 1994] representatives, the NP nine, the IFP four, the FF two, and the DP, the PAC, and the ACDP one each.27 [27 *The Star* 17 August 1994] The other two members would be the chairman and deputy chairman of the CA. A management committee (see *Management committee* below) would facilitate proceedings in the constitutional committee.

At its first meeting in August 1994 the committee decided that one of its first tasks would be to debate whether the transitional constitution would be amended or rewritten completely. Mr Moosa reminded the committee that the CA was bound by the constitutional principles contained in the transitional constitution.28 [28 Ibid 23 August 1994]

Management Committee

Also in August 1994, the constitutional committee decided on the appointment of a 12-member management committee from among its members to facilitate matters in the constitutional committee. The management committee replaced the steering committee.29 [29 *The Argus* 16 August 1994]

Theme Committees

The CA decided that six theme committees would be formed to investigate a number of constitutional issues and to allow the public to participate in the process of constitution making. Those committees would investigate the following: the character of state, the structure of government, the relationship between levels of government, fundamental rights, the judiciary and legal systems, and specialised structures of government.

The character of state committee was mandated to investigate, among other things:

• the preamble to the constitution;

• the establishment of a single sovereign state;

• representative government including regular elections;

• the supremacy of the constitution;

• matters dealing with freedom of information and accountable administration;

• the name and description of the state and its symbols; and

• citizenship and the franchise.

The structure of government committee was mandated to examine the following issues:

• the separation of powers among the executive, the legislature and the judiciary;

• ways of ensuring adherence to formal legislative procedures by legislative organs;

• the participation of minority parties in the legislative process;

• amendments to the constitution requiring special procedures and special majorities;

• democratic representation at all levels of government without derogating from the role of traditional leaders even though they are not normally elected;

• the composition and structure of the National Assembly, the Senate and Parliament in general;

• the electoral system;

• matters dealing with the status and role of traditional leadership; and

• the executive.

The relationship between levels of government committee was mandated to look at the following:

• the details and nature of the relationship between the various levels of government;

• the establishment of provincial government;

• the legislative competencies of provinces and concurrent powers with the national government; and

• the establishment, status and powers of local government.

The fundamental rights committee was mandated to investigate the following:

• the provision of constitutionally entrenched fundamental rights for all;

• the protection and enforcement of fundamental rights;

• the prohibition of racial, gender and other discrimination and the promotion of equality and national unity;

• the recognition of the diversity of language and culture;

• the right to collective bargaining and the right to form trade unions;

• the right of communities to self-determination based on cultural and language heritage;

• the nature and enforceability of frost, second and third generation rights; and

• the relationship of various charters of rights—such as the various United Nations charters—to the chapter in the transitional constitution on fundamental rights.

The judiciary and legal systems committee was mandated to examine the following:

• the judiciary and the legal system as well as the legal enforcement of the constitution;

• the institution, status and role of traditional leadership and indigenous law; and

• judicial functions, the appointment of judges, and the Judicial Service Commission.

The specialised structures of government committee was mandated to look at the following issues:

• the impartiality and independence of the Public Service Commission, the South African Reserve Bank and the public protector;

• the structure and role of the auditor general, the South African Reserve Bank and the Financial and Fiscal Commission;

• the establishment, powers and functions of the Public Service Commission and the public service;

• the powers and functions of the public protector, the Human Rights Commission, the Commission on Gender Equality, and the Commission on the Restitution of Land Rights; and

• the possible establishment of an elections commission for South Africa.[30] [30 *Sacob Constitutional Update* 7 September 1994]

The six theme committees met for the first time in September 1994. Each committee elected a seven-member multiparty core group and three chairpersons—drawn from each committee's core group—to serve on a rotating basis.[31] [31 *The Citizen* 20 September 1994]

The ANC was allocated two places on each core group, while the NP, IFP, FF, DP and PAC were each allocated one place. The CA resolved to change its rules so as to allow the ACDP membership of some of the core groups (which would then have eight members).

In September 1994 the CA also decided to introduce a half hour of 'open time' in its plenary sessions to allow members to make brief informal contributions on any constitutional matter which they felt had not been addressed adequately.[32] [32 Ibid 13 September 1994]

CONSTITUTIONAL COURT

Composition and Appointment

The transitional constitution stipulated that the Constitutional Court should consist of 11 judges, including the president of the court who was to be appointed by the president in consultation with the cabinet and after consultation with the Judicial Service Commission (JSC). Four of the judges would be appointed from among the judges of the Supreme Court by the president in consultation with the cabinet and the chief justice. The other six judges would be appointed by the president in consultation with the cabinet and the chief justice from a list of ten nominees supplied by the JSC. The commission would make its selection from nominations submitted by the public.[33] [33 *Constitution of the Republic of South Africa Act of 1993*]

Replying to a proposal by Dr Ruth Rabinowitz (Senator, Inkatha Freedom Party), that the JSC should hold public hearings prior to nominating judges for the Constitutional Court, the new minister of justice, Mr Dullah Omar, said in June 1994 that the government supported the principle of open decision making. He added, however, that the nomination of judges should not be dealt with in such a way as to undermine the independence of the judiciary itself. The constitution, he pointed out, provided that the commission should work out its own procedure for the nomination of judges.[34] [34 Hansard (S) 2, col 305, 30 June 1994] A senator of the African National Congress, Mr Mohsen Moosa, said that his party fully supported such public hearings, while Mr James Selfe of the Democratic Party said that his party

supported the principle but warned that such public hearings should not become an excuse for 'an untrammelled invasion of the individual's privacy'. Mr Stan Fisher (Senator, National Party) said that his party chose to leave the matter to the commission which would itself adopt a position on the issue. Mr Rosier de Ville (Senator, Freedom Front) said public hearings often resulted in 'utter chaos as was the case with the selection of the South African Broadcasting Corporation board'. His party was against such a procedure.[35] [35 *The Citizen* 1 July 1994] The commission subsequently held its hearings in public (see *Judicial Service Commission* below).

In June 1994 Mr Omar announced the appointment of Professor Arthur Chaskalson, an advocate and professor of law at the University of the Witwatersrand, as president of the Constitutional Court.[36] [36 Ibid 8 June 1994]

Also in June, the president, Mr Nelson Mandela, announced the appointment of four judges to the Constitutional Court. These were Mr Justice Richard Goldstone of the Appellate Division of the Supreme Court, Mr Justice Laurie Ackerman of the Cape of Good Hope Provincial Division of the Supreme Court, Mr Justice Ismail Mohamed of the Transvaal Provincial Division of the Supreme Court and Mr Justice Tholakele Madala of the Transkei Supreme Court.[37] [37 Ibid]

In July 1994 the commission stipulated that the nominees for seats on the Constitutional Court had to be South African citizens and had to be 'fit and proper to be judges of the Constitutional Court'. Candidates had to be either judges of the Supreme Court, advocates or attorneys in legal practice for at least ten years or lecturers in law at a university. A person who by reason of training and experience had expertise in constitutional law and South African law would also qualify as a candidate, the commission said.[38] [38 *The Star* 28July1994]

After receiving the names of 100 candidates the JSC selected a short list of 25 to be interviewed for the final list of ten candidates to be submitted to the president.[39] [39 *The Citizen* 4 October 1994] The JSC issued guidelines for the questioning of the candidates. Among the criteria that would determine nominees' eligibility for the court were political independence, open-mindedness, empathy, fairness, vigorous internal debate and moral courage. The commission said that questions put to the candidates would have to be relevant to the above selection criteria. Allegations affecting a candidate's dignity or reputation, or which intruded upon his or her privacy had to be referred to the chairperson of the commission who would then report the nature of the allegation to the commission behind closed doors .[40] [40 *Business Day* 29 September 1994]

On 10 October 1994 the JSC announced the names of its final list of ten candidates for the Constitutional Court.[41] [41 *The Citizen* 10 October 1994] In terms of sections 99(4) and 99(5) of the transitional constitution, the president appointed the following candidates to the Constitutional Court: Mr Justice John Didcott, Mr Justice Johan Kriegler, Mr Pills Langa, Professor Yvonne Mokgoro, Professor Catherine O'Reagan and Professor Albie Sachs.[42] [42 *Business Day* 13 October 1994]

Rules

In September 1994 a provisional set of rules for the operation of the Constitutional Court was published in the *Government Gazette* in terms of which the court was empowered to begin deciding on how cases that had been referred to it by the Appellate Division of the Supreme Court and provincial and local branches of the Supreme Court would be handled.[43] [[43] *Beeld* 19 September 1994]

The regulations would enable the court to study the reasons for cases being referred to the Constitutional Court and to decide on whether such cases should be dealt with by the court.[44] [[44] Ibid]

CHANGES TO THE CONSTITUTION

Constitution of the Republic of South Africa Amendment Act

The Constitution of the Republic of *South* Africa Amendment Act, which was gazetted in March 1994, amended the transitional constitution to provide for the extension of the legislative competencies of the provinces and for the name of the province of Natal to be changed to KwaZulu/Natal. It also provided for the provinces to adopt constitutions in which legislative and executive structures and procedures could differ from those provided for in the national constitution.[45] [[45] Constitution of the Republic of South Africa Amendment Act of 1994, *Government Gazette* no 1550, 3 March 1994]

The amendment repealed references to concurrent jurisdiction between provinces and Parliament and instead outlined the conditions under which an act of Parliament would prevail over a provincial law. Provinces were also made eligible to receive a share of personal income tax, value added tax and fuel taxes collected nationally, rather than provincially only.

It also provided for the establishment of a Volkstaat Council to enable proponents of the idea of a volkstaat to peruse the establishment of such an entity constitutionally.

Whereas the principal act had originally provided for one ballot paper to be used for the election of members of both the National Assembly and the provincial legislatures, the amendment provided for separate ballot papers for the two levels of government. Furthermore, a new constitutional principle was added stating that the powers and functions of the provinces would not be ‘substantially less or substantially inferior’ to those already provided for in the transitional constitution itself and that the boundaries of the provinces would be ‘substantially’ the same as those established in terms of the transitional constitution.

The amendment, furthermore, included an additional constitutional principle that the right of the South African people as a whole to self-determination would not preclude the notion of the right to self-determination by any community sharing a common cultural and language heritage, whether in a territorial entity within South Africa or in ‘any other recognised way’. The constitution allowed for any

form of self-determination provided that there was 'substantial' proven support within the community concerned for such a form of self-determination.[46] [46 Ibid]

Constitution of the Republic of South Africa Second Amendment Act

The Constitution of the Republic of South Africa Second Amendment Act, gazetted in April 1994, made provision where appropriate for a traditional monarch in provincial constitutions. However, the act also specifically provided for the institution of the Zulu monarchy in the KwaZulu/Natal constitution.

In addition, the act amended the constitutional principles contained in the transitional constitution so that provisions in a provincial constitution relating to the institution, role, authority and status of a traditional monarch would be recognised and protected in the national constitution.

Constitution of the Republic of South Africa Third Amendment Act

The Constitution of the Republic of South Africa Third Amendment Act was passed by a joint sitting of the National Assembly and the Senate in July 1994, It provided for the removal of the appellate divisions of the former homelands and for the chief justices of such courts to be deemed to be judge presidents of the Supreme Court of which that appellate division had previously formed a part. This arrangement would last until the existing court structure was rationalised in accordance with the provisions of the transitional constitution. Furthermore, the act widened the jurisdiction of the provincial and local divisions of the Supreme Court so that they could deal with matters concerning, among other things, the constitutionality of any executive or administrative act or threatened act of any organ of state. The act also gave them jurisdiction to hear matters relating to the violation or alleged violation of the fundamental rights enshrined in Chapter 3 of the constitution. The act granted existing judicial structures the same powers as those of equivalent structures in the transitional constitution, until the existing court structures had been rationalised in terms of Chapter 7 of the constitution. Thus, the existing Supreme Court would be able to exercise those powers assigned to the new Supreme Court envisaged in the transitional constitution.

The amendment also made it possible to extend the period within which the appointments of certain functionaries, such as the public protector, and members of the Human Rights Commission and the Financial and Fiscal Commission could be made from within 60 days of the first sitting of the Senate to 120 days.[47] [47 Constitution of the Republic of South Africa Third Amendment Act of 1994, *Government Gazette* no 1878, 22 July 1994]

Constitution of the Republic of South Africa Fourth Amendment Act

The Constitution of the Republic of South Africa Fourth Amendment Act amended the constitution so as to provide for the appointment of not more than one person who was not a member of Parliament (MP) as a minister in the cabinet. According to the act, the president, acting in consultation with the executive

deputy presidents, and the leaders of all parties participating in Parliament would first have to agree on the necessity for such a minister. Such a minister would become a member of the cabinet and would have to abide by its decisions.

The joint parliamentary committee on constitutional affairs approved the bill in September 1994 with the Pan-Africanist Congress opposing it and the Democratic Party reserving its position on the matter.[48] [48 *The Citizen* 14 September 1994] The bill was passed in a joint sitting of the Senate and the National Assembly a few days later.[49] [49 Constitution of the Republic of South Africa Fourth Amendment Act of 1994, *Government Gazette* no 15986, 19 September 1994] The amendment was introduced especially so that Mr Chris Liebenberg, who was not an MP, could be appointed minister of finance.

Constitution of the Republic of South Africa Fifth Amendment Act

The Constitution of the Republic of South Africa Fifth Amendment Act, passed in November 1994, provided for the appointment of acting judges of the Constitutional Court. These judges were to be appointed by the president on the advice of the minister of justice acting in consultation with the president of the Constitutional Court and the chief justice of the Supreme Court. Such appointments would be limited to a period of six months. The amendment was introduced in order to accommodate the absence of one of the judges appointed to the court, Mr Justice Richard Goldstone, who was unable to take his seat in the court until he had completed an assignment as chief prosecutor in the Yugoslavian war crimes tribunal.[50] [50 *Business Day* 5 December 1994]

The act also provided for the president, acting in consultation with the cabinet, the chief justice of the Supreme Court and the president of the Constitutional Court, to appoint, for a period not exceeding six months, an acting president of the Constitutional Court from among its judges.[51] [51 *Constitution of the Republic of South Africa Fifth Amendment Bill*, B42B–94]

The act also extended indefinitely the period within which the public protector and the members of the Human Rights Commission had to be appointed by stipulating that they should be appointed ‘as soon as possible’ after the first sitting of the Senate. Previously these appointments had to be made within 120 days of the first sitting of the Senate.

An enabling clause aimed at facilitating the rationalisation of the existing police force was also included in the amendment. In terms of the transitional constitution, the South African Police Service (SAPS) must be established by an act of Parliament, which would provide for, among other things, the appointment of police commissioners. However, the amendment made it possible for the national commissioner, the provincial commissioners and the board of commissioners of the SAPS to be appointed before the enactment of the abovementioned act. The act made provision for the president to issue proclamations relating to the rationalisation of the police force.[52] [52 Ibid]

Constitution of the Republic of South Africa Sixth Amendment Act

The Constitution of the Republic of South Africa Sixth Amendment Act, passed by the Constitutional Assembly (CA) in November *1994*, amended the transitional constitution so as to provide for the CA to appoint an independent panel of seven constitutional experts instead of five to advise it on matters pertaining to its functions (see *Negotiations in the Constitutional Assembly* above).[53] [53 *Constitution of the Republic of South Africa Sixth Amendment Bill*, B59-94]

South African Passports and Travel Documents Act

In terms of the South African Passports and Travel Documents Act every South African citizen was given the right to a South African passport. However, the minister of home affairs was empowered to make regulations regarding, among other things, endorsements on such passports and the circumstances under which a South African passport or travel document could be refused or withdrawn.[54] [54 South African Passports and Travel Documents Act of 1994,*Government Gazette* no 15845, 13 July 1994]

The penalty for contravention of the act was a fine (undefined) or up to five years' imprisonment.[55] [55 Ibid]

CENTRAL GOVERNMENT

Parliament

State of the Parties

National Assembly

South Africa's first all-race election took place on 27 and 28 April 1994. Special votes were cast on 26 April.[56] [56 *The Citizen* 3 February 1994] The following parties won seats in the National Assembly:[57] [57 *Government Gazette* no 15753, 14 May 1994]

Seat allocation in the National Assembly by party: 1994

Party

Votes

Proportion

Seats

African National Congress

12 237 655

62,6%

252

National Party

3 983 690

20,4%

82

Inkatha Freedom Party

2 058 294

10,5%

43

Freedom Front

424 555

2,2%

9

Democratic Party

338 426

1,7%

7

Pan-Africanist Congress

243 478

1,2%

5

African Christian Democratic Party

88 104

0,5%

2

Other

159 296

0,9%

0

Total

19 533 498

100%

400

About 1% (193 122) of the total number of votes cast (19 726 620) were spoilt.[58] [58 Independent Electoral Commission, *Republic of South Africa 1994 General Election,* 26 May 1994]

On 9 May 1994 the 400 newly elected members of the National Assembly were sworn in by the chief justice, Mr Justice Michael Corbett. Dr Frene Ginwala MP African National Congress (ANC) was elected unopposed as speaker of Parliament—the first woman to hold this post. Dr Bhadra Ranchod MP National Party (NP) was elected deputy s

Senate

The Senate consisted of 90 members—ten from each of the nine provinces—appointed in proportion to the number of votes that each party received in each of the provinces. At the Senate's first sitting on 20 May 1994 the former minister of justice, Mr Kobie Coetsee (NP), was unanimously elected its president, while Mr Govan Mbeki (ANC) was elected his deputy.[60] [60 *Beeld* 21 May 1994]

The table below shows the number of seats held by the parties in the Senate, by province:

Seat allocations in the Senate by province: 1994

Number of seats

Province

ANC[a]

NP[b]

IFP[c]

FF[d]

DP[e]

Total

Eastern Cape

9

1

0

0

0

10

Eastern Transvaal

8

1

0

1

0

10

KwaZulu/Natal

3

1

5

0

1

10

North-West

8

1

0

1

0

10

Northern Cape

5

4

0

1

0

10

Northern Transvaal

10

0

0

0

0

10

Orange Free State

8

1

0

1

0

10

PWV[f]

6

2

0

1

1

10

Western Cape

3

6

0

0

1

10

Total

60

17

5

5

3

90

a

African National Congress.

b

National Party.

c

Inkatha Freedom Party.

d

Freedom Front.

e

Democratic Party.

f

Pretoria-Witwatersra

The Executive

Transitional Executive Council

In terms of the Transitional Executive Council Act of 1993 (see 1993/94 Survey, pp504-510) the main objectives of the Transitional Executive Council (TEC) were to facilitate and promote, in conjunction with all legislative and executive structures, the preparation for and transition to a democratic order in South Africa.

The TEC comprised 19 members and had seven sub-councils, with between six and eight members each, who had been nominated by parties represented on the TEC. The management committee of the TEC comprised Dr Dawie de Villiers, (National Party (NP)); Mr Colin Eglin, (Democratic Party); Mr Pravin

Gordhan (Natal/Transvaal Indian Congress); Mr Roelf Meyer (government); Mr E Ngobeni (Ximoko Progressive Party); Mr Cyril Ramaphosa, (African National Congress (ANC)); Mr Joe Slovo (South African Communist Party) and Mr Zamindlela Titus (Transkei administration).[61] [61 *RSA Review* May 1994]

On 19 April 1994 the Pan-Africanist Congress (PAC) was granted observer status on the TEC.[62] [62 *Business Day* 2O April 1994]

The TEC came into operation in December 1993 and oversaw the transition period until the installation of the new government in May 1994. It was also responsible for the deployment of the National Peacekeeping Force (NPKF) in violence-torn areas in the run-up to the election. In January 1994 the TEC appointed a 12-member command council for the NPKF and the former military ruler of Venda, Brigadier Gabriel Ramushwana, as commander of the NPKF (see also chapters on *Security* and *Political Developments*).[63] [63 *RSA Review* May1994]

One of the issues that the TEC focused on extensively was political violence. In February 1994 the council discussed a report issued by the chairman of the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation (the Goldstone commission), Mr Justice Richard Goldstone, regarding public violence and intimidation by alleged KwaZulu hit squads. Another issue that was discussed was the escalating violence in northern Natal and the east Rand. These deliberations resulted in the passing of a resolution to send a delegation of three members to the South African Police to discuss the possibility of withdrawing the internal stability unit from townships on the east Rand and in the Bhambayi area of northern Natal. The TEC also decided that the commissioner of police in KwaZulu, Lieutenant General Roy During, should submit a full report on the alleged hit squads cited in the report of the Goldstone commission (see also chapter on *Security*).

In March 1994 the TEC agreed to the implementation of section 7 of the Abolition ‘of Restrictions on Free Political Activity Act of 1993, which provided for the repeal of section 27 of the Internal Security Act of 1982.[64] [64 *The Star* 9 March 1994]

In the same month the TEC took over the administration of the former homeland of Bophuthatswana after the TEC management committee decided to replace the president of Bophuthatswana, Chief Lucas Mangope. Professor Tjaart van der Walt was appointed interim administrator of the homeland. Chief Mangope had earlier refused persistently to allow elections to take place in Bophuthatswana. This had resulted in riots and looting on the day that the TEC decided to replace him as ruler of the homeland (see also chapters on *Security* and *Political Developments*).[65] [65 *Business Day* 14 March 1994]

The leader of the military council of the Ciskei, Brigadier Joshua (Oupa) Gqozo, resigned as head of the homeland in March 1994. The TEC appointed two administrators to govern the Ciskei until after the general election in April.[66] [66 Ibid 23 March 1994]

Government of National Unity

On 10 May 1994 the president of the ANC, Mr Nelson Mandela, was sworn in by the chief justice, Mr Justice Michael Corbett, as South Africa's first democratically elected president.[67] [67 *RSA Review* May 1994] In his inauguration speech Mr Mandela made a plea for reconciliation saying that 'the time for the healing of the wounds has come. The moment to bridge the chasms that divide us has come. The time to build is upon us'.[68] [68 *The Citizen* 11 May 1994]

The cabinet of the government of national unity (GNU) was announced on 11 May 1994 at the Union Buildings in Pretoria.[69] [69 *RSA Review* May 1994] In accordance with the stipulations of the transitional constitution, 18 portfolios were allocated to the ANC, six to the NP and three to the Inkatha Freedom Party. (The constitution stipulated that all parties holding at least 20 seats in the National Assembly would be entitled to one or more cabinet portfolios in proportion to the number of seats they held in the National Assembly relative to the number of seats held by other parties.)

In September 1994 a former banker, Mr Chris Liebenberg, was sworn in as minister of finance, replacing Mr Derek Keys who had resigned in July as minister in the GNU. Because Mr Liebenberg was not a member of Parliament the transitional constitution had to be amended for him to become a cabinet minister (see *Changes to the Constitution* above).

Also, as Mr Liebenberg was not a member of any of the parties represented in Parliament, an additional cabinet portfolio, minister for general services, was created and allocated to the NP because it was under-represented in the cabinet as a result of Mr Keys's resignation. Subsequently, in December *1994*, Mr Chris Fismer (NP) was appointed minister for general services.[70] [70 *Beeld* 15 December 1994]

In September *1994* Mr Mandela made a public appeal to the PAC and the Azanian People's Organisation (Azapo) to join the GNU. He revealed that he had already offered to seek an amendment to the constitution which would permit parties which had attained less than 5% of the vote in the election to hold cabinet positions.[71] [71 *The Star* 12 September 1994] Following Mr Mandela's proposal, Azapo committed itself to establishing a task group to work on the matter.[72] [72 *Sowetan* 12 September 1994]

Replying to Mr Mandela's invitation, the president of the PAC, Mr Clarence Makwetu, said that during the negotiation process the PAC had been opposed to a 'forced' coalition government and remained opposed to this. He said that his organisation was opposed to 'tinkering' with the constitution in order to accommodate the PAC in this 'forced' coalition.[73] [73 *Beeld* 14 September 1994]

Following its national congress held in Johannesburg in October 1994, the newly elected president of Azapo, Mr Mosibudi Mangena, said that his organisation believed that the GNU would fail to provide 'a solution to the people's problems'. Azapo, therefore, would not become part of the GNU, he said.[74] [74 *Sowetan* 13 October 1994]

Statutory Advisory Bodies Created by the Constitution

Financial and Fiscal Commission

The Financial and Fiscal Commission's main task was to advise the relevant legislatures on the fiscal requirements of the national, provincial and local authorities. The transitional constitution empowered the commission to make recommendations to these legislatures on, among other things, financial and fiscal policies, the intended levying of taxes, levies, and surcharges by a provincial government, the raising of loans by a provincial or local government, and criteria for the allocation of financial and fiscal resources (see also 1993/94 Survey, pp557-558).

The commission comprised 18 members, nine of which were nominated by the provinces and the remaining appointed by the president, Mr Nelson Mandela. In August 1994 Mr Mandela appointed Mr Murphy Morobe to serve as chairman of the commission.[75] [75 *This Week In Parliament,* Sacob/PIC , 30 August 1994] The commission held its first meeting in September 1994.[76] [76 *The Star* 23 September 1994]

Commission on Provincial Government

The task of the Commission on Provincial Government was to facilitate the establishment of a system of provincial government. In carrying out its task the commission could advise the Constitutional Assembly, the national government and provincial governments on the establishment of provincial systems of government and the consolidation of administrative structures in a province.[77] [77 *Constitution of the Republic of South Africa Act of 1993*]

In June 1994 Mr Mandela appointed the head of the African National Congress's department of local government, Mr Thozamile Botha MP, head of the Commission on Provincial Government. Mr Botha resigned his parliamentary seat when he took up this position.[78] [78 *The Star* 9 June 1994]

Judicial Service Commission

In terms of section 99(5)(c) of the transitional constitution the Judicial Service Commission (JSC) was mandated to supply a list of ten candidates for the Constitutional Court to the president. The president, in consultation with the cabinet and the president of the court, would appoint six of these ten candidates as judges of the Constitutional Court.[79] [79 *Constitution of the Republic of South Africa Act of 1993*]

The minister of justice, Mr Dullah Omar, named 13 of the 17 commissioners who would serve on the JSC in June 1994. Mr Omar was unable to name the other four commissioners at that time because of a dispute between rival organisations of the legal profession over the naming of two advocates and two attorneys. Both organisations felt that their choice of candidates should take precedence over the other's. The dispute was later settled when the two organisations reached agreement on the names of the

candidates.[80] [80 *The Citizen* 30 June 1994] The remaining members of the JSC were announced in July 1994.[81] [81 *The Citizen* 30 June 1994]

The commission was chaired by the chief justice, Mr Justice Michael Corbett, and included, among others, the president of the Constitutional Court, Professor Arthur Chaskalson and Mr Omar.[82] [82 Ibid]

The commission held its first meeting in Bloemfontein (Orange Free State) in July 1994.[83] [83 *The Star* 5 July 1994] Judge Corbett subsequently announced that the commission would interview prospective candidates to the Constitutional Court in public before selecting a final list often candidates. The commission also advertised for nominations in the press and said that it would accept nominations from any organisation or person and not only from organisations representing the legal profession.[84] [84 *Weekly Mail and Guardian* 22 July 1994]

In September 1994 the commission announced that it had received 100 nominations and had shortlisted 25 of these.[85] [85 *The Star* 16 September1994]

Legislation

The Judicial Service Commission Act of 1994 was gazetted in July 1994 and provided for, among other things, the removal of certain categories of members of the commission by the president. It also provided for certain categories of members of the commission to hold office for a five-year renewable term. It provided further for the remuneration and expenses of the commission, vacancies, staff and related matters.[86] [86 *Judicial Service Commission Act of 1994*]

Commission on Gender Equality

Legislation

A preliminary draft bill providing for the establishment of a Commission on Gender Equality in accordance with section 119 and 120 of the transitional constitution was formulated in August 1994. The pre-draft bill provided for a judge of the Supreme Court or of the Constitutional Court to be the chairperson of the commission. According to the draft bill, three senators designated by a resolution adopted by two thirds of the Senate and one representative each from the nine provinces designated by them would sit on the commission. All commissioners were to be appointed by the president.[87] [87 Commission on Gender Equality,Pre-draft bill,1994]

According to the preliminary draft bill, the objectives of the commission were the promotion of gender equality and the submission of recommendations to Parliament or any other legislature regarding any laws or proposed laws affecting gender equality and the status of women,

It was proposed in the preliminary draft bill that the commission be empowered to carry out any investigations and to hear and summons any person, or require a written explanation from any person in respect of matters falling within its ambit. The pre-draft bill also mandated the commission to try 'to resolve any dispute brought before it and falling within its ambit by mediation, reconciliation or negotiation' failing which it could refer the matter to the Human Rights Commission (see *Human Rights Commission* below). A fine (undefined) or a period of imprisonment not exceeding three months could be imposed on anybody convicted of intentionally obstructing the work, of the commission.[88] [88 Commission on Gender Equality,Pre-draft bill,1994]

The preliminary draft bill provided for the meetings of the commission to be open to the public.[89] [89 Ibid] The draft bill was not available at the time of writing and it is possible that the provisions contained in the preliminary draft bill might be substantially different from those contained in the draft bill.

Council of Traditional Leaders

The president of the Council of Traditional Leaders of South Africa (Contralesa), Mr Pathekile Holomisa, said in September 1994 that his council would insist that the 20-member Council of Traditional Leaders, provided for in the transitional constitution, participated fully in the new constitution-making process. He claimed that there was a 'marked reluctance' among participants in the constitutional process to amend the constitution and grant traditional leaders more powers.[90] [90 *Business Day* 7 September 1994]

Mr Holomisa added that Contralesa opposed the fact that the draft legislation provided the national council of traditional leaders with only an advisory role on issues of traditional authorities, indigenous law, community traditions and customs. He said that his organisation wanted full Senate member status. It also wanted the power to initiate legislation on matters falling within the council's ambit.[91] [91 Ibid]

Legislation

The Council of Traditional Leaders Bill was tabled in Parliament in October 1994 and provided for a Council of Traditional Leaders consisting of a chairman plus 19 representatives elected by an electoral college consisting of members of the provincial houses of traditional leaders. The president was empowered to make rules with regard to the constitution of the electoral college. The president—after consultation with the chairman of the council—would determine which members would serve on a full-time basis and which members would serve on a part-time basis.[92] [92 *Council of Traditional Leaders Bill,* B35B-94]

Councillors would hold office for five years and would be eligible for re-election. The bill provided for the electoral college to impeach the chairman or a member of the council by resolution adopted by a two-thirds majority of the members of the electoral college on the grounds of a serious violation of the transitional constitution or any other law of the country, or of misconduct or inability to exercise and

perform his or her duties and functions. The council could be dissolved by a vote of no confidence passed by a two-thirds majority of the electoral college.[93] [93 Ibid]

Although the bill did not specify the powers and functions of the council it referred to the powers allocated to the council in terms of the transitional constitution.[94] [94 Ibid] The Constitution of the Republic of South Africa Act of 1994 provided for the Council of Traditional Leaders to be competent to advise and make proposals to the national government on matters relating to traditional authorities, indigenous law or the traditions and customs of traditional communities. Any parliamentary bill pertaining to traditional authorities, indigenous law or any other matter having a bearing thereon, was to be referred to the council for its comments after such a bill was passed by the house in which it was introduced. Within 30 days of receiving such a bill the council had to indicate its support or opposition to the bill. If the council was opposed to the bill the other house could only pass it 30 days after the receipt of such notification from the council. If the council failed to indicate its support or opposition to a bill within 30 days of receiving the bill then Parliament was empowered to proceed with the bill's passage. The bill was passed in November 1994 but the Council of Traditional Leaders had not been set up at the time of writing.[95] [95 *Business Day* 16 November 1994]

Truth and Reconciliation Commission

Mr Omar first detailed proposals for a truth and reconciliation commission at the end of July 1994. Mr Omar said that its purpose would not be to conduct a witch-hunt or to charge violators but rather to 'enable South Africans to come to terms with their past on a morally acceptable basis and advance the cause of reconciliation'.[96] [96 *The Citizen* 30 July 1994] At the end of September 1994 Mr Omar said that the draft bill had been amended after objections from the South African Police, the South African National Defence Force and other institutions. The amendments provided for applications for amnesty to be heard behind closed doors whereas the previous draft had given the commission the discretion to hold such hearings in public.[97] [97 *Beeld* 30 September 1994]

Legislation

The Promotion of National Unity and Reconciliation Bill was tabled in Parliament in December 1994 and provided for the establishment of an 11-to 15-member truth and reconciliation commission. The bill said that the members of the commission had to be South Africans who were 'impartial and respected and who do not have a high political profile'. The president would designate the chairperson of the commission and appoint the commissioners 'in consultation with the cabinet'. It said that the commission and any of its committees or subcommittees 'should function without political or other bias or interference'.

The objectives of the commission were the following:

• the investigation of 'gross violations of human rights' emanating from the 'conflicts of the past'

committed within or outside South Africa during the period 1 March 1960 to 5 December 1993;

• the establishment and disclosure of the identity, fate or whereabouts of victims of such violations;

• the facilitation of the granting of amnesty to all people who made a full disclosure of acts associated with 'political objectives';

• the recommendation of measures to prevent gross human rights violations in future; and

• an attempt to 'restore the human and civil dignity' of all victims.

According to the bill, the 'gross violation of human rights' included the killing, attempted killing, abduction, severe ill-treatment or torture of any person during the period under examination. Furthermore, the following criteria would be considered in deciding whether an act or omission was one associated with a political objective:

• the motive of the person;

• whether it Was committed in the course of or as part of a political uprising, disturbance or event, or in reaction thereto;

• the gravity of the act or omission;

• whether it was primarily directed at a political opponent or state property or personnel or against private property or individuals; and

• whether it was committed in execution of an order or with the approval of the organisation of which the person concerned was a member. Such organisations could include political parties, liberation movements and members of the security forces.

The commission had the following powers:

• to conduct investigations into any matter it deemed necessary to achieve its objectives;

• to carry out inspections with regard to matters under investigation;

• to subpoena people, including state employees, to give evidence or submit to it any book, document, file or object that may provide proof of 'gross violations of human rights', provided that such people would be entitled to legal representation when they appeared;

• to require witnesses to take the oath or make an affirmation;

• to seize any book, document, file or object which may provide any evidence of 'gross violations of human rights' on the authority of a warrant issued by a judge of the Supreme Court or a magistrate;

• to require the state to produce any book, document, file or object which in the opinion of the commission related to any of its functions; and

• to inquire into any matter with a view to promoting national unity and reconciliation.[98] [[98] *Promotion of National Unity and Reconciliation Bill,* B60-94]

The bill provided further for the commission to establish a committee on human rights violations, a committee on amnesty, and a committee on reparation and rehabilitation. The three committees were given the same powers of investigation, subpoena, seizure and inspection as the commission.

The committee on human rights violations was mandated to identify the victims of 'gross violations of human rights', record allegations or complaints of such violations during the period under review and submit reports, including a final report containing the names, fate or whereabouts of the victims, to the truth and reconciliation commission.

The committee on amnesty was mandated to receive and consider applications for amnesty. The bill directed the committee to grant amnesty where it was satisfied, among other things, that the act or omission to which the application for amnesty related was associated with a political objective and the applicant had made a full disclosure of all the relevant facts. According to the bill, the committee should publish in the *Government Gazette the* names of all people granted amnesty together with 'sufficient information' on the act or omission in question. Upon being granted amnesty the person concerned would no longer be criminally or civilly liable for the act or *omission to* which the *amnesty* related. Criminal proceedings in this respect would be abandoned or the sentence imposed set aside and any associated record of conviction would be expunged from all official documents. However, where a civil judgement had been given prior to the granting of amnesty, such extension of amnesty would have no effect on the operation of the judgement. The granting of such amnesty would, however, have no influence upon the liability of other people associated with the same act or omission.

Where the committee refused to grant amnesty the records of the proceedings, including the application for amnesty and other evidence, would not be admissible in evidence against the applicant in any court or tribunal.

The bill specified that the chairperson of the committee on amnesty had to be a judge or retired judge and all proceedings had to be heard in camera.[99] [[99] Ibid]

The committee on reparation and rehabilitation was mandated, among other things, to receive,

investigate and make recommendations to the commission on all applications for reparation submitted by victims of any 'gross violation of human rights'. It would also make recommendations to the commission on appropriate institutional, administrative and legislative measures to ensure the prevention of 'gross violations of human rights' in the future.

Where the committee believed that a victim had suffered any loss it was entitled to make a recommendation to the commission—having regard for the available resources—that restitution be granted or that the applicant be rehabilitated. Such a recommendation, as affirmed by the commission, would, however, only be carried out if the minister of justice approved it and certified that the necessary funds were available for its implementation.[100] [100 Ibid]

Human Rights Commission

Section 115 of the transitional constitution provided the basis for the establishment of a Human Rights Commission. The constitution outlined the functions of the commission as follows:

• promoting the observance of, respect for and protection of fundamental rights;

• developing an awareness of fundamental rights;

• making recommendations to any organs of state at any level on the adoption of progressive measures for the promotion of fundamental rights;

• undertaking studies relating to fundamental rights; and

• reporting to the relevant legislature any proposed legislation which might be contrary to the chapter in the transitional constitution on fundamental rights or to international human rights law.

The transitional constitution also provided for the commission to investigate any alleged violation of fundamental rights and to assist the complainants and any other person adversely affected, to secure redress. The commission was empowered to arrange for or provide financial assistance to anybody who had been adversely affected by alleged violations of human rights to enable proceedings to be taken to a competent court for the necessary relief.[101] [101 *Cortstitution of the Republic of South Africa Act of 1993*]

Legislation

The Human Rights Commission Act, gazetted in December 1994, provided for members of the commission to hold office fora period determined by the president but not longer than a seven-year renewable term. It also provided for the president to remove commissioners where a specially constituted joint committee of the houses of Parliament (composed of one member from each party represented in Parliament) requested this and such a request was approved by a joint meeting of the

National Assembly and Senate by a majority of at least 75% of the members present and voting. The act also empowered the commission to bring proceedings in a competent court or tribunal in its own name or on behalf of a person or a group of people.

In addition, the commission was given the power to conduct investigations into any matter it deemed necessary to achieve its objectives and to subpoena people to give evidence or submit to it any articles or documents in their possession. It could also require witnesses to take the oath or make an affirmation. The legislation stipulated, however, that such people would be compelled to answer questions or produce articles or documents requested by the commission only if'.

• the commission issued an order to this effect after consulting the relevant attorney general;

• the commission was satisfied that such requests were 'reasonable, necessary and justifiable in an open and democratic society'; and

• the commission judged that the person was likely to refuse to answer a question or produce such articles or documents.

Any person appearing before the commission was entitled to assistance from an advocate or attorney or both.

The commission (or a police officer authorised by the commission) could enter and inspect any premises and attach anything which in its opinion had a bearing on the investigation. However, a receipt had to be issued for anything that was retained by the commissioner or police officer concerned and such objects had to be returned 'as soon as possible after the purpose for such removal had been accomplished'.[102]
[[102] Human Rights Commission Act of 1994, *Government Gazette* no 16143, 7 December 1994]

Volkstaat Council

The inclusion of provisions for a Volkstaat Council (VC) in the transitional constitution was the result of a pre-election accord in April 1994 between the African National Congress, the former National Party-controlled government and the Freedom Front (FF).[103] [[103] *Daily Dispatch* 5 April 1994]

In May 1994 the FF exercised its right to elect a 20-member VC in terms of sections 184(a) and 184(b) of the transitional constitution.[104] [[104] *Business Day* 27 May 1994] It included the following members: Professor Hercules Booysen, Mr Carel Boshoff, Mr Chris de Jager, Mr Duncan du Bois, Dr Chris Jooste, Professor Natie Luyt, Mr Koos Reyneke, Commandant Douw Steyn, Mr Dirk Viljoen, General Kobus Visser, Mrs Anna Boshoff, Mr Flip Buys, Mr Mars de Klerk, Dr Wally Grant, Dr Piet Liebenberg, Lieutenant General Ernie Pienaar, Professor Pikkie Robbertse, Mr Herman Vercuil, Mr Riaan Visagie and Mr Johan Wingard.

In its reaction to the creation of the council, the Conservative Party (CP) announced the creation of the volksrepubliek working committee. A spokesman for the committee said in June 1994 that the committee would pursue a totally independent 'people's republic' without the constitutional restraints placed on the VC. The committee would not, however, oppose the VC and the two might even co-operate on matters in the future, he said.[105] [[105] *Weekly Mail and Guardian* 24 June 1994]

However, in August 1994 the CP submitted new proposals to the government regarding its possible participation in constitutional talks. These proposals included the CP's researching and drawing up proposals for a volkstaat, negotiating them with the government and then testing support for these proposals in a referendum; and the CP participating in the VC to negotiate for a volkstaat. However, the CP wanted the number of seats on the council doubled so that the 20 additional seats could be filled by its appointees.[106] [[106] Ibid 19 August 1994]

Also in August 1994, the Afrikaner Vryheidstigting presented its proposals for a volkstaat to the VC. Its proposed homeland fell largely within the Northern Cape and included parts of the southern Orange Free State and the Western Cape.[107] [[107] *Business Day* 11 August 1994]

In an interview conducted in June 1994, thepresident, Mr Nelson Mandela, said that the government could allow Afrikaners to express themselves on the issue of self-determination but had not yet committed itself to such action.[108] [[108] *The Citizen* 3 June 1994] A spokesman for Mr Mandela, Mr Joel Netshitenzhe, later said that the president had pointed out that a referendum among Afrikaners to determine support for a volkstaat was only one possible option.[109] [[109] Ibid 4 June 1994,]

Also in June 1994, thevice chairman of the VC, General Kobus Visser, invited members of the public and all other interested parties to make written submissions to it on Afrikaner self-determination, with the volkstaat as a possible solution.[110] [[110] Ibid 25June 1994]

A spokesman for the VC, Mr Koos van Rensburg, said in July 1994 that the meaning of self-determination would have to be investigated first before the council could draw the borders of a proposed volkstaat. He pointed out that if the council found that self-determination in a separate geographical entity or a canton system was the best for Afrikaners then it would still have to negotiate the borders of this geographical area with the relevant provincial governments.[111] [[111] *Beeld* 5 July 1994]

Legislation

In September 1994 the Volkstaat Council Bill was tabled in Parliament. The bill made provision for full-time members of the VC to be paid salaries at least equivalent to those of a member of Parliament (MP) or provincial legislator. A member of the VC would have to resign if he or she lost the confidence of the MPs who elected him or her. In terms of the transitional constitution members of the VC had to be nominated by those MPs who favoured the establishment of a volkstaat.[112] [[112] *Volkstaat Council Bill,* B21-94]

The bill also provided for three members of the VC and three members of the Constitutional Assembly to form a liaison committee to ensure co-ordination between the two bodies. The bill also made provision for the VC to co-opt people onto it in connection with a particular matter or to attend a particular meeting.[113] [113 Ibid] The bill was passed in November 1994.[114] [114 *Business Day* 16 November 1994]

Public Protector

Legislation

The Public Protector Act was gazetted in November 1994 and provided for the appointment ora public protector by the president after such a person had been nominated by a specially constituted joint committee of the houses of Parliament (composed of one member from each party represented in Parliament) and approved by at least 75 % of the members voting at a joint meeting of the National Assembly and the Senate. It also provided for the president to appoint one or more deputy public protectors in the same manner. However, the joint committee would have to consult the public protector before nominating deputy public protectors. Such deputies had to be qualified to be admitted as attorneys or advocates and had to have been involved in the application of the law for at least ten years prior to their appointment. The president was empowered to remove both the public protector and his deputies on the grounds of misbehaviour, incapacity or incompetence as determined by the joint committee referred to above and after receiving such a request from both the National Assembly and the *Senate*.

The act provided for the public to submit complaints of mal-administration or the abuse of power by public servants or the organs of government to the public protector by means of an affidavit or affirmed declaration or by any other means that the public protector deemed suitable. The act stipulated that a public protector would investigate a matter only after the person ostensibly prejudiced had exhausted all other legal options.[115] [115 Public Protector Act of 1994, *Government Gazette* no 16107, 25 November 1994]

According to the act, anybody appearing before the public protector could be assisted by an advocate or attorney. The act stipulated that the public protector should allow any person who was implicated in a matter being investigated an opportunity to give evidence. Such a person or his or her legal representative was entitled to question other witnesses appearing before the public protector in connection with the investigation. The act also prohibited disparagement, insult, or belittlement of the public protector or his or her deputies. A fine not exceeding R40 000 or imprisonment for a period not exceeding 12 months or both could be imposed for contravention of such prohibitions.[116] [116 Ibid] The public protector had not been appointed at the time of writing.

PROVINCIAL GOVERNMENT

Powers

On 10 May 1994 the central government assumed the powers of the four former provinces and the homelands. The deputy minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, said that this meant that in effect the new provinces did not have any powers. Powers would be allocated to the provinces once the provinces had established new administrations which were capable of administering such powers, Mr Moosa added that the government was still trying to 'sort out and repack' the powers that the constitution had allocated to the provinces.[117] [117 *The Citizen* 4 June 1994]

Subsequently, a number of provincial premiers complained upon assuming office, that they had not been allocated powers to enable them to function effectively. In July 1994 the premier of the Eastern Transvaal, Mr Mathews Phosa, called for the devolution of power to the nine provinces to 'enable them to implement the reconstruction and development programme'.[118] [118 Ibid 27 July1994] He called for powers allocated to the provinces in terms of Schedule 6 of the transitional constitution to be given to the provinces. The provincial governments were experiencing serious problems because officials had insufficient power to sanction and execute important decisions, Mr Phosa said.[119] [119 Ibid]

Previously in June 1994 the new minister for the public service and administration, Dr Zola Skweyiya, had said that he had begun consultations with all nine provincial premiers to clarify the process of transferring powers to regional public services. Provinces would have to prove that they were capable of managing their public services before those powers could be handed over to them. Dr Skweyiya said that he wanted to hand over the powers as soon as possible but that in the meantime the central government would be in charge of the country's public servants.[120] [120 *Business Day* 6 June 1994]

In an attempt to solve the problem of the devolution of powers to the provinces an intergovernmental forum was established in August 1994 at a meeting between the minister for provincial affairs and constitutional development, Mr Roelf Meyer, Dr Skweyiya and the nine provincial premiers.[121] [121 Ibid 15 September 1994] At the meeting it was decided that representatives from the provinces and the relevant ministers would form joint technical committees to draft proposals for the distribution of powers and responsibilities between the national and provincial governments.[122] [122 *Cape Times* 13 August 1994]

At the end of August 1994 the minister of agriculture, Dr Kraai van Niekerk, announced that his department and the MECs for agriculture in the nine provinces had reached an agreement about the division of functions between them. Dr van Niekerk added that everything possible would be done to speed up the transfer of those powers to the provinces.[123] [123 *Beeld* 30 August 1994]

The chairman of the Commission on Provincial Government, Mr Thozamile Botha, told a joint meeting of the National Assembly and Senate select committees on provincial affairs and constitutional development in August 1994 that a number of issues were hindering the transfer of powers to the provinces. These problems had to be resolved through negotiation between central government and the provinces. Any settlements had to be based on a need for national uniformity.[124] [124 *The Argus* 1 September 1994]

According to Mr Botha, there was confusion regarding the amalgamation and restructuring of administrations. In the Northern Transvaal the former Transvaal Provincial Administration (TPA) still administered certain functions and the administrations of former homelands such as Venda still functioned as separate entities. In some instances the administration and personnel were concentrated in one of the new provinces, while the other provinces had no personnel, Mr Botha said. This was the case with the TPA in Pretoria and the Cape Provincial Administration in Cape Town.[125] [[125] *Die Burger* 1 September 1994]

Speaking at the same joint select committee meeting, the director general of constitutional development services, Dr Niel Barnard, said that the administration of more than 800 existing laws necessary for the provinces to exercise the powers allocated to them in terms of the constitution were transferred by the public service to the provinces on 30 August 1994. However, Parliament would make the final decision on what powers provinces would receive.[126] [[126] *Beeld* 1 September 1994]

Speaking in the National Assembly in September 1994, Dr Skweyiya announced that the administration of an additional 75 laws had been transferred to the provinces. He added that problems relating to the transfer of powers to provinces had been resolved after a cabinet decision that there should be regular contact between ministers and MECs. He said that ministers from all departments were engaged in negotiations with their provincial counterparts about which powers (not only those listed in the constitution) would be transferred to the provinces.[127] [[127] Ibid 9 September 1994]

In September 1994 the central government published draft legislation on borrowing powers of provinces. According to the draft bill, central government would not grant guarantees for loans by provinces. However, it did provide for foreign loans taken out by provinces to have a guarantee from central government. The draft bill made provision for provincial governments to raise funds on the domestic capital market directly.[128] [[128] *Business Day* 21 September 1994] The proposed legislation was forwarded to the provincial governments for comment.

In September 1994 the premiers of the nine provinces held a meeting with members of the cabinet, including Mr Meyer, to discuss the assignment of further powers to the provinces. In a joint statement after the meeting it was announced that a proclamation assigning the administration of laws in the functional area of education had been finalised and was ‘ready for immediate processing by the president’. The administration of those laws was assigned to the provinces in the same month.[129] [[129] *Government Gazette* no 16049, 31 October 1994] (While powers had been granted to the provinces in terms of the transitional constitution the administration of legislation, such as the Ciskeian Education Act of 1994, which governed education in the former homeland of the Ciskei, had to be assigned to the relevant provincial authorities so that they could administer education in the area.) The statement also said that technical work on assigning the remaining powers (including health) had been completed.[130] [[130] *The Star* 16 September 1994]

The premier of KwaZulu/Natal, Dr Frank Mdlalose, said afterwards that it was clear in the meeting that functions such as water affairs and others, which had not been assigned to provinces in the transitional constitution, would also have to be devolved to the provinces. The premier of the North-West, Mr Popo Molefe, said that 'tremendous progress had been made' in the meeting.[131] [131] Ibid]

Provincial Governments

The number of seats won by each party in each of the provincial legislatures in the general election in April 1994 are shown below:

Seat allocations in the provincial legislatures: 1994

Province

ANC[a]

NP[b]

IFP[c]

FF[d]

DP[e]

PAC[f]

ACDP[g]

MF[h]

Total

Eastern Cape

48

6

0

0

1

1

0

0

56

Eastern Transvaal

25

3

0

2

0

0

0

0

30

KwaZulu/Natal

26

9

41

0

2

1

1

1

81

Northern Cape

15

12

0

2

1

0

0

0

30

Northern Transvaal

38

1

0

1

0

0

0

0

40

North-West

26

3

0

1

0

0

0

0

30

Orange Free State

24

4

0

2

0

0

0

0

30

PWV[i]

50

21

3

5

5

1

1

0

86

Western Cape

14

23

0

1

3

0

1

0

42

Total

266

82

44

14

12

3

3

1

425

a

African National Congress.

b

National Party.

c

Inkatha Freedom Party.

d

Freedom Front.

e

Democratic Party.

f

Pan-Africanist Congress.

g

African Christian Democratic Party.

h

Minority Front.

i

Pretoria-Witwatersrand-Vereeniging.

Portfolios in the executive councils of the provinces were allocated according to the formula in the transitional constitution which stipulated that all parties holding at least 10% of the seats in a provincial legislature would be entitled to one or more executive council portfolios in proportion to the number of seats held by them in the provincial legislature relative to the number of seats h

Eastern Cape

Legislature

In the general election in April 1994 the African National Congress (ANC) won 86% of the seats in the Eastern Cape legislature, the National Party (NP) 11%, and the Democratic Party (DP) and the Pan-Africanist Congress (PAC) 1,8 % each (figures may not add up owing to rounding).

On 7 May 1994 the 56-member provincial legislature of the Eastern Cape was inaugurated during a ceremony in the capital of the former Ciskei, Bisho. Mr Gugile Mkwinti (ANC) was elected speaker of

the legislature.[132] [132 *RSA Review* May 1994]

Executive

On 7 May 1994 a member of the majority party in the Eastern Cape legislature (the ANC), Mr Raymond Mhlaha, was elected premier of the province.[133] [133 Ibid] The executive council of the province was sworn in on 13 May 1994.[134] [134 Ibid] Of the 11 portfolios in the council, agriculture was allocated to the NP. Portfolios in the council were allocated as follows:

Raymond Mhlaba

(ANC)

Premier

Ezra sigwela

(ANC)

Administration and development planning

Smuts Ngonyama

(ANC)

Economic affairs

Neela Hoosain

(ANC)

Education and culture

Shepard Mayatula

(ANC)

Finance and expenditure

Trudie Thomas

(ANC)

Health and welfare

Max Mamase

(ANC)

Housing and local government

Maliza Mpehle

(ANC)

Justice and police services

Thobile Mhlahlo

(ANC)

Public works

Mandisa Marasha

(ANC)

Transport and telecommunications

Tertius Delport

(NP)

Agriculture and environmental planning

Ms Neela Hoosain subsequently resigned in October 1994 and was replaced by Mrs Nosimo Balind

Statutory Bodies Created by the Constitution

Provincial Public Protector

The Provincial Public Protector Bill tabled in the Eastern Cape legislature in August 1994 enabled the establishment of a public protector's office in the Eastern Cape. The provincial public protector was to be appointed by the premier in consultation with the national public protector provided that the appointment was confirmed by a two-thirds majority in the provincial legislature. According to the provisions of the bill, the provincial public protector could only be removed from office by the premier on grounds of misbehaviour, incapacity or incompetence, after this had been determined by all the members of the provincial legislature sitting in committee, and on the request of the provincial legislature.[135] [135 Eastern Cape, *Provincial Gazette* no 2, 5 August 1994] The bill was passed in September 1994.

The regulations and functions for the provincial public protector were substantially the same as those tot the national public protector as published in the Public Protector Bill (see *Public protector* above).

House of Traditional Leaders

In October 1994 the House of Traditional Leaders Bill (Eastern Cape) was gazetted for public comment. The bill made provision for the creation of a house of traditional leaders for the Eastern Cape consisting of two members from each of the magisterial districts in the province where the population was governed by legally established traditional structures. Members of the house would either be nominated or elected by the traditional leaders resident in each of these districts. The bill also made provision for the house of traditional leaders to permit, by resolution, a community which observed a system of indigenous law to be represented in the house. It further made provision for the traditional leaders or communities which nominated members of the house to revoke the designation of the members they had nominated. A member had to be at least 21 years of age and a traditional leader or the representative of a community observing a system of indigenous law. Members would hold office for five years.

The bill provided for the house to advise and make proposals to the provincial government on matters relating to traditional authorities, indigenous law or the traditions and customs of traditional communities within the province. Any provincial bill pertaining to traditional authorities, indigenous law or the traditions and customs of traditional communities had to be referred to the house for its comments before the bill was passed by the legislature. The house of traditional leaders had to indicate its support or opposition to such a bill within 30 days of receiving it. If it opposed the bill then the provincial legislature could not pass it until a period of 30 days had lapsed since the receipt of notification to this effect from the house. The provincial legislature was, however, empowered to proceed with the passage of such a bill where the house failed to indicate its support or opposition to a bill within 30 days of receiving such a bill. The bill also provided for an executive committee consisting of the chairperson of the house, the deputy chairperson and five other members elected by the house.[136] [136 Eastern Cape, *Provincial Gazette* no 15, 12 October 1994]

Provincial Service Commission

The Provincial Service Commission for the Province of the Eastern Cape Bill of 1994 provided for the establishment of a threto five-person Provincial Service Commission for the Eastern Cape, appointed by

the premier. The bill stipulated that commissioners should not hold office in any political party or organisation and should be 'non-partisan' in the performance of their duties.

The commission was empowered to, among other things, make recommendations, and conduct enquiries with regard to the establishment and organisation of departments of the province, appointments, promotions, transfers and discharges of public servants. It would also advise the premier or MEC's on any matter relating to the public service or the employment, remuneration or conditions of service of functionaries of any institution which received funds from the provincial legislature.

The commission was also given powers of inquiry including the power to summons as a witness any person who it believed might be in possession of evidence, interrogate witnesses, order witnesses to produce evidence, and administer an oath or affirmation to witnesses.

Reports of the commission had to be submitted to the premier of the province who in turn had to submit these reports to the provincial legislature within seven days of receiving them.[137] [[137] Eastern Cape, *Provincial Gazetteno* no 2,5 August 1994]

Boundary Changes

In July 1994 the Independent Electoral Commission (IEC) published an application in the *Government Gazette* to have the East Griqualand area of KwaZulu/Natal (Kokstad, Matatiele and Mount Currie) incorporated into the Eastern Cape province with a notice stipulating that unless a petition for a referendum on the issue was received within five months of the date of publication, incorporation would go ahead.[138] [[138] *Sunday Times* 3 July 1994]

The MEC for housing and local government in KwaZulu/Natal, Mr Peter Miller, reacted to the application by saying that the ANC, the IFP and the NP in KwaZulu/Natal had agreed that the excision should not go ahead and that the province intended to petition Parliament for a referendum on the issue. He claimed that the application had come from 'individuals based in Umtata' rather than from the ANC in the Eastern Cape as a whole.[139] [[139] Ibid] (The transitional constitution provided for the lodging of such requests with the IEC within 30 days of the general election.)

A few days later a 21-member delegation representing agriculture, business, civic organisations and a traditional leader from the East Griqua-land area told an MEC of KwaZulu/Natal, Mr Jacob Zuma, that they wanted to remain part of KwaZulu/Natal.[140] [[140] *Daily Dispatch* 5 July 1994]

The minister for provincial affairs and constitutional development, Mr Roelf Meyer, told the joint select committee on constitutional affairs in August 1994 that the government would prefer to see disputes over provincial boundaries resolved by negotiation rather than by referendum.

In another boundary dispute over the Umzimkulu area the Eastern Cape and KwaZulu/Natal had agreed

to negotiate. Mr Meyer said, however, that the governments of the affected areas had the right in terms of the transitional constitution to demand a referendum.[141] [141 *Business Day* 11 August 1994]

In December 1994 a delegation from the Eastern Cape government met with a delegation from the KwaZulu/Natal government to discuss the dispute over the East Griqualand area. The KwaZulu/Natal delegation presented a memorandum supporting its call for the area to remain part of KwaZulu/Natal and calling for the Umzimkulu area to be excised from the Eastern Cape and to be incorporated into KwaZulu/Natal. The Eastern Cape delegation reserved its right to present argument on why the area should be incorporated into the Eastern Cape.[142] [142 Ibid 20 December 1994] The issue had not been resolved at the time of writing.

Eastern Transvaal

Legislature

In the general election in April 1994 the ANC won 83% of the seats in the Eastern Transvaal legislature, the NP 10% and the Freedom Front (FF) 7%. The 30-member Eastern Transvaal provincial legislature was sworn in on 7 May 1994.

Executive

On 7 May 1994 Mr Mathews Phosa (ANC) was sworn in as premier of the Eastern Transvaal in Nelspruit. Mr Mbalekelwa Ginindza (ANC) was elected speaker of the legislature.[143] [143 *RSA Review* May 1994] Of the 11 portfolios, one was allocated to the NP.

Portfolios were allocated in the executive council as follows:

Mathews Phosa

(ANC)

Premier

Jacob Mabena

(ANC)

Economic affairs

David Mabuza

(ANC)

Education and training

David Mkwanazi

(ANC)

Environment affairs

Jacques Modipane

(ANC)

Finance

Craig Padayachee

(ANC)

Housing

Jabulane Mabona

(ANC)

Law and order

January Masilela

(ANC)

Local government

Steven Mbuyisa

(ANC)

Minister without portfolio

Ntimane Mathebula

(ANC)

Public works, roads and transport

Lucas Nel

(NP)

Agriculture

In July 1994 Mr Phosa told a forum organised by *Tribute* magazine that the national constitution should be amended to allow for the appointment of deputy premiers in each province. He said that this would allow the provinces to implement the reconstruction and development programme more effect

KwaZulu/Natal

Legislature

In the general election in April 1994 the Inkatha Freedom Party (IFP) won 51% of the seats in the KwaZulu/Natal provincial legislature, the ANC won 32%, the NP 11%, the DP 2% and the African Christian Democratic Party (ACDP), the Minority Front and the PAC 1% each (figures may not add up owing to rounding).

The KwaZulu/Natal legislature held its inaugural meeting on 11 May 1994 in Pietermaritzburg where members of the legislature were sworn in. Mr Gideon Mdlalose (IFP) was elected speaker of the legislature.[145] [[145] *RSA Review* May 1994]

Executive

A member of the IFP, Dr Frank Mdlalose, was elected premier of the province on 11 May 1994 in Pietermaritzburg. The ANC was given three of the 11 portfolios in the executive council and the NP one. Portfolios were allocated as follows:

Frank Mdlalose

(IFP)

Premier

Vincent Zulu

(IFP)

Education and culture

Senzele Mhlungu

(IFP)

Finance and public works

Peter Miller

(IFP)

Housing and local government

Nyanga J Ngubane

(IFP)

Nature conservation and traditional authorities

Celani Mthethwa

(IFP)

Police services

Gideon Zulu

(1FP)

Social welfare

Jacob Zuma

(ANC)

Economic affairs and tourism

Zweli Mkhize

(ANC)

Health

Sibusiso Ndebele

(ANC)

Roads, transport and traffic control

George Bartlett

(NP)

Agri

Monarchy

KwaZulu/Natal was the only province for which a monarchy was specifically provided for in the transitional constitution.

Statutory Bodies Created by the Constitution

House of Traditional Leaders

The KwaZulu/Natal Act on the House of Traditional Leaders, gazetted in November 1994, provided for the establishment of a House of Traditional Leaders in KwaZulu/Natal which would include the following:

• three representatives from each of the regional authorities established in terms of the KwaZulu and Iziphakanyiswa Act of 1990 and elected by members of those regional authorities;

• the inkosi (chief) of the Amangwana tribal authority and the irikosi of the Amazizi tribal authority;

• not more than two representatives from the total number of legally recognised tribes in the province. Such representatives would be elected by an electoral body consisting of two members from each tribe;

• any person nominated by the Ingonyama (king); and

• the traditional prime minister to the Ingonyama.

The house was empowered to advise and make proposals to the provincial government on matters relating to traditional authorities, and indigenous and customary law. Any draft legislation having a bearing on such matters had to be referred to the house for its comment before passage in the provincial legislature. In such a case the provincial legislature would only be able to pass the bill 30 days after receiving notice of opposition to the bill.[146] [146 KwaZulu/Natal Act on the House of Traditional Leaders Act, KwaZulu/Natal, *Provincial Gazette* no 4999, 15 November 1994]

Provincial Service Commission

The KwaZulu/Natal Provincial Service Commission Act, gazetted in October 1994, provided for the establishment of a threto five-person Provincial Service Commission for KwaZulu/Natal, appointed by the premier. As stipulated in the transitional constitution, the act provided that commissioners should not hold office in any political party or organisation and should be 'non-partisan' in the performance of their duties.

While the act did not spell out the powers and duties of the commission, it made reference to the fact that these were contained in section 213 of the transitional constitution which empowered provincial commissions, among other things, to make recommendations, and conduct enquiries regarding the establishment and organisation of departments of the province, appointments, promotions, transfers and discharges of public servants. The commission could also advise the premier or MECs on any matter relating to the public service or the employment, remuneration, or conditions of service of functionaries of any institution which received funds from the provincial legislature.

Reports of the commission had to be submitted to the premier of the province within three months after 31 December each year. The premier in mm had to table these reports in the provincial legislature within 14 days of receiving them.[147] [147 KwaZulu/Natal, *Provincial Gazette* no 4996, 31 October 1994]

Boundary Changes

See *Boundary changes* under *Eastern Cape* above.

North-West

Legislature

In the general election held in April 1994, the ANC won 87 % of the seats in the provincial legislature of

the North-West, the NP won 10 % and the FF 3 %.

The 30-member North-West provincial legislature was sworn in by Justice Mr P J van der Walt on 7 May 1994 in Mmabatho and Mr Jerry Thibedi (ANC) was elected speaker of the provincial legislature.[148] [148 *RSA Review* May 1994]

Executive

On 7 May 1994 Mr Pope Molefe (ANC) was elected unopposed as premier of the North-West province.[149] [149 Ibid] One portfolio was allocated to the NP, the rest going to ANC members. Portfolios were allocated as follows:

Popo Molefe

(ANC)

Premier

Rockey Malebana-Metsing

(ANC)

Agriculture, environment and conservation

Mamokoena Gaoretelelwe

(ANC)

Education, arts and culture

Martin Kuscus

(ANC)

Finance and provincial expenditure

Molefi Sefularo

(ANC)

Health and social welfare

Satish Roopa

(ANC)

Safety and security

Darkey Afrika

(ANC)

Local government and housing

Riani de Wet

(ANC)

Media

Zacharia Tolo

(ANC)

Public works

Johannes Tselapedi

(ANC)

Transport and aviation

Abraham Venter

(NP)

Economic

In November 1994 Mr Rockey Malebana-Metsing was relieved of his portfolio on the executive council by Mr Molefe and replaced by the Rev Johannes Tselapedi (ANC) who had previously held the transport and aviation portfolio. Mr Frans Vilakazi (ANC) was allocated the transport and aviation portfolio.[150]

[150 *The Citizen* 21 November 1994] Mr Molefe said that he had removed Mr Malebana-Metsing from office 'in the interest of good government in the North-West' as Mr Malebana-Metsing had 'repeatedly demonstrated an undemocratic tendency in his wilful refusal to publicly commit [himself] to the leadership of the premier'.151 [151 Ibid 19 November 1994]

Statutory Bodies Created by the Constitution

Public Service Commission

In July Mr Molefe announced the formation of a provincial Public Service Commission. He said that the commission would deal with administrative issues pertaining to the public service, including the grievances of public servants.152 [152 *New Nation* 1 July 1994]

Northern Cape

Legislature

In the general election held in April 1994, the ANC won 50% of the seats in the legislature of the Northern Cape, the NP won 40%, the FF 7 % and the DP3%.

The Northern Cape provincial legislature held its inaugural meeting on 7 May 1994 in Kimberley where its members were sworn in by the Judge President of the Northern Cape Division of the Supreme Court, Mr Justice J Kriek.153 [153 *RSA Review* May 1994] Ms Ethne Papenfus (DP) was elected speaker of the legislature.

Executive

On 7 May 1994 Mr Manne Dipico (ANC) was sworn in as premier of the Northern Cape.154 [154 Ibid] The NP received four portfolios out of the 11 and the FF one. Portfolios were allocated as follows:

Manne Dipico

(ANC)

Premier

Goolam Akharwaray

(ANC)

Economic affairs, trade, industry and tourism

Tina Joemat

(ANC)

Education and culture

Modise Matlanpane

(ANC)

Health and welfare

Ouneas Dikgetsi

(ANC)

local government, housing and land reform

Peter Gelderbloem

(ANC)

Police services

Jac0bus Marais

(NP)

Agriculture

Jan Brazelle

(NP)

Finance

Peggy Hollander

(NP)

Public works

Charl van Wyk

(NP)

Transport

Jozef Henning

(FF)

Youth

Statutory Bodies Created by the Constitution

Provincial Service Commission

The Northern Cape Provincial Service Commission Act of 1994, gazetted in September 1994, provided for the establishment of a threto five-person Provincial Service Commission for the Northern Cape province, appointed by the premier. The act stipulated that commissioners should not hold office in any political party or organisation and should be 'non-partisan' in the performance of their duties.

The commission was empowered to make recommendations and conduct enquiries with regard to the establishment and organisation of departments of the province, appointments, promotions, transfers and discharges of public servants. It would also advise the premier or MECs on any matter relating to the public service or the employment, remuneration, or conditions of service of functionaries of any institution which received funds from the provincial legislature.

The commission was also given powers of inquiry including the power to summons as a witness any person who it believed might be in possession of evidence, interrogate witnesses, order witnesses to produce evidence, and administer an oath or affirmation to witnesses.

Furthermore, the act provided for public servants to apply to the Public Service Commission, the provincial protector or the Supreme Court to set aside a recommendation or direction from the commission if they felt that the commission had not acted independently or impartially. The act stipulated that the Supreme Court could:

• direct the premier to remove all or one of the commissioners from office;

• replace the recommendation or direction with others the court regarded as 'fair'; and

• refer the recommendation or direction back to the commission for reconsideration.

Reports of the commission had to be submitted to the premier of the province 'as soon as possible' after 31 December each year. The premier in turn had to submit these reports to the provincial legislature within seven days of receiving them.[155] [155 Northern Cape, *Provincial Gazette* no 12, 12 September 1994]

Northern Transvaal

Legislature

In the general election held in April 1994, the ANC won 95 % of the seats in the provincial legislature of the Northern Transvaal, and the FF and the NP won2,5% each.

The Northern Transvaal provincial legislature held its inaugural meeting in Pietersburg on 7 May 1994 and Mr Robert Malavi (ANC) was elected speaker of the legislature.[156] [156 *RSA Review* May 1994]

Executive

On 7 May 1994 Mr Ngoako Ramathlodi was elected unopposed as the first premier of the province and of the 11 portfolios in the executive council one was given to the FF. Portfolios were allocated as follows:

Ngoako Ramathlodi

(ANC)

Premier

Tienie Burgers

(ANC)

Agriculture and forestry

Thaba Mafumadi

(ANC)

Economic affairs, commerce and industry

Aaron Motsoaledi

(ANC)

Education and culture

Marie-Stella Mabitje

(ANC)

Environmental affairs and tourism

Edgar Mushwane

(ANC)

Finance

Joe Phaahla

(ANC)

Health and social welfare

John Dombo

(ANC)

Local government, housing and land affairs

Seth Nthai

(ANC)

Police and protection services

Dikeledi Magadzi

(ANC)

Public works

Johan Kriek

(FF)

Public tr

Boundary Changes

In September 1994 ANC leaders in the Eastern Transvaal and the Northern Transvaal agreed that the Bushbuckridge area (which originally formed part of the Northern Transvaal) would be incorporated into the Eastern Transvaal with immediate effect. An agreement was sighed by the premiers of the two provinces.157 [157 *Business Day* 26 September 1994]

Orange Free State

Legislature

In the general election held in April 1994, the ANC won 80% of the seats in the provincial legislature of the Orange Free State, the NP won 13% and the FF7%.

The Orange Free State legislature held its inaugural meeting in Bloemfontein on 7 May 1994 where its members were sworn in by the Judge President of the Orange Free State, Mr Justice E K Lichtenburg. Mr Motlalepule Chabuka (ANC) was elected speaker of the legislature.

Executive

Mr Patrick Lekota (ANC) was elected unopposed as premier of the province in Bloemfontein on 7 May 1994.158 [158 *RSA Review* May 1994] One portfolio in the executive council was given to the NP. Portfolios were allocated as follows:

Patrick Lekota

(ANC)

Premier

Cas Human

(ANC)

Agriculture and environmental affairs

Ace Magashule

(ANC)

Economic affairs

Saki Belot

(ANC)

Education and culture

Tate Makgoe

(ANC)

Finance and expenditure

Senorita Ntlabathi

(ANC)

Health and welfare

Vax Mayakiso

(ANC)

Housing

Ouma Motsumi

(ANC)

Local government management

Papi Kganare

(ANC)

Police services

Gregory Nthatisi

(ANC)

Public works and roads

Louis van der Watt

(NP)

Public tr

Pretoria-Witwatersrand-Vereeniging

Legislature

In the general election held in April 1994, the ANC won 58 % of the seats in the provincial legislature of the Pretoria-Witwatersrand-Vereeniging (PWV) province, the NP won 24%, the DP and the FF 6% each, the IFP 3%, and the A CDP and the P A C 1%' each (figures may not add up owing to rounding).

At its inaugural meeting on 7 May 1994 in Johannesburg the PWV provincial legislature elected Mr Trevor Fowler (ANC) as its speaker.[159] [159 Ibid]

Executive

On 7 May 1994 Mr Tokyo Sexwale (ANC) was sworn in as premier of the PWV province in Johannesburg, the province's capital. The MECs, three of which were members of the NP, were appointed on 13 May 1994.[160] [160 Ibid] Portfolios were allocated as follows:

Tokyo Sexwale

(ANC)

Premier

Jabu Moleketi

(ANC)

Economic affairs and finance

Mary Metcalfe

(ANC)

Education

Amos Masondo

(ANC)

Health

Dan Mofokeng

(ANC)

Housing and local government

Jessie Duarte

(ANC)

Public safety and security

Peter Skosana

(ANC)

Sports, recreation, arts and culture

Sicelo Shiceka

(ANC)

Urban and rural planning and development, environment and works

John Mavuso

(NP)

Conservation and agriculture

Olaus van Zyl

(NP)

Public transport and roads

Johannes Blanche

(NP)

Social

Statutory Bodies Created by the Constitution

Provincial Service Commission

The PWV province's Provincial Service Commission Bill was gazetted in September 1994 for public comment. It provided for the establishment of a three-person Provincial Service Commission for the PWV, appointed by the premier after a public hearing. The objectives of the commission were described as, among other things: the establishment and maintenance of an effective and competent public service; the fostering of an ethos of equity, administrative accountability, openness and public participation in public policy making; the establishment of a 'human resource development policy framework'; and the building of a 'representative' public service through 'appropriate affirmative programmes and procedures'.

The powers of the commission were substantially the same as those of the provincial commissions in the other provinces (see above).

The commission was also given powers of inquiry including the power to direct a person to submit an affidavit or affirmed declaration, or summons as a witness any person who it believed might be in possession of evidence, interrogate witnesses, order witnesses to produce evidence, and administer an oath or affirmation to witnesses.

Furthermore, the bill stipulated that where the Supreme Court found that a member of the commission had not acted independently or impartially, the court could order the member's removal from office.

Reports of the commission had to be submitted to the provincial legislature through the premier of the province 'as soon as may be practicable' after 31 December of each year.[161] [161 Pretoria-Witwatersrand-Vereeniging (PWV), *Provincial Gazette* no 5039, 11 October 1994] The bill was passed in November 1994.

Western Cape

Legislature

In the general election in April 1994 the NP won 55% of the seats in the provincial legislature of the Western Cape, the ANC 33 %, the DP 7 %, and the FF and the ACDP 2% each (figures may not add up owing to rounding).

Members of the Western Cape provincial legislature were sworn in on 7 May 1994 in Cape Town. Mr Willem Doman (NP) was elected speaker.[162] [162 *RSA Review* May 1994]

Executive

The former minister of law and order, Mr Hernus Kriel (NP), was sworn in as premier of the Western Cape province on 7 May 1994 in Cape Town. The provincial executive council was appointed on 13 May 1994 and comprised four members of the ANC and seven of the NP.[163] [163 Ibid] Portfolios were allocated as follows:

Hernus Kriel

(NP)

Premier

Lampie Fick

(NP)

Agricultural development

Martha Olckers

(NP)

Education, training and cultural affairs

Kobus Meiring

(NP)

Finance, expenditure and service commission

Gerald Morkel

(NP)

Housing

Peter Marais

(NP)

Local government and development planning

Patrick MacKenzie

(NP)

Police services

Allan Boesak

(ANC)

Economic affairs

Lerumo Kalako

(ANC)

Environment affairs, nature conservation and tourism

Ebrahim Rasool

(ANC)

Health and social services

Leonard Ramatlakane

(ANC)

Roads, transport and public works

Dr Boesak resigned from his portfolio in November 1994 after being appointed South African ambassador to the United Nations in Geneva and was replaced by another member of the ANC, Mr Chris Nissen. However, following allegations of misappropriation of Danish foreign aid, Dr Boesak's appointment was suspended in January 1995 pending an inv

METROPOLITAN AND LOCAL GOVERNMENT

Central and Provincial Government Legislation Providing for the Establishment of Metropolitan and Local Government

In July 1994 the president, Mr Nelson Mandela, signed a proclamation which granted the nine provincial premiers the authority to implement the provisions of the Local Government Transition Act of 1993. Shortly after the election in April 1994 local government powers which had been vested in the former provincial administrations were assumed by the central government (see *Provincial Government* above).

Local Government Transition Act Amendment Act

The Local Government Transition Act Amendment Act, passed in November 1994, provided for the president to amend the Local Government Transition Act by proclamation. The amending act stipulated, however, that the approval of the parliamentary select committees responsible for local government had to be obtained or such a proclamation would cease to be valid. In addition, the amendment act provided for a provincial government to allow for an extension of the time in which a local government negotiating forum had to submit an agreement on a new local government structure to it.

At the end of November 1994 Mr Mandela signed a proclamation allowing provincial governments the discretion to impose on areas where forums had failed to reach agreement on new structures, either a co-ordinating council or a transitional council irrespective of their size or location. Previously the Local Government Transition Act provided for provincial governments to establish co-ordinating committees in towns falling outside of metropolitan areas where agreement on a new structure could not be reached.[164] [[164] *The Citizen* 6 December 1994]

Local Government Elections

At a meeting held in August 1994 between the nine MECs for local government, the minister for provincial affairs and constitutional development, Mr Roelf Meyer, and the deputy minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, it was decided to recommend to the central government that countrywide local government elections be held not later than the end of October 1995.[165] [[165] *Die Burger* 1 September 1994] Local government elections had been previously planned for October 1994 and subsequently changed to April 1995.[166] [[166] *The Citizen* 4 June 1994]

The president of the Conservative Party-controlled Transvaal Municipal Association, Mr Paul Fouché, said in July 1994 that his organisation wanted political parties to 'distance' themselves from next year's local government elections. Mr Fouché said that it was clear that the South African National Civic Organisation would fight the election as a united front, while the statutory group (consisting of those political parties and organisations which were already represented on local government structures) could not because it was composed of different political parties.[167] [[167] *Beeld* 16 July 1994]

In August 1994 during the congress of the Conservative Party (CP) in Bloemfontein (Orange Free State), some members argued strongly in favour of participation in local government elections. However, it was agreed at the congress that its general council would take a final decision on the matter in October 1994. Addressing the congress, a senior member of the CP, Mr Daan du Plessis, conceded that if the Freedom Front participated in the local government elections the support of the CP would shrink even further.[168] [[168] *The Star* 1 August 1994] In December 1994 the organising secretary of the Transvaal region of the CP, Mr Wouter Hoffman, said that the party's general council was scheduled to meet on 14 January 1995 to take a decision on the matter. He added that the party was giving 'serious consideration' to participating in the elections.[169] [[169] Telephonic interview with the organising secretary of the Conservative Party in the Transvaal, Mr Wouter Hoffman, 21 Western Cape, Mr Michael Brevis, 21 December 1994] In January 1995 the leader Of the CP, Dr Ferdi Hartzenberg, announced that the party would participate in the municipal elections.[170] [[170] *Beeld* 16 January 1995]

At the national congress of the Azanian People's Organisation, held in Johannesburg in October 1994, the organisation decided against participating in the elections because it believed that the resulting local authorities would fail to provide 'a solution to the people's problems'.[171] [[171] *The Citizen* 11 October 1994]

Mr Meyer told the joint parliamentary select committee on constitutional affairs in September *1994* that the cabinet had decided that a task group would be established to co-ordinate local government elections in 1995. The group's first task would be to draft a standard set of electoral regulations for promulgation by the provincial MECs in charge of local government,[172] [[172] Ibid 22 September 1994] The chairperson of the task group would be appointed on the recommendation of the minister for provincial affairs and

constitutional development.[173] [[173] *Business Day* 22 September 1994]

In October 1994 the former chairman of the Central Witwatersrand Metropolitan Chamber, Dr Frederik Van Zyl Slabbert, and Mr Khehla Shubane of the Centre for Policy Studies were appointed co-chairmen of the task group.[174] [[174] *The Star* 5 October 1994]

In December 1994 *the* task group announced in Pretoria that transitional local authorities around the country would have to begin registering voters by 27 January 1995. Dr Slabbert said that regulations which the task group had formulated for the elections would have to .be promulgated by all nine provinces by 1 January 1995. Local authorities would then have 90 days from 1 January 1995 to prepare the first draft of their voters' rolls for public scrutiny.[175] [[175] Ibid 16 December 1994]

The regulations stipulated, among other things, that the nomination of candidates would have to begin 100 days before the elections and the candidates would be finalised 40 days before the elections. According to a member of the taskgroup, MrPaddy Roome, voters would not need a fixed street address to vote in local government elections. They would only need an address that was 'significantly precise' so as to enable the local authorities concerned to ensure that the area fell within their jurisdiction.[176] [[176] Ibid]

Dr Slabbert said that no specific date had been set for the elections but confirmed that it would take place in October 1995. He added that the central government would be carrying the 'bulk' of the election costs with 'some contributions coming from second-and third-tier government'.[177] [[177] *The Citizen* 16 December 1994]

Measures to Establish Metropolitan and Local Government Structures

Negotiating Forums

Reporting on the progress in local government negotiations, the minister for provincial affairs and constitutional development, Mr Roelf Meyer, said that as of July 1994, 39 out of a potential 44 local government negotiating forums had been established in the Eastern Transvaal, six of which had reached agreement on the establishment of transitional local government councils. In KwaZulu/Natal 45 forums had been formed. Mr Meyer did not say how many potential forums there were in KwaZulu/Natal but he added that six agreements on the establishment of transitional local government structures in the province had been reached. There were 51 out of a potential 61 forums ha the Northern Cape, 31 of which had already reached agreement on the establishment of transitional local government structures. There were 59 out of 78 potential forums operating in the Western Cape (the number of potential forums was subsequently increased to 93), five of which had reached agreement on the establishment of transitional local government structures. In the Orange Free State all 80 potential local government forums had been established, 63 of which had reached agreement on the establishment of transitional local government structures. Thirty-one out of a potential 36 forums had been established in the North-

West, four of which had reached agreement on the establishment of transitional local government structures. In the Eastern Cape 57 out of a potential 64 forums had been formed, 28 of which had reached agreement on the establishment of transitional local government structures. By the end of July 1994 the Eastern Cape was the only province with a transitional local government structure (Port Elizabeth) proclaimed in its *Provincial Gazette*. The Pretoria-Witwatersrand-Vereeniging province had established its maximum of 19 forums, two of which had reached agreement on the establishment of transitional local government structures. In the Northern Transvaal all 13 forums had been established, two of which had reached agreement on the establishment of transitional local government structures.[178] [[178] *Hansard* (NA) 2q cols 94-96, 3 August 1994]

By September 1994, however, the number of local government negotiating forums countrywide had increased. The deputy minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, said that 404 local government negotiating forums had been created countrywide and that 328 of these had already been approved by their respective provincial premiers. Of these 328 forums, 159 had already submitted the agreements reached to their respective provincial governments for approval and for proclamation in the provincial gazettes.[179] [[179] *Beeld* 22 September 1994] In terms of the Local Government Transition Act of 1993 local government negotiating forums have to be approved by the government of the province concerned.

At the end of December 1994 all the provincial governments that were contacted (see below) said that they were still awaiting agreements from a number of local government negotiating forums in their respective provinces. In KwaZulu/Natal 34 out of 49 agreements (not including forums in the areas presided over by traditional authorities) had been reached but only three of these had been proclaimed.

A spokesman for the department of local government in KwaZulu/Natal, Mr Mike Staniland, said that the province would attempt to have all agreements proclaimed by the end of February 1995. He pointed out, however, that the provincial authorities were still working on ‘some or other’ form of election for. councils which fell within the areas presided over by traditional leaders. Some traditional leaders had resisted the idea of election *to* such councils, and negotiations on this matter were being conducted with them.[180] [[180] Telephonic interview with a spokesman for the local government department of KwaZulu/Natal, Mr Mike Staniland, 23 December 1994]

In the Northern Cape 47 out of a potential 61 agreements had been proclaimed.[181] [[181] Telephonic interview with a spokeswoman for the local government department of the Northern Cape, Ms Lynette King,21 December 1994] while in the North-West 32 agreements had been proclaimed and arbitrators were engaged in finalising the four outstanding agreements.[182] [[182] Telephonic interview with the acting director of local government in the North-West, Mr Kobus van Wyk, 21 December 1994]

In the Orange Free State 74 of a potential 80 agreements had been proclaimed and a spokeswoman of the province’s local government department, Mrs Felicity Kunene, said that the department was working towards the proclamation of all outstanding agreements by early January 1995.[183] [[183] Telephonic interview with a spokeswoman of the Orange Free State’s local government department, Ms Felicity Kunene, 21 December 1994]

In the PWV province 16 out of a possible 19 agreements had been proclaimed,[184] [184 Telephonic interview with a spokeswoman of the PWV's Department of Housing and Local Government, Ms Phindi Nzimande,21 December 1994] while in the Western Cape 32 out of a possible 93 agreements had already been proclaimed. An additional 42 had been approved by the MEC for local government and were awaiting proclamation, while ten had been sent for arbitration. Three agreements had not been received (two of the areas involved did not have negotiating forums), while six had been exempted by the MEC for local government because they already had structures in place that conformed to the provisions of the Local Government Transition Act. The deputy director of local government and constitutional affairs in the Western Cape, Mr Michael Brevis, said that his department was hoping to have agreements from all 93 forums proclaimed by 1 January 1995.[185] [185 Telephonic interview with the deputy director of local government and constitutional affairs in the Western Cape,Mr Michael Brevis,22 December 1994]

Brakpan

In September 1994 Brakpan became the first city in the PWV province to have its transitional council proclaimed. The council was composed of 28 members representing the following political parties and organisations: the African National Congress (ANC), the Azanian People's Organisation (Azapo), the Brakpan Concerned Residents' Association, the Brakpan-Vlakfontein Steering Committee, the Congress of South African Trade Unions (Cosatu), the Conservative Party (CP), the Democratic Party (DP), the Freedom Front, the Geluksdal Action Committee, the Geluksdal Residents' Association, the Inkatha Freedom Party, the National Party (NP), the South African Communist Party (SACP), the South African National Civic Organisation and the Tsakane administration.[186] [186 *Beeld* 15 September 1994] The new council held its first meeting in September 1994 and elected Mr Wally Labuschagne as its mayor.[187] [187 Telephonic Interview with the assistant town secretary of Brakpan,Mrs E de Beer, 21 December 1994]

Cape Town Metropolitan Negotiating Forum

In November the Cape Town City Council proposed that the area of the Cape Town transitional metropolitan council (TMC) be further divided into five local authorities. The first would be the area under the jurisdiction of the Cape Town City Council but would incorporate the local authorities of Crossroads, Ikapa and Pinelands. The second local authority would include Belville, Durbanville, Goodwood, Khayelitsha, Kraaifontein, Kuilsrivier and Parow. A third local authority in the southern Peninsula would stretch from Fish Hoek across to Noordhoek and down to Cape Point. Gordon's Bay, Helderberg, Mfuleni, Somerset West and Strand would form the fourth local authority. The final local authority would be one stretching up the West Coast from Milnerton northwards to Bloubergstrand, Melkbosstrand and Atlantis.[188] [188 *Argus* 3 November 1994] A demarcation board was scheduled to make recommendations to the Cape Town Metropolitan Negotiating Forum on the boundaries of the new local authorities early in 1995 after holding public hearings on the matter and considering all recommendations submitted to it.[189] [189 Ibid]

According to the principal administrative officer of the Cape Town City Council, Mr Chris Blackshaw,

an agreement was reached on a TMC and its substructures and forwarded in the first, week of December 1994 to the provincial government of the Western Cape for approval. The agreement had not been approved at the time of writing, owing to 'problems surrounding the acceptability of a list of nominees for positions on the council'. The matter had, however, been referred to an arbitration committee appointed by the provincial government and a report was expected on the matter by mid-January 1995, Mr Blackshaw said. As a result, the TMC would probably start operating on 1 February 1994, he said.[190]
[190 Telephonic interview with the principal administrative officer of the Cape Town City Council, Mr Chris Blackshaw, 21 December 1994]

The demarcation of the metropolitan substructures would take place in two phases. The first phase would entail the division of the metropolis into 39 substructures primarily along the lines of the existing local authorities. The councils would, however, be restructured with half the councillors coming from the statutory side (those organisations and individuals, such as the former city councillors, already involved in local government structures) and half from the non-statutory side (those parties and organisations, such as civic organisations, formerly not involved in local government structures). The second phase would entail the division of the metropolis according to the recommendations of a demarcation board set up by the provincial government. Those would be the final boundaries and would be proclaimed in March or April 1995, after the recommendations of the demarcation board had been completed. The 39 substructures would then be amalgamated to conform with the final demarcation.[191]
[191 Telephonic interview with Mr C Blackshaw, 21 December 1994]

Central Witwatersrand Metropolitan Chamber

In August 1994 an agreement negotiated by the Central Witwatersrand Metropolitan Chamber (CWMC) to form a TMC in the Witwatersrand was signed by 51 bodies, including the ANC, the DP, the NP, the Pan-Africanist Congress (PAC), the Johannesburg City Council, the Soweto Civic Association and the Civic Association of Johannesburg (CAJ).[192] [192 *The Star* 24 August 1994] The TMC was to consist of 100 nominated councillors. The agreement provided for the transfer of the powers and duties of the former constituent councils to the TMC. However, a decision regarding the boundaries of the local government substructures had not been reached at the time of the signing of the agreement and the matter was sent for arbitration. Some 20 proposals were received on the demarcation of the TMC into substructures. The ANC submitted a proposal calling for the division of the area into three large municipalities each consisting of about 1,5m people. Another proposal submitted by the CAI called for the division of the area into eight new substructures.[193] [193 *The Star* 24 August 1994]

The decision of the arbitrators regarding boundaries was announced in September 1994. It entailed the creation of seven new municipalities in the area as follows: Johannesburg Central, Randburg, Roodepoort, Sandton, Soweto, South East and South West. These structures were scheduled to replace the municipalities of Alexandra, Diepmeadow, Dobsonville, Johannesburg, Randburg, Roodepoort, Sandton, Soweto, and the management committees of Ennerdale and Lenasia, the Central Witwatersrand Regional Services Council, and the local government affairs councils and management committees in the area.[194] [194 *The Star* 16 September 1994]

At the end of September 1994 members of political parties agreed not to take up council positions in local authorities under the Central Witwaters-rand TMC where they did not have structures. An ANC negotiator, Mr Norman Prince, said that the CWMC had agreed councillors should represent the areas in which they lived. He said that the statutory organisations had indicated that they would not seek council positions in areas where they did not have structures.[195] [195 *Business Day* 30 September1994]

The ANC and PAC in Johannesburg announced in September 1994 that the non-statutory component would not nominate councillors for the Johannesburg Central metropolitan substructure. The organisations said that it felt that the area should be under the direct control of the Central Witwatersrand TMC.[196] [196 Ibid 21 September 1994]

The TMC was launched in early December 1994 and Mr Colin Matjila was voted executive committee chairman, while Mr Ian Davidson and Mr Yakoob Makda were elected as the two deputy executive committee chairmen.[197] [197 *The Star* 13 December 1994] The seven municipal substructures had, however, not been established at the time of writing.

Greater Pretoria Negotiating Forum

The Greater Pretoria Negotiating Forum reached agreement in August 1994 that a TMC composed of 56 members would be established for the greater Pretoria area. Half the councillors would be nominated by organisations representing the statutory component of the forum and the other half would be nominated by organisations representing the non-statutory component of the forum. The agreement was signed and submitted to the PWV provincial administration in the same month. In terms of the agreement the TMC's executive would consist of five statutory and five non-statutory members.

There would be three municipal substructures—Pretoria (comprising Atteridgeville, Eersterus, Laudium, Mamelodi and Pretoria), Northern Pretoria (Akasia and Soshanguve) and Southern Pretoria (Verwoerdburg, Rantesig and Knoppieslaagte).[198] [198 *Pretoria News* 25 August 1994] While Roodepoort lind asked to be excluded from the TMC's area of jurisdiction, Midrand's possible inclusion was dependent on a final decision by Midrand or a directive from the PWV government. In December 1994 the PWV government directed that Midrand be excluded from the greater Pretoria TMC.[199] [199 *Beeld* 8 December 1994]

The agreement also provided for the appointment of two chairpersons (one representing the statutory component of the proposed council and the other representing the non-statutory component) by the TMC and each of its substructures—each alternating as chairperson. The TMC would be the legal successor of the Pretoria Regional Services Council which would be dissolved. Powers and duties of the council would include abattoirs, airports, ambulance and fire brigade services, arterial roads and storm-water drainage, bulk sewerage services, bulk water and electricity supply, cemeteries and cremations, civic protection, environmental conservation, fresh produce markets, hospital services, metropolitan land use

and transport planning, metropolitan libraries, metropolitan-wide promotion of economic development and job creation, passenger transport services, refuse dumps and traffic matters.[200] [200 *Pretoria News* 25 August 1994]

The greater Pretoria TMC was inaugurated in December 1994 and Mr Cot Uys and Mr Donsie Khumalo were elected co-chairmen of the council.[201] [201 *Business Day* 13 December 1994] The three metropolitan substructures were also inaugurated in the same month.[202] [202 *The Citizen* 12 December 1994]

Port Elizabeth One City Forum

In March 1994 the members of the Port Elizabeth One City Forum signed an agreement which provided for the replacement of local government structures in the greater Port Elizabeth area with a Transitional Local Council (TLC) comprising 100 members.[203] [203 *Eastern Province Herald* 4 March 1994] The agreement was approved by the administrator of the Cape province on 2 May 1994 (before the new provincial governments had been constituted) and the names of the 100 councillors with a list of alternatives was published in the *Government Gazette*.

The number of councillors from each political party was as follows: ANC/Cosatu/South African Communist Party (SACP) 48; NP, 25; Independents, eight; DP, six; Solidarity, six; Labour Party, three; PAC, three; and the CP, one.[204] [204 Ibid 3 May 1994]

The transitional council held its inaugural meeting on 16 May 1994 at which Mr Nceha Faire (SACP) was elected chairman of the council.[205] [205 *Business Day* 17 May 1994]

Resistance to These Measures

As early as February 1994 the CP warned that right-wing local authorities under its control would use force if necessary to resist the establishment of new mixed local authorities. The spokesman on local government of the CP, Mr Pikkie Coetzee, said that more than 100 right-wing-controlled local authorities would resist all attempts to force them to comply with the terms of the Local Government Transition Act of 1993. Towns wishing to remain part of the ‘volkstaat’ wanted to retain their autonomy through peaceful means but would resist if force was used against them, he said.[206] [206 Ibid 18 February 1994]

In May 1994, however, the CP-aligned Transvaal Municipal Association (TMA) said that it had come to accept that the councils were inevitable in metropolitan areas such as Johannesburg. The TMA said, however, that it was opposed to joint local authorities and preferred instead joint co-ordinating councils in which individual councils would still maintain their own identities while seconding some of their member’s to a joint co-ordinating committee to manage matters of mutual interest.[207] [207 Ibid 27 May 1994] Such an arrangement was possible in terms of section 7(c) of the Local Government Transition Act.

In September 1994 the TMA warned that it would take legal action against provincial authorities which disbanded CP-controlled town councils which had refused to establish transitional councils. The president of the TMA, Mr Paul Fouché, said suggestions that CP-controlled towns were holding up the transformation process were 'utter rubbish'. Mr Fouché said that the TMA had directed all its affiliates to co-operate' with the relevant .provincial authorities and get the process under way. An agreement had been reached with the ANC and the NP that medium and small CP-controlled towns could opt for co-ordinating committees, in areas where agreement could not be reached on the disbanding of racially exclusive local authorities and their replacement by racially inclusive TLCs. Mr Fouché said the TMA was prepared to help provincial authorities where problems arose with CP-controlled towns. However, where authorities disbanded the local authorities and 'foisted' TLCs on such authorities the TMA would have no choice but to go to the courts.[208] [208 Ibid 26 September 1994]

Government Reaction to Resistance

In a briefing prior to the publication of the white paper on the reconstruction and development programme (RDP) in September 1994 the minister without portfolio, Mr Jay Naidoo, warned that councils which had not implemented the Local Government Transition Act of 1993 would be breaking the law and legal steps would be taken against them. He added that such councils would also be denied access to RDP funding and would be bypassed in the establishment of public works programmes and other projects.[209] [209 Ibid 22 September 1994] According to the white paper, criteria that should be used to determine RDP funding for councils included the display of 'good faith' in moving rapidly towards democracy, the adoption of a single budget by a municipal area and progress in preparing for local government elections.[210] [210 Ibid] Mr Naidoo said, however, that the government wished to reward rather than penalise local authorities. One incentive would be access to the sum of R500m which had been set aside for the provision of services by councils which complied with the provisions of the Local Government Transition Act.[211] [211 Ibid]

In September 1994 Mr Meyer announced that a unanimous decision had been taken by the MECs of all nine provinces and other interest groups that local authorities would be abolished by the provincial governments if they were not part of a transitional local government structure by 30 November 1994.[212] [212 *Beeld* 21 September 1994] The Local Government Transition Act Amendment Act (see *Local Government Transition Act Amendment Act* above), however, changed the principal act so that provincial governments could extend the dates by which agreements had to be reached and transitional councils inaugurated.

At the end of November 1994, however, the president, Mr Nelson Mandela, signed a proclamation allowing provincial governments the discretion to impose either a co-ordinating council or a transitional council on areas, irrespective of their size or location, where forums failed to reach agreement on new structures.

In December 1994 most provincial governments said that they were still awaiting agreements from a

number of local government negotiating forums in their respective provinces. Where agreements had not been forthcoming arbitrators had been sent to the forums concerned to try to ensure the conclusion of agreements (see *Negotiating forums* above).

THE ECONOMY

KEY POINTS

• Real economic growth for 1994 was predicted at between 2% (by the South African Mutual Life Assurance Company) and 2,9% (Frankel Pollak Vinderine). Real economic growth in 1993 was 1,2 %, compared with -2,2% in 1992.

• For the first time, value added by the informal sector was included in estimates of gross domestic product (GDP) for 1993. This inclusion increased estimates of nominal GDP by about 5,6 %.

• The richest 10% of households in South Africa earned 51,2% of total income and the poorest 40% earned 3,9%, according to a report published by the Human Sciences Research Council and the University of Natal in 1994. Almost 41% of all households lived below the minimum living level.

• The surplus on the current account of the balance of payments was R5,9bn in 1993, 51% more than the R3,9bn surplus in 1992. Sanlam forecast a current account deficit of R700m in 1994, while Standard Bank expected a surplus of R2,6bn in 1994.

• At the end of 1993 foreign debt was 14,2% of GDP, down from 42,4% of GDP at 31 December 1985.

• In 1993 the average price of gold on the London daily fix was $360 per fine ounce, an increase of 4,6% on the price in 1992 ($344). The average London price for 1994 up to 19 December was $384,2, representing a further increase of 6,8%.

• Sanlam predicted an average inflation rate for 1994 of 9,3 %, compared with 9,7 % in 1993. Absa Bank expected an inflation rate of 8,9%.

• The real prime lending rate increased from 5,2% in December 1993 to 5,82% in November 1994.

• Real gross domestic fixed investment (GDFI) declined by 3,8%from R21,2bn in 1992 to R20,4bn in 1993. Sanlam expected GDFI to increase by 5,6 % in 1994, while Nedcor predicted an increase of 4 %.

• Expenditure on social services increased at an average annual rate of 19,1% between 1990/91 and 1994/95, to 14,3% of GDP. The increase was mainly due to the ‘steady elimination of racial disparities in social grants’, according to the *Budget Review*.

• Expenditure on protection services dropped from 21,8% of the budget in 1990/91 to 18,1% in 1994/95, while the proportion spent on social services increased from 41,3 % to 45 %.

MACRO-ECONOMIC PICTURE

Growth Rate

In 1994 South Africa continued the modest economic growth that began in 1993 after a deep recession which had started in 1989. Estimates of the 1994 growth rate ranged between 2% (Standard Bank and Nedcor) and 3 % (First National Bank).[1] [1 Information provided by Nedcor, 21 November 1994; information provided by First National Bank, 30 November 1994; Standard Bank, *Key Indicators,* November 1994] These estimates represented a downward revision after predictions of a growth rate of between 3 % and 4 % made earlier in the year by the minister of finance, Mr Derek Keys.[2] [2 *Sunday Times* 7 August 1994, *Business Day* 16 August 1994] The South African Chamber of Business (Sacob) said in August 1994 that labour relations would be the key factor in determining growth in 1994. Sacob warned that 'strike-related violence and conflict have had a negative impact on South Africa's image as investment destination and hence on … growth potential'.[3] [3 *Sunday Times* 7 August 1994]

According to the Central Statistical Service (CSS), real economic growth, as measured by gross domestic product (GDP) at constant 1990 market prices, was 1,2% in 1993, compared with declines of 2,2% in 1992, 1% in 1991 and 0,3% in 1990. (These figures differ from those given in the 1993/94 Survey, owing to the re-basing of GDP estimates to constant 1990 prices.)[4] [4 *Central Statistical Service (CSS), Gross Domestic Product at Constant 1990 Prices—First Quarter 1994,* Statistical Release, P0441.1, 15 August 1994]

In 1993, for the first time in South Africa, GDP estimates included the contribution from the informal economy: value added by the informal sector in 1993 increased revised nominal GDP estimates at market prices by approximately 5,6%, according to the CSS.[5] [5 Ibid]

The 1994 *Budget Review* of the Department of Finance noted that an annual average growth rate of 0,9% in real GDP from fiscal year 1982 to 1993, set against annual population growth of 2,4%, resulted in a decrease of 18,8% in real GDP per capita over the period, from R8 397 to R6 821.[6] [6 Department of Finance, *Budget Review*, 22 June 1994]

The governor of the South African Reserve Bank, Dr Chris Stals, said in August 1994 that the recession, the country's longest since World War II, levelled out only during the first half of 1993. He said that the recovery was partly cyclical in nature; it was further fostered by favourable weather, which brought high increases in agricultural output and by higher growth in some industrial countries, which promoted export volumes. Dr Stals cited 'good progress made in...political and social reforms' as the most important factor in the recovery, which still had to be regarded as 'fragile'.[7] [7 Dr Chris Stals, address at the ordinary general meeting of shareholders of the South African Reserve Bank (SARB), 23 August 1994]

The economic recovery evident in the second half of 1993 faltered in the first quarter of 1994. After accelerated growth in real domestic output to 7% and 5% (annualised) respectively in the third and fourth quarters of 1993, there was an annualised drop of 3,5% in the first quarter of 1994, followed by an annualised increase of 2% in the second quarter.[8] [8 SARB, annual economic report 1994] The reserve bank attributed the low first quarter performance 'largely' to a drop in agricultural output.[9] [9 SARB, *Quarterly Bulletin,* June 1994] The reserve bank said in December 1994 that real GDP grew at a rate of 2,5% in the third quarter of 1994. Small rates of increase in domestic production were recorded in all the major economic sectors. Agricultural production in particular increased at a high rate, owing to the harvesting of a record maize crop of 12,lm tonnes.[10] [10 Ibid, December 1994] According to the CSS, however, total seasonally adjusted real GDP would have to grow by at least 8,2% (annualised) in the last two quarters of 1994 to realise a 3 % growth rate.[11] [11 CSS, *Gross Domestic Product at Constant 1990 Prices—Second Quarter 1994,* Statistical Release, PO441.1,27 May 1994]

The following table gives a breakdown of GDP at factor cost at constant 1990 prices by kinds of economic activity from 1946 to 1993:[12] [12 SARB, *South Africa's National Accounts 1946-1993*, Supplement to the SARB Quarterly Bulletin, June 1994]

Real GDP by kinds of economic activity [a]: 1946-1993

Primay sector Rm

Secondary sector Rm

Tertiary sector Rm

TotInc1946

13507

8372

25271

47150

N/A

1947

13734

9448

24885

48067

1,9%

1948

14463

10738

26151

51352

6,8%

1949

14504

11492

27076

53072

3,3%

1950

15564

12408

27949

55921

5,4%

1951

16145

13378

28792

58315

4,3%

1952

16616

14404

29530

60551

3,8%

1953

17197

15007

30966

63169

4,3%

1954

18582

16068

32397

67047

6,1%

1955

19833

17077

33643

70553

5,2%

1956

21582

17819

35010

74411

5,5%

1957

22232

18825

36602

77659

4,4%

1958

22536

19534

37844

79914

2,9%

1959

24787

20097

38791

83675

4,7%

1960

25556

20866

39604

86025

2,8%

1961

26805

21653

40885

89343

3,9%

1962

28774

22985

43012

94772

6,1%

1963

30094

26042

45412

101548

7,1%

1964

30945

30303

48143

109392

7,7%

1965

31826

33238

51088

116152

6,2%

1966

33207

35162

52998

121367

4,5%

1967

34623

37897

56461

128981

6,3%

1968

34588

40094

60974

135 656

5,2%

1969

35419

44229

64078

143726

5,9%

1970

35810

47804

68000

151614

5,5%

1971

36115

51371

71405

158891

4,8%

1972

34712

53951

74042

162705

2,4%

1973

33410

58125

78418

169953

4,5%

1974

33618

62365

83830

179813

5,8%

1975

31584

64720

88366

184670

2,7%

1976

33051

65 753

90748

189553

2,6%

1977

34570

63804

90094

188467

(0,6%)

1978

35155

66887

91812

193 853

2,9%

1979

35561

71734

93986

201281

3,8%

1980

35975

78419

100335

214729

6,7%

1981

36463

83927

105809

226199

5,3%

1982

35523

81969

107 244

224 736

(0,6%)

1983

33205

77164

110029

220399

(1,9%)

1984

35104

80301

116664

232 069

5,3%

1985

37037

76890

116007

229935

(0,9%)

1986

36864

76325

116602

229791

(0,06%)

1987

35991

77391

120621

234003

1,8%

1988

36745

82033

124447

243 225

3,9%

1989

38290

83959

126943

249192

2,5%

1990

37095

82474

127 746

247315

(0,8%)

1991

37149

79401

127999

244549

(1,1%)

1992

33830

76976

127 905

238711

(2,4%)

1993

36471

76895

128635

242001

1,4%

a

Gross domestic product at factor cost and at constant 1990 prices. Figures may not add up owing to rounding.

b

Includes agriculture, fishing, forestry, mining and quarrying.

c

Includes construction, electricity, gas, manufacturing and water.

d

Includes accommodation, business services, catering, communication, community services, finance, insurance, real estate, social and personal services, storage, transport, and wholesale and retail tra

Sanlam predicted economic growth of 3,2% in 1995[13] [13 Sanlam, *Sanlam's Economic Survey,* November 1994] and Absa Bank 2%.[14] [14 AbsaBank, *Quarterly Economic Monitor,* October 1994]

The Small Business Development Corporation estimated that small and medium enterprises (SMEs) contributed 29% to South Africa's GDP. Large private formal enterprises contributed 25% of GDP, informal or micro enterprises 17%, general government 16% and public corporations 13 %.[15] [15 Information supplied by the Small Business Development Corporation, 23 September 1994] The National Manpower Commission (NMC) estimated that the average investment needed to create one new job in large companies was R56 000. In SMEs this figure dropped to R22 000, while it averaged R5 000 in the informal sector. The NMC stated that 75 % of new job opportunities were created by SMEs.[16] [16 National Manpower Commission, annual report 1993]

A survey conducted by the Bureau of Market Research at the University of South Africa in 1994 found that the formal economy would have to grow by 8%-9% annually until 2011 if it was to absorb the expected 9,5m increase in the labour force.[17] [17 *Enterprise* May 1994]

Unemployment

The annual economic report of the South African Reserve Bank, published in August 1994, stated that formal sector employment continued to decline in 1993 despite the revival in economic activity. The rate of decrease in employment accelerated from 2,1% in 1991 and 1992 to 2,5 % in the first three quarters of 1993, compared with the corresponding period in the previous year. Employment contracted by 7,8 % (ie nearly 430 000 workers) from the second quarter of 1989 to the third quarter of 1993. Employment levels in the non-agricultural sector dropped to a level last reached in the first quarter of 1981, according to the reserve bank.[18] [18 SARB, annual economic report 1994]

In the first three quarters of 1993 average private sector employment, which had declined by 3,6% in 1991 and 3,1% in 1992, fell further, to 2,5% below the corresponding period in 1992. The reserve bank noted in December 1994 that employment in the private sector (excluding agriculture) started to decline in the third quarter of 1989 and, with the exception of the first quarter of 1990, had declined in every subsequent quarter.[19] [19 SARB, *Quarterly Bulletin,* March December 1994] Job cuts in manufacturing and mining

were responsible for nearly 80% of the overall decline. In the first quarter of 1994 employment in banks, construction, electricity generation and the trade sector also dropped 'sharply'.

Total employment in the public sector fell by 2,4% in 1993, owing to a cutback in current government expenditure and the implementation of cost rationalisation programmes. Employment in the public sector dropped by 1,5% in the first quarter of 1994 and by 0,6% in the second quarter of 1994, owing to the privatisation of some agricultural marketing boards and largescale retrenchments by public corporations. According to the reserve bank, the number of registered unemployed workers declined from 335 000 in September 1993 to 280 000 in August 1994. However, the unemployment rate (which included people working in the informal sector) increased from 18,5% in 1991 to 29% in 1993.[20] [[20] SARB, annual economic report 1994; SARB, *Quarterly Bulletin,* June 1994]

The Central Statistical Service (CSS) said in May 1994 that 12m people were economically active in South Africa (excluding the former 'independent' homelands) in 1993. The official unemployment rate was 29% (3,6m people). More than 50% of the unemployed were below 30 years of age and most had no post-school qualification. The highest unemployment rate occurred among Africans (37,1% or 3m people) and the lowest among whites (8,4 % or 200 000 people). Four million people were employed in the informal sector, of whom 1m were also employed full-time in the formal sector. An unknown number of housewives and children was included in the 3m people employed in the informal sector only, according to the CSS.[21] [[21] CSS, *October Household Survey 1993,* Statistical Release,PO317, 23 May 1994,]

Skills Shortages

According to a senior researcher at the Human Sciences Research Council (HSRC), Mr Anton Smith, there have been no studies on the skills shortage in South Africa since 1991, although HSRC research on the issue was expected to be published in 1995.[22] [[22] Personal communication with Mr Anton Smith, Human Sciences Research Council, 27 September 1994]

South Africa experienced a net loss of 3 434 people between January and August 1994 of whom 1 852 were economically active, compared with a net increase of 4 397 people in 1992, of whom 2 055 were economically active.[23] [[23] 1993/94 Survey, p475] Net losses were reported in most occupational categories. Among engineers and related technologies there was a net loss of 83, while there were losses of 128 people in education and related occupations and 138 in accountancy and related occupations. There was a net gain of 68 medical practitioners (see also chapter on *Population*).[24] [[24] CSS, *Tourism and Migration,* August 1994, Statistical Release, PO351, 24 November 1994,]

The following table gives the number of professional people leaving and entering South Africa between January and August 1994, according to the Central Statistical Service. (Net gain or loss in each occupational category due to immigration/emigration is also shown. No comparable figures were available for 1993.):[25] [[25] Ibid]

Emigrants by occupation: January-August 1994

Emigration

Net gain (loss)

Professional, semi-professional and technical

1497

(705)

Managerial, executive and administrative

476

(133)

Clerical and sales

772

(491)

Transport, delivery and communications

29

(14)

Service

97

(13)

Farming and related activities

10

5

Artisans, apprentices and related activities

314

(173)

Production foreman and supervisor, miner and quarry worker, operator, production and related activities

58

9

Occupation unspecified and not classified elsewhere

463

(337)

Total

3716

(1852)

Total not economically active

4176

(1582)

Grand total

7892

(3 434)

The president of the Associated Scientific and Technical Societies, Mr Eric Davidson, said in February 1994 that engineers made up less than 5% of the graduating body from South African universities, an ‘alarming’ drop from 9% in 1971 and comparing poorly with 12% in the United Kingdom and higher

figures in other European and Pacific Rim countries. Mr Davidson suggested that funding be used to give priority to science, engineering and technology education.[26] [26 *Engineering News,* 11 February 1994]

A resident fellow of the Africa Institute of South Africa, Dr Eric Leistner, attributed the 'brain drain' in South Africa to poor economic conditions, violence, an uncertain political future and the fear that the country faced a decline similar to that experienced in other sub-Saharan countries. He added that South Africa was likely to experience a growing inflow of skilled people from the rest of sub-Saharan Africa, which would cause certain African countries to 'suffer severely'.[27] [27 Leistner E, 'Migration of High-level African Manpower to South Africa', *Africa Insight,* vol 23 no 4, pp221,223]

The new minister of trade and industry, Mr Trevor Manuel, said in September 1994 that the failure of industry and the formal education system to provide sufficiently for education and training needs had relegated South Africa's human resource development to the bottom of a list of 41 countries. Instead of building on the skills of black workers, industry had expanded on the basis of 'expensive imported skills linked to white immigration policies'

Also in September, the South African Chamber of Business (Sacob) said that South Africa's spending on human resources development was 'atrociously' low because of a previous abundance of relatively cheap labour. Companies had neglected the area because they had been protected from world competition by government policies during the apartheid era. Given current spending levels on education and training and expected economic growth rates, Sacob predicted continuing skills shortages during the next decade.[29] [29 Ibid] The World Bank said in a report entitled *Reducing Poverty in South Africa,* published in 1994, that upgrading of skills of employees was crucial for the medium-term success of South Africa's industrial strategy for three reasons:

• it could increase productivity and competitiveness;

• shortages of skilled workers have hampered economic growth in South Africa in the past; and

• a commitment by business and labour to upgrade skills could help transform industrial relations from hostility to 'win-win' options.[30] [30 World Bank, *Reducing Poverty in South Africa: Options for Equitable and Sustainable Growth,* informal publication, 1994]

A World Bank model of the South African economy suggested that investment in skills upgrading could result in an annual increase in gross domestic product of 0,5 % in the medium ten.[31] [31 Ibid]

Productivity Constraints

According to Professor Lorraine Greyling of the Department of Economics at Rand Afrikaans University, there has been no research into the impact of productivity on South Africa's economic

growth rate, since the precise measurement of productivity is still under debate.[32] [32 Information supplied by Professor Lorraine Greyling, Department of Economics, Rand Afrikaans University, 7 November 1994]

Multifactor productivity reflects combined labour and fixed capital productivity. The following table gives the capital and multifactor productivity growth rates in various sectors between 1970 and 1992 (brackets denote decreases):[33] [33 National Productivity Institute (NPI), *Productivity Focus,* 1994]

Capital and multi-factor productivity growth rates: 1970-1992

CapMul

1970-1992

1991-1992

1970-1992

1991-1992

Agriculture

1,9%

(22,8%)

2,1%

(23,5%)

Commerce

(0,5%)

(3,1%)

0,6%

(2,0%)

Construction

(3,5%)

(3,2%)

(1,8%)

(1,9%)

Electricity

(0,5%)

5,0%

0,5%

4,8%

Finance

(0,4%)

(0,2%)

(0,6%)

(2,0%)

Manufacturing

(2,5%)

(4,8%)

(0,2%)

(2,4%)

Mining

(6,4%)

0,8%

(4,0%)

5,2%

Transport

(0,1%)

1,1%

1,5%

2,9%

Private economy[b]

(1,9%)

(2,7%)

(0,3%)

(1,7%)

a

Average annual growth rate.

b

The private economy includes all sectors except general government.

All sectors except agriculture showed declines in annual capital productivity between 1970 and 1992. Except for mining, electricity and transport, all sectors also experienced declines from 1991 to 1992, during which time capital productivity in the private economy decreased by 2,7%. According to the National Productivity Institute, the long-term trend in fixed capital productivity showed that fixed

capital was very much under-utilised as a factor of production in South Africa.[34] [34 Ibid]

Only electricity, and transport achieved multifactor productivity gains in both periods (see also chapter on *Labour Relations and Employment*).

Poverty

Research conducted by the Human Sciences Research Council and the University of Natal, published in 1994, indicated that the richest 10% of households in South Africa earned 51,2 % of total national income, while the poorest 40% earned 3,9 %. Five percent of the poorest 20 % of households and 76% of the richest 20% of households were white. According to the report, the Gini coefficient (a measurement of income inequality) for all population groups remained unchanged between 1975 and 1991 at 0,68. Inequality within population groups was the biggest contributor to overall inequality: the income of the wealthiest 20% of Africans increased by 40% between 1975 and 1991, while that of the poorest 40 % of Africans had fallen by 42% since the mid-1970s, the report stated,[35] [35 *Sunday Times* 27 March 1994]

The same research found that 40,9% of all households in South Africa lived below the minimum living level (MLL) (ie 67% of African households and 38%, 18% and 6,7% of coloured, Indian and white households respectively). The average real household income of all South Africans dropped by 11% from 1975 to 1991; across all race groups the biggest drops were registered at the bottom end of the income scale. Poverty was concentrated in the former 'independent' homelands and more than 85 % of households in the Transkei and the Ciskei were living in poverty. The Northern Transvaal had the highest overall poverty level (77%), followed by the Eastern Cape (72%) and the Western Cape 26%. The Pretoria-Witwatersrand-Vereeniging province (22%) had the lowest poverty level.[36] [36 NPI, *Productivity Focus,* 1994; *Weekly Mail and Guardian* 8 April 1994]

The report found that in 1991 a transfer of income of about R7 737bn to the poor would have been needed to eliminate poverty. It concluded that if poverty was to be eliminated through economic growth the economy would have to grow at an annual rate of 5% for 24 years or alternatively at 2,5% for 47 years. The National Productivity Institute concluded that productivity improvement would play a crucial role in eliminating poverty.[37] [37 NPI, *Productivity Focus,* 1994]

The Bureau of Market Research (BMR) at the University of South Africa calculated the minimum annual income for long-term survival for the average-sized family at about R9 000.[38] [38 *Weekly Mail and Guardian,* 8 April 1994] The BMR said that the proportion of the population living below the MLL had fallen from 50% in 1980 to 44,8% in 1989. Only 1,6% of whites lived below the MLL, while 52,9% of Africans fell into this category. In the former 'independent' homelands 65,1% of people lived below the MLL.[39] [39 Ibid 25 March 1994] The BMR estimated that 17m people could be classified as 'poor', while another 6m people did not have jobs in the formal sector. It described 'poor' households as those lacking land, financial resources and other income-generating assets, a large proportion of them relying on

pensions. Poor households were concentrated in rural areas of the former homelands of Gazankulu, KwaNdebele, Lebowa and QwaQwa.[40] [40 *The Star* 25 January 1994] TheBMR concluded that South Africa's national wealth stock was not sufficient to significantly improve the welfare of the poorest. For such an improvement, additional wealth had to be created [41] [41 *Enterprise* May 1994]

The World Bank, in a report entitled *Reducing Poverty in South Africa,* said that poverty afflicted less than 2% of whites but more than 50% of Africans. In rural areas and the former homelands, two thirds of all Africans were poor. High maternal and infant mortality rates, low education levels and low per capita income were manifestations of poverty. The report said that poverty could be alleviated only by economic growth that created more employment opportunities, achieved more equitable distribution of assets, services and access to markets, and maintained macro-economic stability.[42] [42 World Bank, *Reducing Poverty in South Africa: Options for Equitable and Sustainable Growth,* 1994]

Balance of Payments

Sanlam forecast a R700m deficit on the current account of the balance of payments in 1994,[43] [43 Sanlam, *Sanlam's Economic Survey,* November 1994] while Standard Bank forecast a surplus of R2,6bn.[44] [44 Standard *Bank, Key Indicators,* November 1994]

According to the South African Reserve Bank, the surplus on the current account of the balance of payments remained 'relatively large' in 1993 and amounted to R5,9bn (or 1,6% of gross domestic product (GDP)), compared with R3,9bn in 1992. This was mainly due to a substantial rise in the value of merchandise exports and net gold exports.[45] [45 SARB~ *Quarterly Bulletin,* 1994] The current account surplus (seasonally adjusted and annualised) weakened considerably from a quarterly average of R5,7bn in the second half of 1993 to R2,3bn in the first quarter of 1994. In the second quarter it improved to R2,6bn. However, in the third quarter a deficit of R4,8bn, representing 1,1% of GDP, was recorded.[46] [46 Ibid, September, December 1994] The reserve bank said in December 1994 that the deficit was mainly related to a rise in the value of imports, which outweighed moderate increases in the value of exports (including net gold exports). In addition, net service and transfer payments to non-residents rose in the third quarter.[47] [47 Ibid, December 1994]

Following a further deterioration in the capital account of the balance of payments during 1993—which registered a net capital outflow of R16,3bn for the year—the reserve bank said in March 1994 that the cumulative net outflow of capital since 1985 was R49bn, It attributed the outflow to political 'and social uncertainty, continuing internal unrest and pressure on the exchange rate of the rand combined with a relatively strong American dollar,[48] [48 Ibid, March 1994]

Net capital outflow continued during the first half of 1994, totalling R3,7bn, compared with R6,5bn in the first half of 1993 and R9,8bn in the second half of that year, according to the reserve bank.[49] [49 Ibid, September 1994] In the third quarter, however, a net inflow of R5,6bn was recorded. The reserve bank

ascribed the reversal in the capital account to the peaceful transition to a new political dispensation in South Africa.[50] [50 Ibid, December 1994]

At the end of 1993, gross gold and other foreign reserves' had fallen to Rll,lbn from Rll,2bn at the end of 1992. The reserve bank stated that in 1993 the monetary authorities had made drawings of R7,1bn on foreign credit facilities, including a loan from the International Monetary Fund, to support foreign reserves and the exchange rate of the rand.[51] [51 Ibid, March 1994] Gross gold and other foreign reserves totalled R9,7bn at the end of June 1994 and R1lbn at the end of September 1994. The September total was equal to the value of five weeks of imports.[52] [52 Ibid, December 1994]

According to the reserve bank, the outflow of capital and a smaller surplus on the current account of the balance of payments had caused net gold and other foreign reserves to decline by R10,3bn in 1993, compared with an increase of R0,3bn in 1992.[53] [53 Ibid, March 1994] As a result of the relatively small net outflow of capital, total net gold and other foreign reserves fell by only R0,9bn in the first quarter of 1994. This drop was 79% lower than that recorded for the fourth quarter of 1993. In the single month of April 1994, however, net gold and foreign reserves fell by about R2,2bn, because of the uncertainty surrounding the election.[54] [54 Ibid] The reserve bank said in December 1994 that net gold and foreign reserves declined by R2,3bn in the second quarter of 1994 and total net foreign reserves fell by R3,2bn in the first half of 1994.[55] [55 Ibid, September 1994] However, net gold and foreign reserves increased by R3,3bn in the third quarter of 1994.[56] [56 Ibid, December 1994]

The following table gives an overview of South Africa's balance of payments from 1970 to 1993 (brackets denote decreases):[57] [57 Information supplied by the SARB, 8 November 1994]

Balance of payments: 1970-1993[a]

Balance on current account

RmChange in net gold and other foreign reserves[b]

*R*Change in gross gold and other foreign reserves[c]

Rm1970

(919)

(312)

(262)

1971

(1061)

(326)

(156)

1972

(143)

429

437

1973

(169)

(38)

(103)

1974

(979)

(131)

(76)

1975

(1766)

(336)

197

1976

(1654)

(897)

(216)

1977

209

(225)

(101)

1978

949

(414)

1441

1979

2504

411

2054

1980

2554

662

1512

1981

(4176)

(2025)

(1549)

1982

(3 557)

762

76

1983

(428)

364

645

1984

(2517)

(936)

355

1985

5208

(1171)

566

1986

6328

1120

(164)

1987

6708

2771

2215

1988

3383

(936)

(1235)

1989

3467

31

199

1990

5324

3552

359

1991

6187

4033

2541

1992

3940

267

1401

1993

5829

(9192)

(155)

a

Includes the former ’independent’ homelands. Data for the last four years are preliminary and subject to revision.

b

Owing to balance of payments transactions.

c

The change in gross gold and other foreign reserves includes the change in net gold and other foreign reserves and the change in liabilities related to reserves plus special drawing right allocations from the International Monetary Fund and valu

The reserve bank said that South Africa’s total foreign debt had been reduced from R65,8bn at the beginning of the debt standstill arrangements in August 1985, to R56,7bn at the end of 1993. In the same period foreign debt as a proportion of GDP fell from 42,4% to 14,2%. Debt payable but outside the terms of the debt arrangements with foreign creditor banks (ie falling outside the ‘net’) was reduced from $5,5bn at the end of 1992 to $4,4bn at the end of 1993. At the start of the debt standstill some $13,6bn was affected by the arrangements. Debt falling inside the net increased from $11,8bn at the end

of 1992 to $12,3bn at the end of 1993, owing largely to borrowing by the authorities in support of foreign reserves, the reserve bank said.[58] [58 SARB, *Quarterly Bulletin,* June 1994]

The Bureau for Economic Research at the University of Stellenbosch predicted a surplus of R0,7bn on the current account of the balance of payments for 1995.[59] [59 Bureau for Economic Research (BER), *Economic Prospects,* 26 October 1994] The South African Chamber of Business expected a deficit of R3,5bn and Saniam predicted a deficit of R4,1bn. Nedcor predicted a surplus on the current account of Rlbn and a deficit of R0,2bn on the capital account.[60] [60 Information provided by Nedcor Economic Unit, 30 November 1994; Sanlam, *Sanlam's Economic Survey,* November 1994; South African Chamber of Business (Sacob), *The Economy in 1995—Breaking out of the Low Growth Trap ?,* December1994]

The Gold Price

The average London gold price for 1994 (up to 19 December) was US$384,19, according to Rand Merchant Bank International Futures.[61] [61 *Business Day* 20 December 1994] This represented an increase of 6,8% over the 1993 average of $359,70 (R1 176,73), itself an increase in dollar terms of 4,6% over the average $343,72 (R979,98) in 1992.[62] [62 SARB, *Quarterly Bulletin,* March 1994] The Bureau for Economic Research at the University of Stellenbosch forecast a gold price of US$392 (R1 453) for 1995.[63] [63 BER, *Economic Prospects,* May 1994] Nedcor expected the gold price to be $401 in 1995.[64] [64 Information provided by Nedcor Economic Unit, 30 November 1994] Absa Bank predicted a price of $408 for 1995.[65] [65 Absa Bank, *Quarterly Economic Monitor,* October 1994]

The average London gold price from 1981 to 1992 is shown below:[66] [66 Chamber of Mines of South Africa, *Statistical Tables,* 1993]

Average London gold price: 1981-1993

Price in American dollars

Price in South African rands[a]

Increase (decrease)[b]

1981

459,85

1361,36

N/A

1982

375,85

1213,38

(10,9%)

1983

424,31

1247,75

2,8%

1984

360,45

1248,25

0,04%

1985

317,29

1447,31

15,9%

1986

367,59

1443,95

(0,2%)

1987

446,60

1344,39

(6,9%)

1988

437,09

1301,29

(3,2%)

1989

381,54

1142,89

(12,2%)

1990

383,58

991,88

(13,2%)

1991

362,19

866,90

(12,6%)

1992

343,72

746,37

(13,9%)

1993

359,70

816,61

9,4%

a

The rand price of gold is expressed in real terms with 1990 as the base year.

b

Change in the rand price.

N/A — No

Exchange Rate

The nominal external value of the commercial rand was 30,6 American cents in 1993, a drop of 13 % from the 1992 average of 35,1 cents.[67] [67 BER, *Trends,* June 1994] The nominal effective exchange rate of the rand declined by 8,7 % in 1993, compared with 4,4% in 1992.[68] [68 SARB, *Quarterly Bulletin,* March 1994]

The sharp decline in the nominal effective exchange rate of the rand during 1993 exceeded the difference between the inflation rates of South Africa and its main trading partners, causing the real effective exchange rate of the rand to decline by 4,9% in 1993. By the end of 1993 the rand in real terms had depreciated by 19,4% against the Japanese yen, 10,1% against the US dollar, 7,7% against the British pound, 3,8% against the Dutch guilder and 3,4% against the German mark. During 1993 it appreciated by 4,2% against the Italian lira.[69] [69 Ibid]

The South African Reserve Bank noted that the decrease in the nominal effective exchange rate of the rand in 1994 resulted from a depreciation in that currency against all major currencies except the Italian lira (ie the British pound, the German mark, the Japanese yen, the Dutch guilder and the US dollar).[70] [70 Ibid, March, September 1994]

According to the 1994 *Budget Review, the* exchange rate of the financial rand fluctuated widely during 1993 in reaction to domestic economic and political developments, but increased overall by 13,1% in the year. The financial rand discount narrowed from 37,2% at the end of 1992 to 20,9% at the end of 1993.[71] [71 Department of Finance, *Budget Review,* June 1994] In December 1994 the finrand discount was 14,2%.[72] [72 **Fast Facts** no 12 1994]

The following table shows the value of the commercial and financial rands from 1983 to 1993:[73] [73 BER, *Trends,* June 1994]

Exchange rates: 1983-1993 (value in American cents)

Commercial rand

Financial rand

Discount[a]

1983

90

78

13,3%

1984

68

N/A[b]

N/A

1985

45

27

40,0%

1986

44

22

50,0%

1987

49

32

34,7%

1988

44

26

40,9%

1989

38

28

26,3%

1990

39

30

23,1%

1991

36

32

11,1%

1992

35

21

40,0%

1993

31

23

31,5%

a

The difference between the commercial rand and the financial rand as a proportion of the commercial rand.

b

The financial rand was abolished in February 1983 and reintroduced in September 1985, owing to the foreign debt crisis.

N/A-Not av

The South African Chamber of Business (Sacob) said in December 1994 that it expected the rate of

decline in the effective exchange rate to slow further in the next few months and that it should average about 6% in 1995.[74] [74 Sacob, The *Economy in 1995—Breaking out of the Low Growth Trap ?,* December 1994]

Dr Chris Stals, governor of the reserve bank, said in August 1994 that South Africa had to 'liberalise its foreign exchange market' in order to achieve economic growth. The abolition of exchange controls without any supportive measures could, however, cause serious disruptions in the initial phase of the transition and force the reintroduction of the old controls or the application of new direct controls over the markets. This could harm the economy even more. Dr Stals added that abolition of exchange control should be subject to the following conditions:

• finalisation of arrangements for re-entering the international capital markets;

• narrowing of the discount between the commercial rand and the financial rand to around 10%;

• reduction of the pool of financial rands on deposit with South African banks; and

• building up of sufficient foreign exchange reserves to cover three months' worth of imports.[75] [75 Dr C Stals, address at the ordinary general meeting of shareholders of the SARB, 23 August 1994; Nedcor, *Guide to the Economy,* third quarter 1994]

The frost condition was met in part after South Africa received a BAA3 credit rating and a BB credit rating with a 'positive outlook' comment respectively from Moody's Investor Services and Standard and Poor's Corporation, two major American credit-rating agencies. South Africa had earlier received a BB rating from IBCA, a European rating agency. (The United States (US) and Japan require countries to be rated before borrowing money through government stocks issued on the international bond market.) South Africa's rating meant that the country could henceforth have access to capital markets in the US and Europe. The 'lower than expected' credit ratings would, however, result in relatively high interest payments on any borrowings, according to Mr Keith Lockwood, an economist at Sacob.[76] [76 *Business Day* 4, 5 October 1994; *The Star* 5 October 1994; information supplied by Mr Keith Lockwood, Sacob, 21 October 1994]

In December 1994 Sacob said that it did not anticipate any firm steps to abolish exchange control before the end of 1995. It expected, however, that any such steps would be taken in the following order:

• abolition of the finrand;

• phasing-out of exchange control on non-residents;

• the release of blocked rand balances;

• modifications to the reserve bank's rules in relation to the forward exchange market; and

• the lifting of exchange controls on residents.[77] [77 Sacob, *The Economy in 1995—Breaking out of the Low Growth Trap ?,* December 1994]

Inflation Rate

Sanlam expected an average inflation rate of 9,3% for 1994.[78] [78 Sanlam, *Sanlam's Economic Survey,* November 1994] Absa Bank predicted an inflation rate of 8,9 %.[79] [79 Absa Bank, *Quarterly Economic Monitor,* October 1994]

The actual average for 1994 was 9%, the lowest rate since 1972 when it was 6,5 %, according to the Central Statistical Service (CSS).[80] [80 *Business Day* 27 January 1994]

The following table shows fluctuations in the inflation rate, as measured by the consumer price index (CPI), from 1982 to 1993:[81] [81 BER, *Trends,* June 1994; 1993/94 Survey, p382]

Inflation rate: 1982-1993

Lower-income group

Middle-income group

Higher-income group

All items

1982

13,5%

14,4%

15,3%

14,7%

1983

12,4%

12,7%

12,1%

12,3%

1984

10,4%

12,0%

11,8%

11,6%

1985

13,9%

16,5%

16,7%

16,2%

1986

18,5%

18,9%

18,6%

18,6%

1987

17,5%

16,5%

15,5%

16,1%

1988

12,7%

12,7%

12,9%

12,8%

1989

12,9%

13,9%

15,8%

14,7%

1990

14,8%

14,4%

14,2%

14,3%

1991

15,0%

15,8%

15,3%

15,3%

1992

14,7%

14,5%

13,3%

14,0%

1993

8,6%

9,7%

10,2%

9,7%

The average inflation rate for 1993, as measured by the CPI, was 9,7% against 13,9% in *1992*. The CSS said that this was the lowest rate since 1973, when it was 9,6%. The average annual rates for lower-, middland higber-income groups for 1993 were 8,6%, 9,7% and 10,2% respectively.[82] [[82] CSS, *Consumer Price Index, December 1993,* Statistical News Release, PO141.1, 27 January 1994] The South African Reserve Bank ascribed the slower rate of increase in the CPI to lower increases in labour costs, conservative monetary policies, relative stability in the external value of the rand, a lack of demand pressures and improved agricultural conditions.[83] [[83] SARB, *Quarterly Bulletin,* March 1994]

The year-on-year increase in the CPI at September 1994 was 10,1%, while food price inflation was 21,9%, compared with 2,4% in September *1993*.[84] [[84] 1993/94 Survey, p382] This was the first time in 15 months that South Africa had experienced 'double-digit' CPI inflation.[85] [[85] *Business Day* 28 October 1994] However, in October and November 1994 the CPI dropped to 9,8% and 9,9% respectively. This was mainly due to the decrease in food price inflation to 18,9% in November 1994.[86] [[86] Ibid 29 December 1994] The South African Chamber of Business expected an average inflation rate of 10% for 1995, while

Sanlam anticipated a rate of 12%.[87] [87 Sanlam, *Economic' Survey,* September 1994; Sacob, *The Economy in 1995—Breaking out of the Low Growth Trap ?,* December 1994]

Dr Chris Stals, governor of the reserve bank, said in August 1994 that the decline in the rate of inflation was one of the 'most gratifying developments in the past year'. He warned, however, that the 'inflation psychosis' had not yet been broken and that the struggle against inflation required attention for as long as the South African inflation rate remained well above that of the country's major international trading

The CSS noted that at 6,6%, the rate of increase in the producer price index (PPI) in 1993 was the lowest since 1971 (4,9%) and compared with 8,3 % in 1992 and 11,4 % in 1991.[89] [89 CSS, *Production Price Index,* December 1993, Statistical News Release, PO142.1, 15 February 1994] During 1993 the prices of domestically produced goods increased by 7 % and those of imported goods by 5 %.[90] [90 SARB, *Quarterly Bulletin,* March 1994] In September 1994, however, the year-on-year PPI increased to 10,1%, the highest rate in almost three years, but it dropped back to 9,7% in 1994/95 Race Relations Survey

October.[91] [91 *Business Day* 13 October 1994, 14 December 1994] In October 1994 Absa Bank said that it expected the PPI to average 11,6% in 1995 and 10% in 1996.[92] [92 Absa Bank, *Quarterly Economic Monitor,* October 1994]

The following table shows the rate of increase in the PPI between 1982 and 1993:[93] [93 CSS, *Production Price Index*, December 1993, Statistical News Release, PO 142.1, 15 February 1994; 1993/94 Survey, p383]

Increase in the producer price index: 1982-1993

1982

14,0%

1983

11,1%

1984

8,3%

1985

17,0%

1986

19,5%

1987

14,0%

1988

13,1%

1989

15,2%

1990

12,0%

1991

11,4%

1992

8,3%

1

Food Prices

The food price inflation rate for 1993 was 6,8%, compared with 25,3% in 1992.[94] [94 CSS, *Consumer Price Index, December 1993,* Statistical News Release, PO141.1, 27 January 1994] In November 1994 food price inflation was 18,9%, compared with 21,8% in October.[95] [95 *Business Day* 29 December 1994]

The following table gives a breakdown of the rate of increase or decrease in the prices of various foodstuffs from 1982 to 1993 (figures in brackets denote decreases):[96] [96 BER, *Trends,* June 1994; 1993/94 Survey, p385]

Food price inflation: 1982-1993

Fruit and nuts

Grain products

Meat

Milk, eggs and cheese

Vegetables

Average food price inflation

1982

16,2%

20,8%

5,0%

19,6%

12,7%

11,2%

1983

15,0%

16,0%

4,4%

13,1%

27,8%

11,7%

1984

15,4%

14,1%

10,9%

10,0%

(0,9%)

10,9%

1985

9,7%

18,4%

10,6%

10,0%

0,5%

12,0%

1986

14,4%

14,4%

26,6%

16,1%

13,9%

20,3%

1987

13,3%

12,3%

31,7%

20,0%

28,4%

22,8%

1988

0,0%

12,1%

23,2%

13,3%

13,7%

15,6%

1989

15,3%

12,9%

9,5%

14,5%

3,4%

11,0%

1990

25,5%

16,6%

9,5%

20,5%

32,5%

16,1%

1991

41,9%

18,1%

19,1%

18,5%

15,4%

19,6%

1992

49,7%

17,7%

21,3%

21,7%

61,0%

25,2%

1993

2,6%

11,5%

8,4%

7,0%

(

Interest Rates

Interest rates in South Africa between 1970 and 1993 are given below (figures in brackets denote negative real interest rates):97 [97 Information provided by the SARB, 15 November 1994]

Interest rates: 1970-1993

Year end

Bank rate[a]

Prime overdraft rate[b]

Real interest rate[c]

1970

5,5%

8,5%

4,30%

1971

6,5%

9,0%

4,33%

1972

6,0%

8,5%

1,09%

1973

3,8%

8,0%

(1,73%)

1974

6,5%

12,0%

(1,87%)

1975

7,4%

12,0%

0,62%

1976

8,3%

12,5%

0,92%

1977

8,4%

12,5%

2,03%

1978

7,9%

11,5%

0,14%

1979

4,7%

9,5%

(3,96%)

1980

6,5%

9,5%

(5,38%)

1981

14,5%

17,0%

2,69%

1982

14,4%

18,0%

3,68%

1983

17,8%

20,0%

8,14%

1984

20,8%

24,0%

9,51%

1985

13,0%

16,5%

(1,67%)

1986

9,5%

12,0%

(5,14%)

1987

9,5%

12,5%

(1,94%)

1988

14,5%

18,0%

4,85%

1989

18,0%

21,0%

4,90%

1990

18,0%

21,0%

5,56%

1991

17,0%

20,3%

3,48%

1992

14,0%

17,3%

6,97%

1993

12,0%

15,3%

5,25%

a

Rate at which the South African Reserve Bank lends to banks.

b

Lowest overdraft rate charged by banks.

c

Actual prime overdraft rate adjusted for inflation.

In September 1994 the reserve bank raised bank rate from 12% to 13%. This increase prompted a rise in the prime overdraft rate and home loan rates of all major banks, from 15,25% to 16,25%.[98] [98 *Business Day* 26, 27 September 1994, The *Citizen* 27 September 1994] The reserve bank said that a downward movement in interest rates, which' had started at the beginning of 1990, continued during 1993 and the first two months of 1994, but at a much slower pace.[99] [99 SARB, *Quarterly Bulletin,* March 1994] However, from February 1994 interest rates had increased—mainly a result of a drain on foreign reserves, fears of

uncontrolled government spending, higher inflation expectations and tight money market conditions.[100] [100 Ibid, September, December 1994]

Real prime lending rate rose from 5,2% in December 1993 to 5,82% in November 1994 as a result of lower inflation.[101] [101 Information provided by the SARB, 20 January 1995; SARB, *Quarterly Bulletin,* September 1994]

Mr Theo van Wyk of SPL Treasury Services said in November 1994 that economists expected a further two percentage point increase in the prime overdraft rate (to 18,25%) by September 1995. The South African Chamber of Business expected a prime overdraft rate of 17,

Investment

Sanlam expected gross domestic fixed investment (GDFI) to increase by 5,6 % in 1994.[103] [103 Sanlam, *Sanlam's Economic Survey,* November 1994] Nedcor predicted an increase of 4 %.[104] [104 Information provided by Nedcor, 30 November 1994]

The table below shows GDFI at constant 1990 prices from 1970 to 1993:[105] [105 SARB, *Supplement to the South African Reserve Bank Quarterly Bulletin,* June 1994]

Gross domestic fixed investment according to organisation: 1970-1993[a]

Public Authorities

Private business enterprises[b]

RmGenBusiness enterprises[c] *Rm*

Public corporations[d] *Rm*

TotIncrease (decrease)

1970

22 855

7 036

6 174

3 949

40 014

N/A

1971

24 476

8 141

7 781

3 976

44 374

10,9%

1972

24 347

8 691

9 573

4 358

46 969

5,8%

1973

26 248

7 601

8 928

6 522

49 299

5,0%

1974

28 165

8 438

8 623

7 251

52 477

6,4%

1975

29 125

9 073

10 176

9 147

57 521

9,6%

1976

27 652

8 498

11 758

8 942

56 850

(1,2%)

1977

26 357

7 834

9 301

9 843

53 335

(6,2%)

1978

25 688

6 931

7 990

11 132

51 741

(3,0%)

1979

26 498

7 073

7 888

12 379

53 838

4,1%

1980

32 793

6 937

8 128

15 140

62 998

17,0%

1981

39 331

7 069

9 825

12 718

68 943

9,4%

1982

39 204

6 371

10 805

11 199

67 579

(2,0%)

1983

38 621

6 154

9 347

11 033

65 155

(3,6%)

1984

38 809

6 111

7 892

11 323

64 135

(1,6%)

1985

33 934

6 033

7 939

11 640

59 546

(7,2%)

1986

28 293

5 967

6 336

8 325

48 921

(17,8%)

1987

29 392

6 002

5 277

6 887

47 558

(2,8%)

1988

34 602

5 985

4 992

6 447

52 026

9,4%

1989

35 338

6 425

4 973

8 674

55 410

6,5%

1990

35 475

6 268

3 438

8 932

54 113

(2,3%)

1991

33 512

5 364

3 232

8 007

50 115

(7,4%)

1992

32 474

5 565

1 563

7 408

47 010

(6,2%)

1993

32 261

5 155

1 587

6 555

45 558

(3,1%)

a

At constant 1990 prices.

b

Includes Sasol 3 and Alusaf.

c

Includes parastatals.

d

Includes Transnet, Telkom and the South African Post Office.

N/A- Not available

GDFI declined by 3,8% in real terms to R20,4bn in 1993 from R21,2bn in 1992, In its annual report, however, the South African Reserve Bank said that an increase in real GDFI started in the second half of 1993 and continued in the first and second quarters of 1994: in the first quarter, growth, (at annualised rates) was 5,5%; it rose to 7% in the second quarter.[106] [106 SARB, *Quarterly Bulletin*, March 1994] The report said that capital expenditure on a few major projects (such as the Alusaf aluminium facility and the Columbus stainless steel plant) was the main reason for the revival of fixed investment in the private sector. The reserve bank estimated that major capital projects had added about 2% to real GDFI since the beginning of 1993.[107] [107 SARB, annual economic report 1994]

The reserve bank stated that gross fixed capital formation as a proportion of gross domestic product (GDP) reached its low turning point at 15 % in the third quarter of 1993 and rose to 15,5 % in the second quarter of 1994. This was, however, below the peak value of 21% reached in the fourth quarter of 1989.[108] [108 Ibid]

The ratio of gross domestic saving to GDP was 17,5% in the first and second quarters of 1993 and 16,5 % in the third and fourth quarters. It fell to 16,5% in the first half of 1994. The reserve bank ascribed the country’s poor savings record to significant dissaving by general government. Net dissaving by general government as a proportion of GDP increased from 0,5 % in 1990 to 5,5 % in 1993 and to about 5 % in the first half of 1994.[109] [109 Ibid; SARB, *Quarterly Bulletin,* March 1994]

The South African Chamber of Business predicted an increase of 10% in GDFI in 1995.[110] [110 Sacob, *The Economy in 1995—Breaking out of the Low Growth Trap ?,* December 1994] Sanlam predicted a rise of 9,3%, while the Bureau for Economic Research at the University of Stellenbosch predicted an increase of 11,8% (ie an increase of 13,2% in GDFI by the private sector, 1% by general government and 15,5 % by public corporations).[111] [111 Sanlam, *Sanlam's Economic Survey,* November 1994; BER, *Economic Prospects*, October 1994]

Trade

Absa Bank expected exports to decrease by 1,1% in 1994 and to increase by 2,1% in 1995. Imports were expected to increase by 6,9% in 1994 and by 7,4% in 1995.[112] [112 Absa Bank, *Quarterly Economic Monitor,* October 1994]

South African exports (including gold) totalled R79,48bn in 1993, an increase of 18% on the revised figure of R67,31bn for 1992. Total imports increased by 12,5% from R52,5lbn in 1992 to R59,07bn in 1993.[113] [113 Information supplied by the Department of Customs and Excise, 24 November 1994]

The Bureau for Economic Research (BER) at the University of Stellenbosch ascribed the upturn in economic growth that started in the second half of 1993 to a sharp increase the the volume of merchandise exports and net gold exports. It said that the volume of goods exported increased by 6% from 1992 to 1993 and thus exceeded the rate of growth in world trade. The bureau expected exports to increase by 4,9% and imports by 11% in 1995.[114] [114 BER, *Economic Prospects,* May 1994] It warned, however, that phasing out the general export incentive scheme would affect export earnings in the short term, while the lowering of tariffs in terms of the General Agreement on Tariffs and Trade would boost imports. The BER forecast real growth in exports of 5,7% in 1995.[115] [115 *Business* Day 2 November 1994]

It was reported in September 1994 that the United States (US) Department of Commerce had identified South Africa as one of the top ten emerging markets in the world.[116] [116 *The Star, The Citizen* 21 September 1994]

The new minister of foreign affairs, Mr Alfred Nzo, said in August 1994 that South Africa had increased its positive trade balance with central and eastern Europe from R800m in 1992 to nearly R1,2bn in 1993. Mr Nzo said that central and eastern Europe and Turkey were important to South Africa because of their growing markets and their interest in South Africa.[117] [117 *The Citizen* 12 August 1994]

In 1993 South Africa exported 47% of total exports to Europe, 26% to Asia, 12% to Africa, 11% to North America, 2 % to Latin America and 1% to Oceania. The largest exports (in decreasing order of magnitude) were precious and semi-precious stones, base metals, chemical products, machinery and appliances, motor vehicles and parts, and vegetable products. The seven largest imports, also in decreasing order, included machinery and appliances, vehicles and components, chemical products,

plastics, textiles, optic and photographic equipment, and base metals.[118] [[118] *Trade Monitor,* University of Cape Town, December 1994]

According to the South Africa Britain Trade Association (Sabrita), Germany was South Africa's top trading panner in the six months from January to June 1994, trade between the two countries totalling R7,6bn. Germany was followed by the US (R7bn), the United Kingdom (UK) (R6,9bn), Japan (R6,2bn) and Switzerland (R4,3bn). South Africa's best export markets were the US (R3bn) and the UK (R2,8bn); it imported goods to the value of R5,5bn from Germany over the same period, Sabrita said.[119] [[119] *Finance Week* 22 September 1994]

The South African Chamber of Business (Sacob) noted that South Africa's export performance in 1994 was disappointing, given that the country's international isolation had ended. Export volumes remained 'sluggish', while imports rose sharply. This resulted in the trade balance declining from R16,4bn in the period January-October 1993 to Rll,5bn over the same period in 1994, Sacob noted.[120] [[120] Sacob, *The Economy in 1995—Breaking out of the Low Growth Trap?,* December 1994]

FISCAL POLICY

The Department of Finance said in its *Budget Review*, published in June 1994, that sound fiscal management required a balance between government expenditure and the overall tax burden. Fiscal discipline meant that the budget deficit relative to gross domestic product (GDP) had to be reduced. The deficit had been cut between the 1992/93 and 1993/94 fiscal years and the 1994/95 budget contained proposals for further reductions, the department said.[121] [[121] Department of Finance, *Budget Review,* 22 June 1994]

In its annual report, the South African Reserve Bank noted that growth in real expenditure by the government had slowed from 4% in the 1980s to 1,5% in 1992 and 1993. It said that the government's rationalisation programmes were successful in limiting consistently sharp increases in government expenditure. Nevertheless, growth in real government expenditure continued to exceed growth in total real output; hence government expenditure as a proportion of GDP increased from 13,5% in 1980 to 20,5 % in 1993. The reserve bank warned that a further rise in government expenditure could pose a 'serious threat to high sustainable economic growth in South Africa'.[122] [[122] SARB, annual economic report 1994]

The Department of Finance noted in June 1994 that several steps had been taken to ensure sound financial management, while addressing the aims of reconstruction and development. These steps included the following:

• agreement on the key principles of macro-economic management, such as guidelines on reducing the budget deficit, government dissaving and inflation (in particular through restraint in government consumption expenditure);

• improved co-ordination between the departments of finance and state expenditure, which would fall under a single ministry;

• the establishment of a treasury committee to assist the cabinet in setting budgetary priorities, evaluating expenditure requests and ensuring prudent fiscal management;

• development of a strategy for the transfer of functions and financial management powers to the new provincial governments; and

• an action plan to meet the objectives of the government's reconstruction and development programme (RDP) without compromising fiscal discipline.[123] [[123] Department of Finance, *Budget Review,* 22 June 1994]

The *Budget Review* noted that the RDP was to be implemented against the above background of improved fiscal management.[124] [[124] Ibid] The main aim of the RDP, according to the reserve bank, was to improve the living standards of all South Africans by meeting basic needs, promoting human development, and building a strong and growing economy (see also *The reconstruction and development programme* below).[125] [[125] SARB, annual economic report 1994]

Main Budget

The revised estimate of expenditure for 1993/94 was Rll5,15bn, an increase of 10,6% on expenditure for 1992/93 and 0,9% higher than the original estimate. Total ordinary revenue amounted to R87,81bn for 1993/94, a rise of 16 % on the previous year.[126] [[126] Department of Finance, *Budget Review,* June 1994]

The minister of finance, Mr Derek Keys, said in his budget speech in June 1994 that the total consolidated estimate of revenue for the national revenue account for the financial year 1994/95 was R104,3bn, an increase of 11,2% from the figure for 1993/94. This amount included all revenue at national and regional level, except the revenue collections of the former regional administrations.[127] [[127] Mr Derek Keys, minister of finance, budget speech, 22 June 1994]

The total estimate of expenditure from the consolidated revenue accounts (which included the homelands) for 1994/95 amounted to R143,68bn. This was 9,2% higher than the comparable figure for 1993/94 (R131bn). Total estimated expenditure from the national revenue account (which excluded the homelands) was R135,09bn, an increase of 10,2% over 1993/94.[128] [[128] Department of Finance, *Budget Review,* June 1994]

Mr Keys said in his budget speech that the 1994/95 budget had to meet certain requirements. These were:

• laying the base for public finance as one of the central instruments for the reconstruction and

development programme (RI)P); and

• contributing to macro-economic stability through fiscal discipline in order to stimulate economic growth.[129] [129 Mr D Keys, budget speech, 22 June 1994] Due to constitutional changes the format of the budget had changed to include revenue diversions to, and budgetary shortfalls of, the former homelands.[130] [130 Ibid]

The *Budget Review* noted that an initial amount of R2,5bn had been allocated to the reconstruction and development programme fund. This amount came from reductions in the expenditure by departments and regional administrations. It was envisaged that some R40bn would be allocated to this fund over the next five years in order to 'redirect public resources to social and economic development initiatives'.

Budgeted figures for 1994/95 were not comparable with the estimates of previous years as the amount of R2,5bn allocated to the RDP, and R236,2m advanced to the new provincial governments, could not yet be classified, according to the *Budget Review*.[131] [131 Department of Finance, *Budget Review,* June 1994]

The budgeted allocations of expenditure (including the homelands) according to functional classification for the 1993/94 and 1994/95 financial years are given below:[132] [132 Ibid]

The national budget: 1993/94 and 1994/95[a]

Functional classification

1991994Increase (decrease)

Economic services

Agriculture, forestry and fishing

3 719

3 322

(10,7%)

Fuel and energy

313

432

38,0%

Manufacturing

810

744

(8,2%)

Mining

197

214

8,6%

Other economic services[b]

4 442

3 482

(21,6%)

Regional development

856

711

(16,9%)

Transport and communication

6 601

6 526

(1,1%)

Water schemes and related services

1321

936

(29,1%)

Sub-total

18 259

16 367

(10,4%)

General government services and unallocable expenditure

Foreign affairs

1 255

1 142

(9,0%)

General research

482

475

(1,5%)

Other

8 067

9 056

12,3%

Sub-total

9 804

10 672

8,9%

Protection services

Defence

10683

12124

13,5%

Law courts

1449

1435

(1,0%)

Police

8853

9430

6,5%

Prisons

2091

2396

14,6%

Sub-total

23076

25385

10,0%

Social services

Education

27761

30850

11,1%

Health

13969

14299

2,4%

Housing

1571

1797

14,4%

Other[d]

3283

2493

(24,1%)

Recreation and culture

606

639

5,5%

Social security and welfare

10794

13015

20,6%

Sub-total

57983

63094

8,8%

Sub-total: Government enterprises

139

9

(93,5%)

Sub-total: Interest

22150

24573

10,0%

Sub-total: Expenditure not yet classified and adjustment[e]

3081

-

Total

131410

143182

9,1%

a

Figures for 1993/94 are revised estimates of expenditure, while figures for 1994/95 are initial estimates from the consolidated revenue accounts (including the homelands), Figures for 1993/94 include the adjustment budget. Figures may not add up owing to rounding,

b

Includes export trade promotion, the Development Bank of Southern Africa, labour, multi-purpose projects and tourism,

c

Mainly general administration, the cost of raising loans and unallocable capital expenditure,

d

Includes sewerage, sanitation, community development and other community services,

e

Includes R2,5bn to the reconstruction and development programme fund and R236,2m to provincial advances. The amount could not be classified at th

Mr Keys said in his budget speech that the government had taken particular care in deciding on the financing of the RDP and the transition costs in the light of the need to control expenditure. He said that the R2,5bn allocated to the RDP did not increase the planned level of spending, as it came front decreases in departmental budgets. This amount would be supplemented by contributions from other governments and the private sector, while departments themselves could have programmes which qualified as part of the RDP. The minister also announced that the transition costs (ie those incurred by the Transitional Executive Council and the Independent Electoral Commission) would be financed by way of a once-off levy of 5 % on the taxable incomes of individuals and companies (see *Taxation* below). The levy was expected to yield R3,4bn, of which R2,6bn would be collected in the 1994/95 fiscal year.[133] [133 Mr D Keys, budget speech, 22 June 1994]

Deficit

The *Budget Review* said that the budget deficit for 1994/95 was estimated to be R29,27bn, or 6,6% of gross domestic product (GDP). This was a decrease of 0,3 % percentage points on the 1993/94 estimates.[134] [134 Department of Finance, *Budget Review,* June 1994] In August 1994 the South African Reserve Bank estimated a deficit of R29,3bn before borrowing and debt repayment; it estimated a total consolidated government deficit of R30,2bn in 1994/95 (6,8 % of GDP).[135] [135 SARB, annual economic report 1994]

According to the Department of Finance, the gross borrowing requirement for 1994/95 would be R36,55bn. This figure comprised the net financing requirement of R29,65bn, loan redemptions of R6,89bn and payments to the International Development Association, the International Bank for Reconstruction and Development, and the International Monetary Fund.[136] [136 Department of Finance, *Budget Review,* June 1994] Mr Keys said in his budget speech in June 1994 that this amount would be financed primarily from the sale of domestic stock and that provision was also made for foreign loans. He did not expect financing of this magnitude, which included regional finances, to influence the financial markets unduly or to put upward pressure on interest rates.[137] [137 Mr D Keys; budget speech, 22 June 1994]

The following table shows the proportion of both the budget and GDP that the deficit represented between 1988/89 and 1994/95.[138] [138 Department of Finance, *Budget Review,* 22 June 1994]

The budget deficit: 1988/89-1994/95

Proportion of the budget

Proportion of GDP[a]

1988/89

12,9%

3,6%

1989/90

2,2%

0,6%

1990/91

9,3%

2,5%

1991/92

15,4%

4,3%

1992/93

26,1%

8,3%

1993/94[b]

22,4%

6,9%

1994/95[c]

21,7%

6,6%

a

The calculation is based on expenditure from the national revenue account.

b

Provisional outcomes.

c

Proportions are based on initial estimates.

The reserve bank said in its annual report that the substantial increase in the budget deficit showed that South Africa's GDP was too Iow to accommodate the present level of government expenditure. Either the real growth potential of the economy would have to be improved to maintain the current level of government expenditure and to alleviate the tax burden, or government finances would have to be restru

Dr Chris Stals, governor of the reserve bank, said in August 1994 that the deficit before borrowing amounted to 4,3 %, 8,3 % and 6,9 % of GDP in 1992, 1993 and 1994 respectively. He estimated it would be 6,6% of GDP in 1994/95. Deficits of this magnitude reduced the total savings available for investment and development in the private sector and represented dissaving by the government. The deficit added to total government debt and to the already 'heavy cost' to the taxpayer of servicing the large public debt. Interest payments on government debt absorbed 17,2% of total budgeted expenditure, or 5,6% of GDP. Dr Stals warned that attempts to stimulate the economy through 'excessive' increases in government expenditure could lead to an early aborting of the economic recovery. The reserve bank therefore supported attempts to channel more funds to the RDP from existing expenditure, as opposed to increasing total government expenditure.[140] [140 Dr C Stals, address at the ordinary general meeting of shareholders of the SARB, 23 August 1994]

The Budget and Social Equity

Some R63bn (ie 45%) of the 1994/95 budget was allocated to social services, according to the government's functional classification of expenditure. The *Budget Review* noted that expenditure on social services increased at an average annual rate of 19,1% between 1990/91 and 1994/95, to 14,3% of GDP. Increased social security and welfare spending was largely due to the 'steady elimination of racial disparities in social grants'. A strong upward trend in education spending from 20,9% of the budget in 1990/91 to 22% in 1994/95 reflected the 'progress achieved towards universal enrolment in primary schooling, rapid expansion of secondary schooling and steady improvements in the average qualification of teachers', *the Budget Review* added.[141] [141 Department of Finance, *Budget Review,* June 1994]

The following table shows the proportion of budgeted expenditure by selected functional classification between 1990/91 and 1994/95:[142] [142] Ibid]

Expenditure on protection and social services: 1990/91–1994/95[a]

Proportion of the budget

1990/91

1991/92

1992/93

1993/94

1994/95

Protection services

Defence

13,7%

10,8%

9,1%

8,1%

8,7%

Law courts

0,9%

0,8%

1,0%

1,1%

1,0%

Police

5,6%

6,4%

6,2%

6,7%

6,7%

Prisons

1,7%

1,8%

1,5%

1,6%

1,7%

Total[b]

21,8%

19,9%

17,9%

17,6%

18,1%

Social services

Education

20,9%

20,6%

20,7%

21,1%

22,0%

Health

10,1%

11,0%

10,8%

10,6%

10,2%

Housing and related services

1,5%

1,6%

1,1%

1,2%

1,3%

Other

1,4%

2,0%

2,4%

2,5%

1,8%

Recreation and culture

0,5%

0,4%

0,4%

0,5%

0,5%

Social security and welfare

6,9%

7,7%

8,5%

8,2%

9,3%

Total[b]

41,3%

43,2%

43,8%

44,1%

45,0%

a

From the consolidated revenue accounts.

b

Figures may not add up owi

The following table shows the proportion of GDP spent on protection and social services between *1990/91* and 1994/95:[143] [143] Ibid]

Expenditure on protection and social services: 1990/91-1994/95[a]

Proportion of gross domestic product

1990/91

1991/92

1992/93

1993/94

1994/95

Protection services

Defence

4,0%

3,3%

3,1%

2,7%

2,7%

Law courts

0,3%

0,3%

0,3%

0,4%

0,3%

Police

1,6%

1,9%

2,1%

2,2%

2,1%

Prisons

0,5%

0,5%

0,5%

0,5%

0,5%

Total[b]

6,4%

6,0%

6,1%

5,8%

5,7%

Social services

Education

6,1%

6,2%

7,0%

7,0%

7,0%

Health

3,0%

3,3%

3,6%

3,5%

3,2%

Housing and related

services

0,4%

0,5%

0,4%

0,4%

0,4%

Other[c]

0,4%

0,6%

0,8%

0,8%

0,6%

Recreation and culture

0,1%

0,1%

0,2%

0,2%

0,1%

Social security and welfare

2,0%

2,3%

2,9%

2,7%

2,9%

Total[b]

12,1%

13,1%

14,8%

14,7%

14,3%

a

From the consolidated revenue accounts,

b

Figures may not add up owing to rounding.

c

Community development, other community services, sanitation and sewerage.

In the period *1990/91-1994/95 the* share of the budget spent on social services (particularly education and social security and welfare services) rose from 41,3% to 45%. Education comprised 22% of the budget in *1994/95,* compared with 20,9% in *1990/91.* Allocations to health as a proportion of the budget rose marginally from 10,1% in *1990/91* to 10,2 % in *1994/95.* About 7% of GDP was spent on education in *1994/95,* while only 2,7% was allocated to defence, compared with 4% in *1990/91*.

The expenditure on defence dropped ‘considerably’ as a share of total expenditure from 13,7% in *1990/91* to 8,1% in 1993/94. In *1994/95* it increased somewhat, owing to the enlargement of the defence force (see also chapter

Taxation

In his budget speech in June 1994, the minister of finance, Mr Derek Keys, announced tax adjustments as follows:

• a once-off levy of 5 % on the taxable income of individuals earning above R50 000 to cover the costs of transition. However, married women would pay the levy only if their taxable income exceeded R175 000;

• a transition levy of 5% on companies' taxable income exceeding R50 000. The levy would apply to the taxable income assessment of the year up to 31 March 1995;

• a reduction in the company tax rate to 35 % of taxable income and an increase in the secondary tax on companies to 25% on dividends declared on or after 22 June 1994;

• an increase in excise duties in line with the rate of inflation. (A more substantial increase in excise duties on tobacco products was imposed to bring the levels of such duties further in line with those in most other countries);

• abolition of the import surcharge on all capital and intermediate goods from 23 June 1994. (This surcharge was introduced in 1988 to protect the balance of payments.) The surcharge on 'luxury and white goods' remained in force;

• withdrawal of the income tax exemption in respect of the general export incentive scheme from 1 March 1994; and

• harmonisation of the tax systems of South Africa and the former homelands to be undertaken in phases, starting in 1994.[145] [145 Mr D Keys, budget speech, 22 June 1994; SARB, annual economic report 1994]

The minister further announced that a commission of inquiry had been appointed to review taxation in order to assess required improvements.[146] [146 Mr D Keys, budget speech, 22 June 1994] The following areas were identified for specific attention by the commission:

• personal income tax, with special reference to the gender issue, the tax base, tax thresholds, income brackets, tax rates, progression and fiscal drag;

• corporate income tax, with special reference to the tax structure, tax incentives and effective tax rates in the various sectors;

• the impact of the tax system on the position of small and medium enterprises;

• value added tax (VAT), with special reference to the advisability and effectiveness of zero-rating or

exemption of certain foodstuffs and other goods and services, and multiple differential rates of VAT;

• tax exempt institutions or bodies, specifically charitable, religious and educational institutions;

• the impact of the tax system on savings and investment;

• the relevance of the tax system to foreign finance, investment and trade; and

• tax collection and related matters.[147] [[147] Department of Finance, *Budget Review,* 22 June 1994]

The Commission of Inquiry into Taxation in South Africa, headed by Professor Michael Katz, published an interim report in December 1994. The report made recommendations for the budget in March 1995. No date has been set for the completion of the final report. Some of the recommendations made by the commission included the following:

• the retention of corporate tax rates at 35 %, and the phasing out of the 25 % secondary tax on companies and its replacement with an alternative form of tax on dividends;

• a new imputation tax on companies levied on gross assets at a 'low' rate of R1 500 for assets of R10m or part thereof;

• the retention of the VAT rate at 14% and the zero-rating of 19 basic food items. 'Greater demands' on indirect taxation (ie the inclusion of zero-rated items or an increase in the VAT rate) could only be made once effective poverty relief programmes were in place;

• the abolition of non-resident shareholder tax for companies with a minimum shareholding of 25% by foreigners;

• the removal of tax discrimination based on gender and marital status and the adoption of a single tax table, applicable to all taxpayers;

• the reduction of the present ten tax brackets to five to combat bracket creep;

• a higher maximum marginal tax rate of 45% on personal income above R150 000 and the lowering of the upper limit of standard income tax on employees from R50 000 to R30 000. This would place an additional lm taxpayers on the register; and

• the reform of South Africa's tax administration to make it more efficient, inter alia by an increase in the amount spent on tax administration from 0,8 % of all revenue collected to 1,2 %.[148] [[148] Information provided by the Johannesburg Chamber of Commerce and Industry; *Business Day* 12 December 1994, *The Citizen* 10 December

1994, *The Star* 9 December 1994, *Sunday Times* 11 December 1994]

Homeland Budgets

The transitional constitution provided for the continuation of the revenue accounts of the former homelands until powers had been transferred to the new provincial authorities. The 1994 *Budget Review* noted that changes in functional responsibilities and provincial financing arrangements would affect the comparability of annual expenditures from, and revenues accruing to, the national revenue fund for the foreseeable future.[149] [[149] Department of Finance, *Budget Review,* 22 June 1994]

The table below compares the homeland budgets for 1993/94 and 1994/95:[150] [[150] Republic of South Africa, *Estimate of Expenditure of the Former Independent State: Bophuthatswana to be Defrayed from the Bophuthatswana Revenue Account During the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expenditure of the Former Independent State: Ciskei to be Defrayed from the Ciskei Revenue Account During the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expenditure of the Former Self-Governing Territory: Gazankulu to be Defrayed form the Gazankulu Revenue Account During the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expenditure of the Former Self-Governing Territory: KaNgwane to be Defrayed from the KaNgwane Revenue Account During the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expeuditure of the Former Self-Governing Territory: KwaNdebele to be Defrayed from the KwaNdebele Revenue Account During the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expenditure of the Former Self-Governing Territory: KwaZulu to be Defrayed from the KwaZulu Revenue Account During the Financial Year Ending 31March1995; Republic of South Afriea, Estimate of Expenditure of the Former Self-Governing Territory: Lebowa to be Defrayed from the Lebowa Revenue Account Duriring the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expenditure of the Former Self-Governing Territory: QwaQwa to be Defrayed From the QwaQwa Revenue Account During the Financial Year Ending 31 March 1995; Republic of South Africa, Estimate of Expenditure of the Former Independent State: Transkei to be Defrayed from the Transkei Revenue Account During the Financial Year Ending 31 March 1995; Repnblic of South Africa, Estimate of Expenditure of the Former Independent State: Venda to be Defrayed from the Venda Revenue Account During the Financial Year Ending 31 March 1995*]

Homeland budgets: 1993/94 and 1994/95

*199*199Increase

Bophuthatswana

5 198 000

5 208 065

0,2%

Ciskei

2 620 243

2 830 724

8,0%

Gazankulu

1 530 879

1 780 276

16,3%

KaNgwane

891 776

1 096 114

22,9%

KwaNdebele

729 662

807 406

10,7%

KwaZulu

6 114 749

7 107 677

16,2%

Lebowa

3 622 080

4 223 366

16,6%

QwaQwa

792 625

959 375

21,0%

Transkei

5 935 675

6 599 709

11,2%

Venda

1 741 698

1 900 482

9,1%

Total

29 177 387

32 513 194

11,4%

The following table shows the estimated sources of revenue (including central government allocations

via the Department of Regional and Land Affairs) in the former non-independent homelands in 1994/95:[151] [151] Various former homeland estimates of expenditure]

Estimated sources of revenue in the former non-independent homelands: 1994/95

Available balance R(000)

Department of Regional and Land Affairs R(000)

Loans R(000)

Own revenue R(000)

Total R(000)

Gazankulu

-

1 587 566

2 710

190 000

1 780 276

KaNgwane

-

911 917

88 578

95 619

1 096 114

KwaNdebele

-

671 275

38 869

97 262

807 406

KwaZulu

585 975

5 882 906

128 734

510 062

7 107 677

Lebowa

-

3 692 547

59 354

471 465

4 223 366

QwaQwa

43 000

814 046

16 235

86 094

959 375

Total

628 975

13 560 257

334 480

1 450 502

15 974 214

The following table shows the amounts allocated to the former ‘independent’ homelands by various central government departments in the 1994/95 financial year as well as revenue generated interna

Estimated sources of revenue in the former ’independent’ homelands: 1994/95

Bophuthatswana R(000)

Ciskei R(000)

Transkei R(000)

Venda R(000)

Department of Finance

16 090

9 115

33 623

4 943

Department of Foreign Affairs

3 308 554

2 315 928

5 364 565

1 581 922

Loans

222 000

94 000

76 000

66 000

Own revenue

1 661 421

411 681

1 125 521

247 617

Total

5 208 065

2 830 724

6 599 709

1 900 482

Total payments to the former ‘independent’ homelands amounted to R13,1bn in 1994/95. No comparable figures were available for 1993/94. Some 32% of Bophuthatswana’s revenue was raised from internal sources, while the other three ‘independent’ homelands raised below 20% of their revenue from internal sources—the Ciskei 15%, the Transkei 17% and Venda 13%.

The Department of Regional and Land Affairs allocated an amount of R13,59bn to the former non-independent homelands in the 1994/95 financial year. This was an increase of 27% on the 1993/94 allocation (R10,69bn). The assistance provided by the department included manpower assistance, an additional amount for financial assistance and project aid. The following table shows the amounts allocated to the former non-independent homelands by the Department of Regional and Land Affairs in 1993/94 and 1994/

Budgetary assistance to the former non-independent homelands: 1993/94 and 1994/95

*199*199Increase

Gazankulu

1 212 130

1 592 029

31%

KaNgwane

721 019

915 408

27%

KwaNdebele

572 035

673 968

18%

KwaZulu

4 850 021

5 891 227

21%

Lebowa

2 843 161

3 696 950

30%

QwaQwa

485 403

817 153

68%

Selected projects

5 000

-

-

Total

10 688 769

13 586 735

27%

Some 93% (R12,64bn) of the budget of the Department of Foreign Affairs was allocated to the former 'independent' homelands in 1994/95. This included approximately R62m allocated to manpower provision, Rll,7bn to budgetary aid transfers, R44m to technical and other assistance, and R0,8bn to tax compensation. The amount budgeted for the 'independent' homelands did not, however, represent an increase on 1993/94. The amount budgeted included bridging finance previously raised through the issue of government bonds. Owing to constitutional changes the format of the budget has changed and henceforth all the financing of the former homelands will be included in the national budget.

The new deputy minister of finance, Mr Alec Erwin, said in September 1994 that about R15bn of the former 'independent' homelands' debt had been transferred to South Africa's total debt.[154] [[154] *Daily Dispatch, Cape Times* 14 September 1994]

It was reported in August 1994 that spending by the former homelands 'appeared to be running out of control'. Figures provided by the director general of state expenditure, Mr Hannes Smit, showed that the 'independent' homelands had spent R3,94bn in the first four months of the 1994/95 fiscal year, ie 41% of their total expenditure of R9,6bn in 1993/94. The non-independent homelands had spent R4,89bn between April and July 1994—42,1% of total expenditure for 1993/94. One of the reasons for the over-expenditure was the sharp rise in public sector appointments in the homelands before the general election in April 1994[155] [[155] *Sunday Times* 21 August 1994]

The following table gives a detailed breakdown of the budgets of the non-independent homelands in 1993/94 and 1994/95:[156] [[156] Estimates of expenditure of the various homelands]

Non-independent homeland budgets: 1993/94 and 1994/95

Cazankulu

KaNgwane

199199Inc1993199Inc

Administration

100 724

9 5171

(5,5%)

55 848

55 710

(0,2%)

Associated services

432 494[a]

482 861[a]

11,6%

209 888[b]

296 400[b]

41,2%

Education

538 219

656 604

22,0%

375 294

440 887

17,5%

Health and welfare

389 422

468 004

20,2%

212 761

260 842

22,6%

Justice

20 086

21 438

6,7%

7 478

9 461

26,5%

Law and order

49 934

56 198

12,5%

-

-

-

Police

-

-

-

30 507

32 814

7,6%

Total

1 530 879

1 780 276

16,29%

891 776

1 096 114

22,9%

a

Includes agriculture, finance, forestry, interior and works.

b

Includes agriculture, cultural affairs, finance, forestry, home affairs, language development and public works.

KwaNdebele

KwaZulu

1993/94 R(000)

1994/95 R(000)

Increase (decrease)

1993/94 R(000)

1994/95 R(000)

Increase (decrease)

Administration

83 324

60 452

(27,4%)

61 066

150 460

146,4%

Associated services

242 361[a]

296 698[a]

22,4%

1433 214[b]

1 709 756[b]

19,3%

Correctional services

-

-

-

24 604

28 599

16,2%

Education and culture

246 963

270 371

9,5%

2 232 563

2 552 749

14,3%

Health

105 990[c]

129 677

22,3%

709 368

767 146

8,1%

Justice

8 490

8 881

4,6%

35 462

39 002

10,0%

Law and order

42 534

41 327

(2,8%)

-

-

-

Police

-

-

-

166 904

189 866

13,8%

Welfare and pensions

-

-

-

1 451 568

1 670 099

15,1%

Total

729 662

807 406

10,7%

6 114 749

7 107 677

16,2%

a

Includes agriculture, citizen liaison, environmental affairs, finance, information, internal affairs, water affairs and works.

b

Includes agriculture, economic affairs, finance, forestry, interior, nature conservation and works.

c

Includes welfare and social allowances.

Lebowa

QwaQwa

1993/94 R(000)

1994/95 R(000)

Increase (decrease)

1993/94 R(000)

1994/95 R(000)

Increase (decrease)

Administration

100 549

67 220

(33,1%)

13485

9 9212

635,8%

Associated services

712 458[a]

745 075[a]

4,6%

425 265[b]

42 1749[b]

(0,8%)

Education

1 576 227

1 927 149

22,3%

232 045

279 314

20,4%

Health and welfare

1 033 482

1 268 701

22,8%

81 470

102 639

26,0%

Justice

51 728

46 907

(9,3%)

5 780

6 944

20,1%

Law and order

147 636

168 314

14,0%

-

-

-

Police

-

-

-

34 580

49 517

43,2%

Total

3 622 080

4 223 366

16,60%

792 625

959 375

21,04%

a

Inc[b]

Includes agriculture, finance, forestry, interior, the ombudsman and public works.

The budgets for the ‘independent’ homelands in 1993/94 and 1994/95 were as follows:[157] [[157] Ibid]

’Independent’ homeland budgets: 1993/94 and 1994/95

Bophuthatswana

Ciskei

1991994Inc1991994Inc

Administration

132 800

105 700

(20,4%)

26 355

12 561

(52,3%)

Associated services

2 588 900[a]

2 526300[a]

(2,4%)

1 241768[b]

1 261628[b]

1,6%

Defence

177 700

160 200

(9,8%)

100 910

102 839

1,9%

Education

1 022 600

1 084200

6,0%

561 026[c]

657 841[c]

17,3%

Health, welfare and population development

865 200

966 700

11,7%

532 286

630 182

18,4%

Justice

27 000

24500

(9,3%)

22 391[d]

22 726[d]

1,5%

Police

343 000

298 665

(12,9%)

103 327

107 613

4,1%

Prisons

40 800

41 800

2,5%

32 180

35 334

9,8%

Total

5 198 000

5 208 065

0,2%

2 620 243

2 830 724

8,0%

a

Includes agriculture, the auditor general, civil aviation, economics, energy affairs, finance, foreign affairs, governors, housing, internal affairs, local government, man-power, mines, natural resources, planning, post and telecommunications, the public service commission, public service training, public works, state affairs, water affairs and youth affairs.

b

Includes agriculture, the auditor general, aviation, central personnel administration, economic development, finance, foreign affairs, forestry, internal affairs, land tenure, manpower utilisation, post and telecommunications, public works, rural development, traffic control services and transport.

c

Includes culture

d

Includes constitutional development.

'Independent' homeland budgets: 1993/94 and 1994/95 (continued)

Transkei

Venda

1993199Inc19931994Inc

Administration

66 792

83 260

24,7%

54 485

54 878

0,7%

Associated services

1 976 209[a]

1 960 707[a]

(0,8%)

778 884[b]

740 036[b]

(5,0%)

Defence

165 500

256 353

54,9%

46 683

49 705

6,5%

Education

1 409 008[c]

1 765 845[c]

25,3%

462 127

536 451

16,1%

Health and welfare

1 934 991[d]

2 049 129[d]

5,9%

309 603

418 204

35,1%

Justice

63 833

82 756

29,6%

8 587

11 093

29,2%

Law and order

-

-

-

68 862

74 187

7,7%

Police

224 814

294 063

30,8%

-

-

Prisons

94 528

107 596

13,8%

12 467

15 928

27,8%

Total

5 935 675

6 599709

11,19%

1 741 698

1 900 482

9,1%

a

Includes agriculture, the auditor general, commerce, finance, forestry, industry, information, interior, land tenure, local government, manpower planning and utilisation, post and telecommunications, the public service commission, tourism, and works and energy,

b

Includes agriculture, the auditor general, the Commission for Administration, economic affairs, finance, foreign affairs, forestry, internal affairs, land, land tenure, local government, manpower, post and telecommunications, services and works.

c

Includes culture.

d

Includes pensions.

NATIONAL ECONOMIC POLICY

The Reconstruction and Development Programme

In March 1994 the African National Congress (ANC) published the seventh and final draft of its *Reconstruction and Development Programme* (the base document). The base document set out a policy framework for the social, economic and political reconstruction of post-apartheid South Africa. According to the minister without portfolio, Mr Jay Naidoo, who was responsible for the co-ordination and implementation of the reconstruction and development programme (RDP), the 'struggle against apartheid has been translated into a struggle for reconstruction, development, reconciliation and economic growth to improve the quality of life of our people.[158] [[158] Coetzee G, 'Transforming Society to improve Quality of Life', *RSA Review,* October 1994] The document incorporated both public and private comments and proposals arising from a conference on reconstruction and strategy held by the ANC in January 1994.

The basic principles set out in the base document could be summarised as an 'integrated programme, based on, and driven by the people, that provided peace and security for all and built the nation, linked reconstruction and development and deepened democracy'.[159] [[159] African National Congress, *Reconstruction and Development Programme,* March 1994]

The key programmes of the RDP focused on the following:

• meeting basic needs (eg the provision of jobs and housing);

• developing human resources (through education);

• building the economy;

• ensuring that both the state and society become more democratic; and

• developing strategies to implement the RDP.[160] [[160] Ibid]

Following the ANC Victory in the general election in April 1994, the RDP became the starting point of

the *White Paper on Reconstruction and Develop*ment, published in September 1994 and adopted by Parliament in November 1994 after extensive public hearings before a parliamentary standing committee on the RDP.[161] [161 *Business Day* 10 August 1994, 15 November 1994] Submissions were made by different government departments, parastatal agencies, multiparty forums, development institutions, organisations in civil society, business organisations and individuals.[162] [162 Ibid]

The white paper set out strategies for the implementation of the RDP within the framework provided by the ANC's final RDP document. It focused in particular on the role which government, at all levels, should play in realising national goals. Officials, however, described the document as a 'philosophy' rather than a prograннne.[163] [163 *RDP Monitor* June/July/August 1994] A second white paper, due in March 1995, would set out specific policies, including policies on tariffs and trade. Standards on which to base the evaluation of policy and implementation of the RDP would also be outlined in more detail.[164] [164 *White Paper on Reconstruction and Development,* 15 November 1994; *Business Day* 22 September 1994]

The main difference between the white paper and the base document was one of emphasis, as the original principles and key programmes remained unchanged. The white paper did not spell out any specific social policies whereas the base document had provided guidelines for dealing with issues such as housing, land reform and social welfare. However, the white paper did focus on economic and fiscal policies, the roles to be played by various levels of government, the transformation of the public service and the establishment of channels of consultation with civil society.[165] [165 *Transact* November 1994] Greater emphasis was placed on the need for export-led growth and a firmer commitment to fiscal and monetary discipline. Whereas the base document had retained nationalisation as a policy option, the white paper omitted any reference to nationalisation, while raising the possibility of funding the RDP by privatising underutilised state assets.[166] [166 *White Paper on Reconstruction and Development,* 23 November 1994] The white paper did not contain any specific goals but argued that feasible goals would be presented in the second RDP white paper.[167] [167 *Business Day* 22 September 1994; *RDP Tracker* November 1994]

The preamble to the white paper committed the government to the following:

• 'high and sustainable' economic growth;

• macro-economic policies which reduced the fiscal deficit;

• no real increase in recurrent government expenditure;

• reduction of government dissaving;

• refocusing government expenditure towards capital expenditure (rather than consumption expenditure —eg wages);

• a more efficient and cost-effective civil service; and

• financing of the RDP through savings in existing government expenditure.[168] [[168] *White Paper on Reconstruction and Development,* 23 November]

Implementation

According to the white paper, the government would develop a ten-year plan set out in a national strategic framework. This plan would involve the formulation of strategic goals, macro-economic and expenditure guidelines, and the identification of priorities for budgetary allocations. The plan would be drafted by Mr Naidoo in close liaison with the departments of finance and state expenditure and with input from other interest groups, such as civil society, parastatals, the private sector, and provincial and. local governments. The plan would be tabled in Parliament and revised every year after a review of progress.[169] [[169] Ibid]

The RDP would be headed by the new president, Mr Nelson Mandela, who would be responsible for the overall co-ordination of the RDP. Various committees (such as a special cabinet committee on the RDP, a core committee, a select committee on the RDP, and task teams inside and outside Parliament would, among other things, set priorities, monitor and evaluate progress, and review the preparation of RDP legislation. An RDP office, headed by Mr Naidoo, would ensure effective management of RDP policies. According to the white paper, the policy and planning capacities of several organisations, such as the Central Statistical Service, the National Productivity Institute and parastatal institutions, would be revised to allow them to Support the RDP.[170] [[170] Ibid]

The National Economic Development and Labour Council, the establishment of which had been decided upon by the cabinet, would be the mechanism to facilitate consultation, co-ordination and negotiation between key interest groups. Nongovernmental organisations (NGOs) would be involved in planning and policy making through several boards, commissions, forums and other bodies, but government support for NGOs would depend on their ability to contribute to the implementation of the RDP. Mass-based organisations would constitute Checks and balances on the government, and resources would be provided for them in an ‘open and democratic way’, according to the white paper.[171] [[171] Ibid]

Performance indicators for all levels of government would be devised and departments’ performances measured regularly; all plans wholly or partly funded by RDP sources would have to comply with strict controls, and proposals would have to include a business plan setting out agreed performance indicators. All government departments and provinces would have to prepare a five-year strategy to reorientate their programmes, improve efficiency, and redirect resources and staff to RDP priorities.[172] [[172] Ibid]

Provincial governments would have to ‘conduct operations in such a way as to meet the monitoring and auditing requirements of the national government’. Provincial governments would also have to satisfy the national government of their ability to implement particular projects. The degree to which devolution

of the RDP to the provinces would take place would depend on several criteria, among them the ability of the provinces to implement 'people-centred' development.[173] [173 Ibid]

In August 1994 Mr Mandela announced that the government had allocated R100m to be divided among the provinces for the implementation of the RDP.[174] [174 *The Citizen* 22 August 1994] The second white paper, due in March 1995, would set out in concrete terms the actual programmes to be funded.[175] [175 Ibid 22 September 1994]

Funding for municipal services and RDP projects would depend on the extent to which local authorities had adopted single budgets for municipal areas as well as the progress they had made in implementing the local government electoral process.[176] [176 *White Paper on Reconstruction and Development,* 23 November 1994]

Cost

The first official estimate of the cost of implementing the RDP, made by the ANC prior to the election in April 1994, was R39bn.[177] [177 *Strategy Insights,* Institute for Futures Research, University of Stellenbosch, May 1994] In June 1994, however, the ANC's National Institute for Economic Policy (formerly its Macro-economic Research Group) put the figure at R135bn for the first five years.[178] [178 *Weekly Mail and Guardian* 3 June 1994] The National Party (NP) estimated that the total cost of the RDP would exceed R600bn and that it would cost R70bn in the first year alone. This figure, however, included the costs of zero-rating basic foods, the expropriation of mineral rights, and paid maternity and paternity leave.[179] [179 *Financial Mail* 22 April 1994]

Funding

The reconstruction and development programme fund, to be administered by Mr Naidoo, was provided for by the Reconstruction and Development Programme Fund Act of 1994. According to the white paper, the RDP would initially be funded through savings from national and local government departments, which would be reallocated to the departments subject to each department's compliance with RDP priorities. Contributions from this source were expected to amount to R2,5bn in 1994/95 and would increase by R2,5bn annually to R12,5bn in 1998/99.[180] [180 *White Paper on Reconstruction and Development,* 23 November 1994]

International and domestic grant aid would be controlled by the RDP fund and assigned only to once-off programmes that did not entail carry-through costs. An interdepartmental committee would investigate, as well as negotiate with donors about the use of such aid for the RDP. Interest from investment of RDP funds, proceeds from the sale of state assets, and revenue from lotteries and gambling would also be used, the white paper stated.[181] [181 Ibid]

According to the minister of foreign affairs, Mr Alfred Nzo, the emphasis of the government was on funding the RDP through mainly internal sources. South Africa could not count on long-term

development assistance from abroad. Funds would be obtained through improving the capacity of the financial sector to mobilise resources, ensuring that some public utilities (such as electricity) became self-financing, improving tax collection, and increasing the tax base through reconstruction and development. Tax incentives that did not comply with the aims of the RDP would be terminated, Mr Nzo said.[182] [[182] *The Citizen* 9 August 1994]

In August 1994 Mr Naidoo said that the government would soon approach the business community for material and skills assistance in implementing RDP projects. His department was devising a comprehensive set of 'funding packages' and would invite contributions from business.[183] [[183] *Business Day* 22 August 1994] According to Mr Naidoo, an RDP bond was being considered to raise finance for the RDP, but he ruled out the possibility of an RDP levy. In order to curb wastage it had been decided that the administration costs of RDP projects would not exceed 15 % of the project cost.[184] [[184] Ibid 20 September 1994]

Economic Policy

Economic development, together with social upliftment, formed the two broad thrusts of the RDP. According to the white paper, the state would play a 'leading and enabling role' in the RDP, together with the private sector and the active involvement of all sectors of civil society. Economic growth was recognised as crucial to sustainable development, but the document warned that existing racial and gender ownership patterns had to become more inclusive. The creation of employment through economic growth was identified as the central priority. Other economic goals included the alleviation of poverty and '*extreme'* inequality, addressing structural problems in all sectors of the economy (such as industry and agriculture), increasing manufactured exports, and addressing the uneven development within the regions of South Africa and between the countries of southern Africa.[185] [[185] *White Paper on Reconstruction and Development,* 23 November 1994]

The document emphasised fiscal and monetary discipline, a greater outward orientation in trade and industry policies, and reform of the labour market to facilitate collective bargaining. It also focused on cutting government expenditure. Guideline figures for the 1995/96 budget reflected no real increase in government consumption expenditure, the document stated. Consumption expenditure would be redirected to capital expenditure through the RDP fund. Some vacancies in the public sector would not be filled, helping to decrease consumption expenditure. The white paper recommended that the general level of tax should not be increased.[186] [[186] Ibid]

Investment

According to the white paper, economic growth depended on an increase in productive investment from both the public and private sectors. The government would encourage private investment by 'facilitating efficient markets and redressing the distortions of the past'. The private sector would be encouraged to 'enhance its competitive edge' by producing new products for the domestic and international markets.

Investment would be encouraged in areas which 'stimulated the long-term competitiveness of the South African economy'.[187] [187 Ibid]

Industrial Policy

Industrial policy would focus on restructuring existing industries and correctly identifying new areas of industrial development. In order to generate employment, improve trade performance and increase productivity, government support (in the form of training, technology acquisition and export marketing) would be directed at sectors which could assist in the implementation of the RDP. The government would try to 'extend the competitive edge of selected industries', particularly in light manufacturing, and encourage 'forward linkages' and minerals beneficiation to link up primary commodity industries and manufacturing industries. Productivity would be improved through human resources development. Major institutions such as the Council for Scientific and Industrial Research, the Industrial Development Corporation and the Small Business Development Corporation would be restructured and refocused in order to support the RDP.[188] [188 Ibid]

Trade and Competition Policy

Liberalisation of the economy (required by South Africa's obligations under the General Agreement on Tariffs and Trade—see also chapter on *Business*), would be pursued in order to increase manufactured exports. This would be in conjunction with anti-dumping measures and supply-side measures (such as the retraining of workers) to help sensitive industries adapt to new circumstances.[189] [189 Ibid]

Smaland medium-sized enterprises (especially black-owned enterprise) would be assisted in exporting to international markets. Strict anti-trust legislation would be introduced, particularly to 'discourage the system of pyramids' where it had led to overconcentration of economic power. A commission would be established to review the structure of control and competition in the economy. Government would support small-and medium-sized enterprises to stimulate growth in employment. The support would include access to advice, amendments to legislation, access to marketing, procurement of finance, access to infrastructure, training and technology, and linkages with other firms. Women involved in micro-enterprises would receive additional government assistance.[190] [190 Ibid]

Monetary and Fiscal Policy

The white paper recognised the need for the independence of the South African Reserve Bank and stated that the government would support 'innovative financial institutions and instruments' which promoted domestic savings and extended financial services to those who did not have access to such services. In particular, ways of financing housing and smaland medium-sized enterprises would be sought. The white paper omitted a proposal made in the base document that required the financial sector to disclose details of loans by race and region. Instead, it would 'discourage discrimination by financial institutions'.[191] [191 Ibid]

Fiscal Policy and the Budget

The white paper proposed the introduction of zero-based budgeting, which would force departments to evaluate and motivate programmes each year rather than receive allocations based on the previous year's spending. A three-year budgeting process would be introduced to take account of continuing programmes.[192] [192 Ibid]

The Public Sector

Public sector departments would be reviewed and staff redeployed in terms of RDP programmes, according to the white paper. Eight percent of positions in the public service fell vacant annually and only about 5% of them would be filled, to rationalise the service; Employment would be based on capability rather than qualifications and affirmative action would be 'encouraged'. Productivity measures would be devised and departments would be obliged to prepare reports on productivity gains that could be made in their departments, the white paper stated.[193] [193 Ibid]

Presidential Projects

The white paper set out criteria by which the presidential projects, outlined in May 1994 by Mr Mandela, would be approved. The projects were designed to 'kickstart' the RDP and to provide a focus for government departments as they reorientated their spending priorities. The projects announced in September 1994 included AIDS awareness and prevention campaigns, the building of clinics, 'culture of learning' projects, the extension of municipal services, free health care, land reform pilot projects and land restitution, a national literacy programme, a national urban reconstruction and housing agency, a primary school nutrition scheme, provincial projects, public works programmes, rural water provision, smallscale farmer development, urban infrastructure investment planning teams and urban renewal projects. The total cost of these projects was about R1,9bn, although some of the projects would be funded by donors.[194] [194 *RDP Monitor* August/September 1994]

Approval for presidential project proposals would depend on their capacity to empower the communities they would serve; to provide jobs and training; to provide for basic needs; to be economically and politically viable; and to implement affirmative action, the white paper said. The cabinet would analyse carry-over and recurrent costs and ensure that projects did not increase government staffmg levels, according to the white paper.[195] [195 *White Paper on Reconstruction and Development,* 23 November 1994]

However, the document said that few projects could rely entirely on RDP funding; communities and provincial governments would have to make money available by changing spending priorities and the allocation of resources. Provincial and local governments would be required to implement efficiency programmes, according to the white paper.[196] [196 Ibid]

Mr Naidoo outlined the priorities for the RDP in 1995 as job creation through smaland medium-sized enterprises, the provision of housing and bulk infrastructure, rural development, and programmes focusing on women, children and the disabled. Mr Naidoo emphasised housing as an 'absolute priority' because of the 'enormous kickstart effect' it would have on the rest of the economy. Some Rlbn had been allocated by the beginning of December 1994 to the presidential projects and most of the remaining R1,5bn in the RDP fund would be paid out by the end of January 1995, Mr Naidoo added. He expected the RDP to use up financial resources more rapidly in 1995/96 and to run into financial constraints in 1996/97.[197] [197 *Business Day* 15 December 1994]

Views on the Reconstruction and Development Programme

Political Parties

There was widespread acceptance of the white paper by political parties, including the Freedom Front, the Inkatha Freedom Party (IFP) and the NP.[198] [198 *The Citizen* 22 September 1994, *Sowetan* 19 September 1994] The IFP had said earlier that it would support the RDP 'despite its inadequacies'. However, the RDP alone would not meet all the needs of the people. The IFP would continue to give 'critical support' to the government within the framework of the constitution.[199] [199 *Sowetan* 19 July 1994] The Democratic Party said thatthe document was disappointing in that it was 'filled with good intentions but very thin on quantifying the Costs involved'.[200] [200 *The Citizen* 22 September 1994] The Azanian People's Organisation (Azapo) was the only party which condemned the RDP, labelling it a 'huge hoax and betrayal of black people'. Azapo described the RDP as a compromise and pointed out that nothing had changed for .the African people since the elections in April 1994.[201] [201 Ibid 19 October 1994]

Congress of South African Trade Unions

A spokesman for the Congress of South African Trade Unions (Cosatu) said in September 1994 that the union was generally satisfied that the government had not watered down the RDP in the white paper. He added, however, that the document had failed to commit the government clearly to 'closing the obscene wage gap in the public sector', and that it had also failed to cut back expenditure in departments which diverted resources from the RDP (particularly defence). These shortcomings were sending a message, in particular to the security establishment, that the government was not serious about reorientating priorities where this threatened vested interests.[202] [202 *Business Day* 23 September 1994] Cosatu also said that it would monitor the progress of the government against the stated aims of the RDP.[203] [203 Ibid 14 December 1994] Cosatu urged the government not to stick to a 'rigidly ideological commitment' to fiscal discipline and to reducing public spending if this was to the detriment of the RDP. The white paper did not place sufficient emphasis on industrial restructuring and the democratising of economic decision making and affirmative action, Cosatu added.[204] [204 Ibid 31 October 1994]

South African Chamber of Business

The South African Chamber of Business (Sacob) said in October 1994 that although it was committed to the RDP, it was concerned about the programme's 'underlying tone of authoritarianism'. Taxation, industrial and competition policy, and implied levels of intervention called for further debate. Sacob said that business was concerned about possible state intervention in the economy.[205] [205 Ibid 23 September1994; *Weekly Mail and Guardian* 29 July 1994] The white paper further did not address the question of population growth and did not address the labour market or human resources development in any detail.[206] [206 *Business Day* 26 October 1994]

According to the president of Sacob, Mr Cedric Savage,, the business sector would involve itself in the RDP in those areas where it had the capacity to do so. These would include provision of employment opportunities, training and upgrading of the workforce, and creation of opportunities for small businesses. He stressed, however, that the success of the RDP depended on a growing economy and that it was therefore important to reinforce the current economic upturn.[207] [207 *The Citizen* 4 July 1994]

Other Views

Mr John Kane-Berman, chief executive of the South African Institute of Race Relations, said in August 1994 that many business leaders had 'suspended critical assessment of the RDP'.[208] [208 *Business Day* 1 August 1994] The *RDP Monitor* expressed a similar view, saying that support for the RDP came from all political parties, the private sector and civil society—to the extent that there is a real danger of the RDP becoming a "holy cow", no criticism of it being brooked'.[209] [209 *RDP Monitor* June/July/August 1994]

KEY PROJECTIONS

• Absa Bank expected a growth rate in gross domestic product (GDP) of 2% in 1995, Sanlam predicted 3,2%.

• The Bureau for Economic Research (BER) at the University of Stellenbosch predicted a 1995 surplus of R0,7bn on the current account of the balance of payments. The South African Chamber of Business (Sacob) expected a deficit of R3,5bn and Sanlam a deficit of R4,lbn.

• The BER forecast a gold price of US$392 (R1 453) per fine ounce for 1995. Absa Bank predicted a gold price of $408 for 1995.

• The annual inflation rate for *1995* was expected to average 10%, according to Sacob. Sanlam expected 12%.

• According to Absa Bank, the producer price index would average 11,6% in 1995.

• SPL Treasury Services said in November 1994 that economists expected the prime overdraft rate to increase by two percentage points by September 1995 (to 18,25 %).

• Sacob and Sanlam respectively predicted an increase of 10% and 9,3 % in gross domestic fixed investment. The BER predicted an average increase of 9,3% (an increase of 13,2% in the private sector, 1% in general government and *15,5%* in public corporations).

• Exports would increase by 4,9% in *1995* and imports by 11%, according to the BER. Absa Bank expected exports to increase by 1,1% and imports by 6,9 %.

POLITICAL DEVELOPMENTS

KEY POINTS

• In January 1994, 1 000 people—including 200 hostel residents from the Witwatersrand—were being trained in the use of firearms by the Inkatha Freedom Party at Mlaba Camp on the western boundary of the Umfolozi Game Reserve (KwaZulu) to serve in community self-protection units. This was the third intake of trainees, 1 313 trainees having already graduated.

• The president of the Pan-Africanist Congress (PAC), Mr Clarence Makwetu, announced in January 1994 that the PAC had suspended the armed struggle carried out by its military wing, the Azanian People's Liberation Army.

• The commander of Umkhonto we Sizwe (Umkhonto), Mr Joe Modise, said in April 1994 that the South African Defence Force was delaying the integration of the various armed formations in the hope that it might remain in command.

• In April 1994 some 36 members at the Afrikaner Weerstandsbeweging, including the chief of staff, the secretary general and the leader of (PAC), the Ystergarde, were charged with 19 counts of murder and 191 counts of attempted murder.

• In May 1994 the African National Congress proposed that members of self-defence units (SDUs) between the ages of 13 and 18 be provided with 'catch-up' schooling and that those below the age of 25 be accepted as police reservists in neighbourhood-watch programmes. SDU members older than 25 years should be integrated into the new South African Police Service.

• A founder of the whites-only Orania settlement, Professor Carel Boshoff, said in June 1994 that he fully supported the establishment of the Volkstaat Council and that he still believed in a volkstaat despite the limited success of Orania in attracting white settlers.

• Control of the Azanian National Liberation Army, the military wing of the Black Consciousness

Movement of Azania, was transferred to the Azanian People's Organisation (Azapo) when the two organisations merged at the annual congress of Azapo in October 1994.

• In October 1994 thousands of members of Umkhonto began a stay-away, protesting against low salaries and allowances, lack of job security and compulsory retraining despite previous training as Umkhonto cadres.

GOVERNMENT INITIATIVES

Foreign Relations

During the period under review South Africa became a member of a number of international organisations and exchanged diplomatic missions with several countries. There were 49 new diplomatic missions abroad, most of them in Africa and South America. The international organisations which South Africa rejoined included the International Civil Aviation Organisation, the International Labour Organisation, the International Telecommunications Union, the Multilateral Investment Guarantee Agency, the Non-aligned Movement (Nam), the Organisation of African Unity (OAU), the World Health Organisation, the World Intellectual Property Organisation, the World Meteorological Organisation, the United Nations (UN) (which South Africa rejoined in June 1994), the United Nations Development Programme and the Universal Postal Union.

In January 1994 the members of the Commonwealth invited South Africa to rejoin the organisation. In extending the invitation the secretary general of the Commonwealth, Chief Emeka Anyaoku, said that the organisation's members would provide South Africa with a 'ready gateway' to the wider world. South Africa broke away from the organisation in 1961 after the Commonwealth had condemned the system of apartheid.[1] [1 *Business Day* 20 January 1994] Officially, South Africa rejoined the Commonwealth at the beginning of June 1994.[2] [2 *The Citizen* 1 June 1994]

In February 1994 the minister of tourism, Dr Bhadra Ranchod, said that South Africa was to become a member of the World Tourism Organisation, a body linked to the UN, after the government had applied for membership.[3] [3 Ibid 11 February 1994]

Indonesia said in May 1994 that it would open diplomatic ties with South Africa at ambassadorial level to strengthen relations between both countries. Indonesia, which chaired the 110-member Nam in 1994, had opened a consulate in South Africa in February 1993.[4] [4 Ibid 11 May 1994] South Africa became a member of Nam at the end of May 1994.[5] [5 Ibid 31 May 1994] In the same month South Africa was formally accepted as the 53rd member of the OAU.[6] [6 *The Citizen 24 May 1994*]

At the inauguration of the new president, Mr Nelson Mandela, in May 1994, the secretary general of the UN, Mr Boutros Boutros-Ghali, welcomed South Africa back into the world community, saying that the

country had 'regained its rightful place in Africa, in the UN, and the family of nations' and that it had earned the respect and admiration of all who were 'tireless in search of understanding and vigorous in pursuit of peace'.[7] [7 *Business Day* 11 May 1994]

The executive deputy president from the majority party, Mr Thabo Mbeki, said at a meeting of the UN Security Council in May 1994 that the new South Africa was committed to playing a role in international peace-making, especially in Africa.[8] [8 *The Star* 26 May 1994] In the same month the Security Council lifted the arms embargo against South Africa (which had been in effect since 1977).

In August 1994 South Africa joined the Southern African Development Community—an organisation comprising Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.[9] [9 *The Citizen* 30 August 1994]

DEMANDS FOR A VOLKSTAAT

The Afrikaner Volksfront (AVF) suspended negotiations with the African National Congress (ANC) in January 1994, following a statement by the president of the ANC, Mr Nelson Mandela, that Afrikaners should not expect self-determination in a 'volkstaat' before the general election in April. Justifying the suspension of talks, Dr Ferdi Hartzenberg, the chairman of the AVF and leader of the Conservative Party, said that the establishment of an Afrikaner homeland was inevitable and that the Afrikaner nation would now use other methods to gain its freedom within its own state.[10] [10 *Ibid 11 January 1994*]

A transitional authority for Afrikaners was set up in January 1994. According to Dr Hartzenberg, the authority would seek a mandate from Afrikaners to establish a volkstaat. Each region considered part of the volkstaat would be represented by ten members who could decide whether they wanted a volkstaat and, if so, on its borders.[11] [11 *Ibid 20 January 1994*]

In the same month a member of the AVF, General Constand Viljoen (now leader of the Freedom Front), said at a meeting of Afrikaners in Pretoria that there was no simple solution to the complex problem of demands for a volkstaat and that if Afrikaners wanted a volkstaat before the general election they would have to 'seize it violently'. He proposed that the Afrikaner volk should vote for the AVF in the election to prove its support for the establishment of a volkstaat.[12] [12 *The Star* 31 January 1994]

At the same meeting, the leader of the Afrikaner Weerstandsbeweging, Mr Eugene TerreBlanche, said that the Afrikaner could not live without freedom and if necessary would acquire it through violent means.[13] [13 Ibid]

Addressing the annual congress of the National Union of Mineworkers in February 1994, Mr Mandela said that the ANC rejected demands for a volkstaat and that such a homeland would never be granted, adding, however, that the ANC was prepared to discuss with the AVF ways to accommodate the fears of

Afrikaners.[14] [14 *The Citizen* 10 February 1994]

In March 1994 Gen Viljoen formed the Freedom Front (FF) and registered it for participation in the first nonracial election in April 1994 (a move which the AVF opposed). The party gained 2,2% of the votes cast in the election and qualified for nine parliamentary seats. (See also chapter on *Government and Constitution*.)

In May 1994 the FF established a Volkstaat Council to promote the idea of a volkstaat to the new government of national unity.[15] [15 *The Star* 13 May 1994] The council was established in terms of the transitional constitution and was seen as an important step towards the attainment of a volkstaat.[16] [16 Fax communication from the Volkstaatraad, 13 January 1995] The council comprised 20 members who would make recommendations to the government on an Afrikaner homeland, and held its first meeting in June 1994 (see also chapter on *Government and Constitution*).[17] [17 *The Star* 7 June 1994]

A founder of the whites-only Orania settlement (Orange Free State), Professor Carel Boshoff, said in June 1994 that he fully supported the Volkstaat Council and that he still believed in a volkstaat despite the limited success of Orania in attracting white settlers. 'It is necessary to give expression to the desire for freedom and self-determination which every volk has. A volkstaat for Afrikaners has nothing to do with racism. They are a volk who seek their freedom [with] no desire to rule over other groups,' Professor Boshoff said.[18] [18 *Sowetan* 24 June 1994]

The chairman of the Central Witwatersrand Metropolitan Chamber, Dr Frederik Van Zyl Slabbert, said in September 1994 that the climate for Afrikaners to bargain for self-determination had never been more favourable. However, he told a volkstaat meeting that a volkstaat in a separate territory would not be viable and that the Volkstaat Council should rather opt for inclusive self-determination which would be entrenched in the final constitution.[19] [19 *The Citizen* 30 September 1994]

Constitutional development issues are dealt with in the chapter on *Government and Constitution*.

PARAMILITARY UNITS

African National Congress Self-Defence Units

The African National Congress (ANC) said in January 1994 that it would call for the disbandment of township self-defence units (SDUs), some of which were out of control, once the National Peacekeeping Force had been deployed successfully (see also chapter on *Security*). The deputy secretary general of the ANC in the Pretoria-Witwatersrand-Vereeniging (PWV) region, Mr Obed Bapela, said that the units, which had been established in 1991, after it had become evident that police could not protect communities, were never intended to be permanent.[20] [20 *Business Day* 7 January 1994]

In the same month an executive member of the ANC in the PWV region, Mr Vusi Kunene, praised members of an SDU in Katlehong (east Rand) for 'saving the lives of people in the township', including those of the national chairman of the South African Communist Party, Mr Joe Slovo, and the secretary general of the ANC, Mr Cyril Ramaphosa, when they were attacked by hostel residents.[21] [21 *Sowetan* 11 January 1994]

A youth leader of the Inkatha Freedom Party (IFP) in Katlehong, Mr Jeffrey Sibiya, protested after police had searched for weapons at the Mazibuko Hostel where members of the IFP lived, saying that the police had failed to raid Lekole Street in the area which 'was occupied by members of SDUs belonging to the ANC'. Mr Sibiya said that the IFP hostel residents had opened fire on leaders of the ANC during a weekend 'peace visit' to the township, driving them away.[22] [22 *The Citizen* 14 January 1994]

Reacting to reports in January 1994 that certain members of SDUs in Katlehong were out of control, the president of the ANC, Mr Nelson Mandela, accused the government of complicity in township violence and of infiltrating the SDUs. Furthermore, Mr Mandela said that the ANC had disciplined some unit members and that the problem of SDU activities would be raised at a subsequent meeting of the ANC national executive.[23] [23 Ibid]

Representatives of SDUs resolved at a conference in Daveyton (east Rand) in February 1994 that unit operations should be accountable to existing structures such as civic associations in local townships. The chairman of the east Rand branch of the ANC, Mr Vuyani Mpofu, said that one of the aims of the conference was to develop a more formal structure for the units.[24] [24 *Business Day* 7 February 1994]

Mr Mpofu also said that the creation of formal structures had begun in units in Katlehong where local and zonal commanders had been appointed. It was hoped that the streamlining of the units would make them acceptable to the community at large because they would be answerable to civic organisations which presumably represented residents. Much of the violence and a number of killings in the east Rand were attributable to the lack of discipline in SDUs, particularly in Katlehong, Mr Mpofu said.[25] [25 *Ibid*]

Mr Bapela said in May 1994 that the ANC had proposed, among other things, that:

• SDU members between the ages of 13 and 18 years be provided with 'catch-up' schooling;

• SDU members below the age of 25 be accepted as South African Police (SAP) reservists in neighbourhood-watch programmes; and

• members 25 years and older be integrated into the new South African Police Service.[26] [26 *The Citizen, The Star* 30 May 1994]

However, Mr Bapela said that the proposals still had to be negotiated with 'regional and national' authorities.[27] [27 *Ibid*]

Addressing 200 representatives of SDUs at Katlehong in June 1994, the MEC for public safety and security in the PWV province, Ms Jessie Duarte, said that the new minister for safety and security, Mr Sydney Mufamadi, was committed to accepting members of SDUs as police reservists, but that he was still examining the proposal to integrate SDU members without a matriculation qualification into the police force. On the issue of disarming the SDUs, Ms Duarte told SDU representatives that the new minister of justice, Mr Dullah Omar, was considering granting amnesty to members of such units.[28] [28 *Ibid 20 June 1994*]

In July 1994 Mr Mufamadi said that members of both ANC-aligned SDUs and IFP-aligned self-protection units (SPUs) in the east Rand would be incorporated into the SAP as reservists and that the possibility of giving indemnity to unit members in possession of illegal firearms was also being investigated.[29] [29 *Business Day* 21 July 1994] By December 1994 some members of SDUs had been integrated as SAP reservists.

Rival SDUs and SPUs in townships on the east Rand agreed to a ceasefire in July 1994, according to the Reverend Mvume Dandala of the Methodist Church. The units also agreed with a suggestion made earlier by the provincial government to implement patrol schemes in their areas in co-operation with the SAP.[30] [30 *Business Day, Sowetan* 15 July 1994]

In September 1994, 56 members of SDUs and SPUs from Katlehong, Tokoza and Vosloorus (all on the east Rand) went on a week-long police training course in preparation for their incorporation into local police structures as police reservists. After completing their training the reservists were issued with official police firearms and were to operate in field dress uniforms. They would also be paid for their services, according to the SAP.[31] [31 *The Citizen* 14 September 1994] A spokesman for Ms Duarte said in October 1994 that all 56 trainees had completed their training successfully and had been deployed on the east Rand in September.[32] [32 Telephonic interview with a spokesman for the MEC for public safety and security in the Pretoria-Witwatersrand-Vereeniging, October 1994]

According to an SAP liaison officer on the east Rand, Lieutenant Deon Peens, four SDU members were arrested in Tembisa (east Rand) in September 1994 for possession of illegal firearms. However, after their arrest other members of the SDU, led by an ANC member of the PWV legislature, Mr Robert McBride, arrived at the Tembisa Police Station demanding their immediate release. 'The SDU members are now under the impression that they will no longer be prosecuted for possession of unlicensed firearms. It is becoming very difficult to implement law and order,' Lt Peens said.[33] [33 *The Star* 23 September 1994]

Eighty members of SDUs staged two sit-ins during September 1994 at the Katlehong Police Station demanding the release of three SDU members arrested for possession of illegal firearms. According to

the police station commander, Lieutenant Colonel George Nortjé, the number of police officers at the station had been increased and sit-ins would not be tolerated. A commander of the SDU, Mr Themba Mthunzi, said that officials of the Department for Safety and Security had agreed that members of SDUs would be allowed to keep their arms while assisting police to normalise the situation in townships provided the firearms were not illegal. However, Col Nortjé said that he was not aware of such an agreement.[34] [34 Ibid 29 September 1994]

About 50 members of SDUs in the Western Cape occupied the office of the commander of the Khayelitsha Police Station (Western Cape), Colonel F du Preez, in October 1994, insisting that their demands be met immediately. The SDU members had demanded that the SAP stop harassing and disarming SDUs, and that they recognise SDUs.[35] [35 *The Citizen* 4 October 1994] However, their demands were not addressed.

In November 1994 Mr McBride and the ANC strongly disputed the findings of a police crime intelligence service report, presented to the standing committee on public safety and security in the PWV province. The report said that Mr McBride had been involved in disputes between the SAP and SDUs in September 1994 which had hampered police investigations. Mr McBride had intimidated SAP officers in Tembisa and had sided with SDU members against these officers, according to the report.[36] [36 *The Star* 2 November 1994] The ANC said, however, that the report had not acknowledged the 'positive role' Mr McBride had played in the incident. According to the ANC, Mr McBride had persuaded SDU members to hand over their illegal weapons to the SAP, whereupon SDU members who had been arrested by the SAP for their initial refusal to hand over these weapons were released.[37] [37 *The Citizen* 3 November 1994]

In his reaction to the police report, Mr McBride said that he had explained the incident to Mr Mufamadi and the commissioner of the SAP, General Johan van der Merwe. If they believed he was hampering investigations, they should have charged him. Mr McBride added that the fact the report was presented to the cabinet was an attempt to discredit his role in assisting community-police relations.[38] [38 *The Star* 2 November 1994]

In December 1994 Ms Duarte said that Mr McBride had not acted irregularly when he had intervened between the SAP and members of SDUs. Ms Duarte added that the SAP had acknowledged Mr McBride's successful attempt to persuade SDU members to drop their demand to have firearms seized by the SAP returned to them.[39] [39 *The Citizen* 9 December 1994]

In mid-November 1994 Mr McBride and another member of the PWV legislature, Mr Mathole Motshekga, led a protest march to the Kempton Park magistrate's court (east Rand) to demand the release of detained members of SDUs from Ivory Park (east Rand). The ANC in the PWV later issued a statement saying that the organisation supported the call by the protesters for the release of these SDU members, some of whom had been in detention for the past two years.[40] [40 *Ibid 18 November 1994*] According to the statement, 'the continued criminalisation of the SDUs by the SAP does not bode well

for sound community-police relations'.[41] [41 *Ibid*]

Afrikaner Weerstandsbeweging

The leader of the Afrikaner Weerstandsbeweging (AWB), Mr Eugene TerreBlanche, said in March 1994 that he had 60 000 'soldiers of God' trained and ready to fight for the establishment of a volkstaat.[42] [42 *The Natal Witness* 1 March 1994]

In the same month Mr TerreBlanche offered the president of Bophuthatswana, Chief Lucas Mangope, armed troops 'to ward off aggression from inside or outside the homeland'.[43] [43 *Sowetan* 10 March 1994] Troops of the AWB entered the homeland that month to defend Chief Mangope's administration, following strikes by the homeland's civil servants (see also chapter on *Security*).

Three members of the AWB and a former member of the organisation were found guilty of housebreaking and the theft of 27 R-4 automatic rifles in April 1994 in the Kimberley district court (Northern Cape) and were each fined R5 000 or 15 months' imprisonment and a further 15 months suspended for five years.[44] [44 *Daily Dispatch* 15 April 1994] In passing sentence the magistrate, Mr H P Steyn, said that there were mitigating circumstances as the men had stolen the rifles to give to farmers in border areas in the Orange Free State (OFS) and the Cape to protect their farms.[45] [45 *Ibid*]

The AWB said in April 1994 shortly before the general election that it had drawn up a strategy to secure the Transvaal and the OFS as a base against a future 'communist government' and that thousands of its members were already moving into these areas to 'ensure sufficient manpower was mustered to ward off any persecution or action' against supporters of the right wing.[46] [46 *The Citizen* 22 April 1994]

In late April 1994 police arrested 31 right-wing supporters, including AWB members, in connection with a spate of bombings in the Pretoria-Witwatersrand-Vereeniging (PWV) region in the week before the election which killed 21 people and injured almost 200.[47] [47 *Business Day, The Star* 28 April 1994]

Reacting to reports that some members of the elite Ystergarde of the AWB had been arrested in connection with bomb blasts in the PWV region, Mr TerreBlanche said that while the AWB executive had not given instructions for such actions he would support the suspects in court.[48] [48 *The Citizen* 29 April 1994]

Subsequently, at least 36 members of the AWB, including the chief of staff, the secretary general and the leader of the Ystergarde, were charged with 19 counts of murder and 191 counts of attempted murder.[49] [49 *Ibid 30 April 1994*] They also faced various charges of contravening the Explosives Act of 1956, causing explosions, and malicious damage to property, committing car theft, and being in illegal possession of hand grenades, machine guns and ammunition.[50] [50 *Ibid 30 April 1994*] The state withdrew all

charges against 11 of the 36 accused in the Johannesburg regional magistrate's court early in November 1994 and the case against the 25 others was transferred to the Witwatersrand Local Division of the Supreme Court for preliminary hearings.[51] [51 *Business Day* 4 November 1994] The trial was scheduled to begin on 30 January 1995.[52] [52 *The Citizen* 6 December 1994]

Azanian National Liberation Army

A group of 28 alleged members of the Azanian National Liberation Army (Azanla), the military wing of the Black Consciousness Movement of Azania (BCMA), were arrested in Sekhukhuneland (northern Transvaal) in November 1993 while allegedly undergoing military training. In January 1994 they were granted bail when they appeared before Mr Justice B du Plessis in the Transvaal Provincial Division of the Supreme Court in Pretoria.[53] [53 *Sowetan* 11 January 1994]

In May 1994 the deputy president of the Azanian People's Organisation (Azapo), Mr Pandelani Nefolovhodwe, said that the armed struggle carried out by the BCMA through Azanla had come to an end. Mr Nefolovhodwe added that the BCMA did not 'foresee having to launch an armed struggle' against the new government.[54] [54 *The Citizen* 18 May 1994]

The control of Azanla was transferred to Azapo after the two organisations merged at the annual congress of Azapo held in October 1994. The commander of Azanla, Mr Mosibudi Mangena, who was also chairman of the BCMA, was elected president of Azapo at the annual congress.[55] [55 *Sowetan* 11 October 1994]

Azanian People's Liberation Army

In January 1994 the president of the Pan-Africanist Congress (PAC), Mr Clarence Makwetu, said that the organisation had suspended the armed struggle carried out by its military wing, the Azanian People's Liberation Army (Apla). The decision had been taken by the organisation's national working committee 'in the light of the promulgation of the Electoral Act' of 1993 and resolutions passed at its annual conference in December 1993 (including the suspension of the armed struggle and participation in the general election). The leadership of Apla had started informing its cadres throughout the country of the decision. However, Mr Makwetu said that he could not rule out any further attacks by Apla as 'it would take some time' before all Apla cadres were informed of the decision.[56] [56 *The Citizen* 17 January 1994] The armed struggle would be abandoned once the land had been returned to the African people, the PAC said.[57] [57 *Ibid* 13 January 1994]

A commander of Apla who did not disclose his name to the press said in January 1994 that he and the cadres under his command would continue carrying out military operations disregarding the suspension of the armed struggle by the PAC. He said that his cadres were 'convinced that the goal they had been fighting to reach was abandoned because the leadership had suddenly developed 'cold feet'.[58] [58 *Sowetan*

18 January 1994]

Furthermore, three senior PAC members in the Transkei, including the national director of publicity and information of the PAC, Mr Waters Toboti, were suspended after they too challenged the suspension of military operations.[59] [59 *Weekly Mail and Guardian* 28 January 1994]

Speaking from Harare (Zimbabwe) the commander in chief of the Apla forces, Mr Sabelo Phama, dissociated Apla from claims that it would continue fighting despite the suspension of the armed struggle. Mr Phama said that he doubted the claims that the struggle would continue had been made by members of Apla. 'Specific instructions have been issued to all Apla members to cease all military operations in accordance with the decision of the PAC.' Mr Phama said that Apla members had subsequently ceased military operations.[60] [60 *The Citizen* 25 January 1994]

In February 1994 Mr Phama was killed in a road accident in Tanzania while travelling to the offices of the PAC in Dar es Salaam.[61] [61 *The Star* 10 February 1994] The organisation appointed Mr Daniel Romero Mofokeng as his successor in March 1994.[62] [62 *The Citizen* 18 March 1994]

The Transkei Defence Force (TDF) and leaders of Apla said in a joint statement early in March 1994 that the TDF was to make its training facilities available to Apla forces.[63] [63 Ibid 5 March 1994] According to a spokesman for Apla, these facilities had been provided in preparation for Apla's integration into the South African National Defence Force (SANDF).[64] [64 *Telephonic interview with a spokesman for the Azanian People's Liberation Army, January 1995*]

Three high-ranking members of Apla—Messrs Willy Nkonyeni, Andile Ntabeni and Mopedi Motlhabane—arrived in South Africa from Tanzania in March 1994 to attend the first meeting with representatives of the South African Defence Force to discuss the integration of Apla into the SANDF.[65] [65 *Sowetan* 14 March 1994]

Following discussions between the PAC and the president, Mr Nelson Mandela, in May 1994, the chief director of communications in the office of the president, Mr Joel Netshitenzhe, said that the PAC wanted to participate in the integrated SANDF and that the African National Congress had agreed in principle to examine the relevant clauses in the constitution.[66] [66 *The Star* 23 May 1994] According to the constitution, nonstatutory forces which had not submitted their certified personnel list before 27 April 1994 would not be integrated into the SANDF as units but as individuals.[67] [67 *New Nation* 17 June 1994] The PAC had not, however, submitted such a list to the SANDF in time, and, therefore, in June 1994 Mr Mofokeng appealed to Mr Mandela to issue a proclamation allowing members of Apla to be integrated into the SANDF as a unit.[68] [68 *Ibid*]

The army chief of staff (logistics), Major General Pieter Coetzer, said in June 1994 that the integration of Apla into the SANDF was still being discussed at a political level but that Apla cadres currently in the

country would be moved to the De Brug training area near Bloemfontein (Orange Free State).[69] [69 *The Citizen* 24 June 1994] Early in October 1994 the PAC once again called for an amendment to the constitution which would allow for Apla's integration into the SANDF as a unit.[70] [70 *The Star* 3 October 1994]

A commander of Apla, Mr Mphozama Yonana, said in Cape Town in August 1994 that the spate of police killings countrywide could be the work of 'Apla dissidents' who were in 'dire need of weapons', adding that there were 20 known Apla dissidents in the Western Cape who had 'declared war' on the peace process.[71] [71 *The Citizen* 19 August 1994] Mr Yonana said that they had been expelled from the PAC in July 1994. Their names were in the possession of the South African Police.[72] [72 *Ibid*]

A spokesman for the Orange Free State command of the SANDF said in November 1994 that the integration of 700 members of Apla at De Brug had been completed and that the soldiers were being transferred to their units. The spokesman also explained that the 700 were the second group to be integrated and that a third group of trainees was expected to report to the base in January 1995.[73] [73 *Sowetan* 23 November 1994] A spokesman for the SANDF said in January 1995 that some 1 610 Apla cadres had been integrated into the SANDF and were undergoing 'bridging' training.[74] [74 Fax communication from the South African National Defence Force, 18 January 1995]

Two members of Apla, Messrs Luyanda Gqumfa and Zola Mabala, were sentenced to 27 years each in the Cape of Good Hope Provincial Division of the Supreme Court in Cape Town in December 1994 for the attack on the Heidelberg Tavern (Cape Town) in 1993 in which four people had been killed.[75] [75 *Business Day, Sowetan* 3 December 1994] Another member of Apla, Mr Brian Madasi, was sentenced to 24 years' imprisonment for the same crime. In passing sentence, Mr Justice Johan Conradie described the attack as one of the worst cases of urban terrorism in the history of South Africa.[76] [76 *Business Day, Sowetan* 13 December 1994]

Boere Republican Army

In January 1994 members of the Boere Republican Army claimed responsibility for a series of bomb blasts that sabotaged railway tracks in Orkney and adjacent areas in the western Transvaal, and threatened to paralyse the country through 'economic sabotage'.[77] [77 *The Star* 26 January 1994] In the same month there were at least 14 blasts on train lines, petrol filling stations, power lines, offices of political organisations and in streets in towns mainly in the western Transvaal and the Orange Free State.[78] [78 Ibid]

Kwazulu Self-Protection Units

Following claims by Chief Nkosiyezwe Gcumisa that he had been forced by the Inkatha Freedom Party (IFP) to undergo 'military training' at Matikulu Camp (KwaZulu) to 'kill opponents' of the party and for

self-protection purposes, a spokesman for the IFP, Mr Ed Tillet, said in January 1994 that there was 'nothing secretive' about the training of self-protection units (SPUs). These had been initiated in 1993 by the KwaZulu administration 'on the instruction' of the chiefs to provide protection to them and their communities.[79] [79 *Weekly Mail and Guardian* 28 January 1994]

Mr Tillet denied that the training was also aimed at killing opponents of the party. The IFP also repudiated claims by the Afrikaner Weerstandsbeweging that it was involved in the training of members of the IFP on a farm in Vereeniging (Vaal Triangle).[80] [80 Ibid]

In January 1994, 1 000 people—including 200 hostel residents from the Witwatersrand—were being trained by the IFP at Mlaba Camp on the western boundary of the Umfolozi Game Reserve (KwaZulu) to serve in community SPUs. Training was financed by the KwaZulu administration.[81] [81 *The Star* 1 February 1994] According to Mr Phillip Powell, the commander of Mlaba Camp, some 3 000 trainees had already completed their training by March 1994. The trainees at the camp were drawn (in groups of ten) from 'KwaZulu-supporting' chiefs. After the completion of training they returned home, to each train another ten people, according to Mr Powell.[82] [82 *The Natal Witness* 5 March 1994]

Members of SPUs on the west Rand said in October 1994 that they would not hand over illegal weapons until their members had been integrated into the South African National Defence Force (SANDF). Mr Richard Dlomo, commander of the units, said that the president, Mr Nelson Mandela, should deal with the issue of their integration. Mr Themba Khoza MP (IFP) said that 800 trained members of SPUs would be integrated into the SANDF.[83] [83 *The Citizen* 24 October 1994] According to the SANDF, talks on the integration of such units had been held, but a final decision would be taken by the government.[84] [84 Telephonic interview with a spokesman for the SANDF, October 1994]

Pretoria Boerekommando

Armed members of the Pretoria Boerekommando fortified the municipal offices of Rayton (about 30km east of Pretoria) in February 1994. The commandant of the commando, Mr Willem Ratte, said that the offices had been fortified at the request of the local community and that he hoped the move would be 'one of the first steps towards [the establishment of] a volkstaat'.[85] [85 *Business Day, The Citizen* 1 March 1994]

However, the town clerk of Rayton, Mr Nick Ebersohn, said that the barricades were erected without the permission of the council. The Rayton Town Council subsequently called for the removal of the barricades. Earlier in the month the same commando had temporarily barricaded offices in Akasia (north of Pretoria).[86] [86 Ibid]

In mid-March 1994, 30 members of the Pretoria Boerekommando, again led by Mr Ratte, occupied the Wonderboom Fort in Pretoria. Mr Ratte, who in 1993 had occupied Fort Schanskop at Voortrekkerhoogte (Pretoria), said that they were protesting against the 'slow progress made in

establishing a volkstaat and the neglect of the cultural heritage of the Afrikaner'.[87] [87 *Business Day, The Citizen* 14 March 1994] The unit abandoned the fort after it was ordered to leave by the police. Mr Ratte and seven others were charged with trespassing and illegal possession of explosives, firearms and ammunition. At the time of writing their trial was still in progress.[88] [88 *Business Day* 7 September 1994]

Umkhonto We Sizwe

The minister of foreign affairs, Mr Roelof (Pik) Botha, said in February 1994 that he had been informed of a large number of members of Umkhonto we Sizwe (Umkhonto) who were undergoing training in Venda 'on the orders' of the military leader of Venda, Brigadier Gabriel Ramushwana. Mr Botha called on the Transitional Executive Council (TEC) to investigate the claims as well as the funding of training for Umkhonto members.[89] [89 *The Citizen* 19 February 1994] However, the TEC did not hold an investigation into this matter.

Seventy-three officers of Umkhonto, as well as officers of the Azanian People's Liberation Army (Apla), completed a 12-week course for platoon commanders at the Zimbabwe military academy at Gweru (Zimbabwe) in March 1994.[90] [90 Ibid 25 March 1994]

The Joint Military Co-ordinating Council (JMCC) announced in April 1994 that three assembly points had been identified for nonstatutory armies to gather before their integration into the new South African National Defence Force (SANDF). These were at Wallmannsthal (north of Pretoria), Bourke's Luck and Hoedspruit (both in the eastern Transvaal). About 16 000 Umkhonto cadres were expected to gather at these assembly points. The three military bases would have a combined capacity of about 12 000 troops, Wallmannsthal accommodating some 8 000.[91] [91 Ibid 8 April 1994]

In April 1994 the commander of Umkhonto (and now minister of defence), Mr Joe Modise, said that he suspected the South African Defence Force (SADF) was delaying the integration of various armed formations in the hope that it might remain in command of the new SANDF.[92] [92 *The Star* 18 April 1994]

The chief of the personnel maintenance office and reception depot at Wallmannsthal, Colonel Johan Preller, said in June 1994 that a service brigade would be established to absorb members of Umkhonto and other nonstatutory forces who did not qualify for integration into the SANDF. (To qualify a person had to be medically fit, have the required educational qualification—matriculation for officers and standard 8 for other ranks—and not have a criminal record.) After further training members of the service brigade would be included in the auxiliary services of the SANDF.[93] [93 *The Citizen* 18 June 1994]

The South African Air Force (SAAF) announced in June 1994 that some of the 61 members of Umkhonto who had recently been integrated into the SAAF would undergo pilot training.[94] [94 *Sowetan* 21 June 1994]

In the same month the SANDF threatened to prosecute members of the Directorate of Covert Collection (DCC) if they divulged names of top Umkhonto members who had spied for the South African government while in exile. Mr Modise had tried to get a court order to stop a newspaper, *Weekly Mail and Guardian*, from publishing such information received from members of the DCC.[95] [95 *Weekly Mail and Guardian* 17 June 1994] The acting chief of staff (intelligence) of the SANDF, Major General Dirk Verbeek, said that if they were identified, 'not only would they be severely compromised in their current capacities, but the exposure of military secrets would amount to a contravention of the Official Secrets Act of 1978.[96] [96 *The Star* 17 June 1994] A spokesman for the SANDF said in January 1995 that the parties had agreed not to disclose the names of such Umkhonto members.[97] [97 Fax communication from a spokesman for the SANDF, 18 January 1995]

The chairman of the standing committee on defence, Mr Tony Yengeni, said in September 1994 that the integration of Umkhonto into the SANDF was 'in crisis'. Mr Yengeni added that the difficulties experienced could derail integration and 'plant seeds of destabilisation' in the SANDF. The chief director of communications of the SANDF, Major General Gert Opperman, admitted there had been a 'teething problem' with the integration process.[98] [98 *Cape Times* 17 September 1994]

Mr Yengeni also said that there was a perception that members of the former SADF and Umkhonto were not being treated equally and that the former SADF was regarded as the 'senior partner'. There had also been serious logistical problems in various camps, Mr Yengeni added.[99] [99 Ibid]

In October 1994 more than 6 000 members of Umkhonto and Apla who were on official weekend leave did not return to their bases at various places in the country and demanded the resignations of Mr Modise and the acting chief of staff of the SANDF, Lieutenant General Siphiwe Nyanda, saying that the two men had 'betrayed' them. Previously both Mr Modise and Gen Nyanda had been commanders of Umkhonto.[100] [100 *City Press* 9 October 1994]

In the same month thousands of Umkhonto members (75% of 7 000 trainees) began a stayaway, demanding that the president, Mr Nelson Mandela, attend personally to their grievances, which included low salaries and allowances, lack of job security and compulsory retraining despite their extensive training while still serving as Umkhonto cadres. The trainees also demanded the disbandment of the JMCC and its replacement with a commission of inquiry to investigate the integration process.[101] [101 *The Citizen* 1 October 1994] Members of Umkhonto in KwaZulu/Natal demanded that the former chairman of the Transkei Military Council, Major General Bantu Holomisa, should head the integration of nonstatutory armies into the SANDF.[102] [102 *City Press* 9 October 1994]

The executive deputy president from the majority party, Mr Thabo Mbeki, told Parliament in October 1994 that Umkhonto cadres involved in disputes with the SANDF would have to follow legal procedures. Because of the slowness of the integration process, many Umkhonto members were still waiting to be admitted into the SANDF. The problem was being addressed by Mr Modise, the new

deputy minister of defence, Mr Ronnie Kasrils, and the JMCC.[103] [[103] *The Citizen* 19 October 1994]

In the same month Mr Mandela gave troops who were absent without leave from their bases seven days to return. Those who did not return would be excluded from integration into the SANDF. Mr Mandela said, 'Discipline is absolutely essential for everybody, especially the army. If anybody leaves the camp without permission I will be the first to say he must be treated with the greatest discipline.'[104] [[104] *The Citizen, The Star* 21 October 1994]

A spokesman for the minister of defence, Dr Das Herbst, said in November 1994 that 2 221 members of Umkhonto, who had failed to return to their bases after they were ordered to do so, had 'forfeited the right to remain' in the SANDF and were no longer regarded as members.[105] [[105] *The Citizen* 8 November 1994] However, a spokesman for the SANDF said in January 1995 that no Umkhonto members undergoing integration into the SANDF had as yet been dismissed, although a list of those members who had been absent without leave had been submitted to Mr Modise, who would make a final decision. According to the spokesman, about 442 former Umkhonto members had been tried for offences ranging from absence without leave to drunkenness and disobedience (some of these members had been reprimanded, others fined). One member had been court martialled and fined for firing illegally in a training base, the spokesman said.[106] [[106] Fax communication from the SANDF, 18 January 1995]

Speaking in Pietersburg (Northern Transvaal) on National Defence Force Day, Mr Mandela called on 'all who placed South Africa first' to ensure that problems with the integration of the SANDF were resolved. Mr Mandela added, 'Although there have been genuine and serious grievances affecting those former members of the nonstatutory forces awaiting integration, every member of the SANDF and every citizen has to join hands to build a force everyone can be proud of.' The government was addressing the grievances with a 'sense of urgency'. However, the SANDF had to be built on discipline, Mr Mandela said.[107] [[107] *The Citizen* 12 November 1994]

Wit Wolwe

A man claiming to be the leader of the Wit Wolwe, Mr Barend Strydom, who had been convicted of the murder of six Africans and an Indian in Pretoria in 1988 (see 1988/89 *Survey*, p168), telephoned the South African Press Association in April 1994, saying that he had resigned as leader of the organisation and had renounced violence. The caller said that after witnessing the 'recent carnage in Bophuthatswana [in March 1994] and senseless killings generally', he could no longer endorse violence and he now wanted to join the Freedom Front (FF).[108] [[108] Ibid 5 April 1994]

The leader of the Wit Wolwe in the southern Orange Free State, Mr Eddie Visagie, said that he supported Mr Strydom's decision to join the FF. Mr Visagie said that he too would resign from the Wit Wolwe and Mr Hendrik van Staden, the leader of the organisation in the eastern Cape, could follow suit. Mr Visagie also said that the Wit Wolwe would disband.[109] [[109] Ibid 8 April 1994] At the time of writing the

Wit Wolwe had not disbanded.

THE MEDIA

Legislation

The minister of home affairs, Mr Danie Schutte, said in February 1994 that the broadcasting industry would be 'frustrated' in 1994 unless amendments were made to the Independent Broadcasting Authority Act of 1993. According to the act, the Independent Broadcasting Authority (IBA)—which was established in March 1994—could not issue temporary broadcasting licences until investigations into the viability of public broadcasting services, cross-media control of broadcasting services, and licensing conditions regarding the compulsory broadcasting of local television content and South African music were completed (see also 1993/94 Survey, p512). This would prevent existing and aspirant radio stations from transmitting.[110] [110 *Business Day* 10 February 1994]

Draft amendments to the Independent Broadcasting Authority Act were tabled in Parliament in November 1994. The Independent Broadcasting Authority Amendment Bill would allow the IBA to issue new broadcasting licences even before the completion of its 'triple inquiry' into the future of broadcasting in South Africa. The amendment would also empower the IBA to issue broadcasting licences without the new frequency plan's having been finalised and to impose a limitation on the foreign control of broadcasting signal distribution licensees.[111] [111 *Independent Broadcasting Authority Amendment Bill*, B46-94]

Both the Democratic Party and the Black Sash said in February 1994 that the Transitional Executive Council should investigate all legislation limiting the freedom of the press, including the Secret Services Act of 1978, the Petroleum Products Act of 1977, the Defence Act of 1957 and sections of the Internal Security Act of 1982.[112] [112 *Daily Dispatch* 17 February 1994]

At the annual conference of the South African Media Council (now the Press Council of South Africa) in Cape Town in the same month, its chairman, Professor Kobus van Rooyen, said that the council should recommend the removal of contradictory and ambiguous qualifications in the section on media freedom in the bill of rights and that Parliament should amend the Publications Act of 1974 to provide only for age restrictions and classifications of films. Prosecution for hard-core pornography should be left to the courts. Professor van Rooyen also said that the council was happy that section 205 of the Internal Security Act, in terms of which anyone, including journalists, could be compelled to reveal information in court, had been amended at the end of 1993.[113] [113 *The Star* 18 February 1994]

Ownership of the Media

New Africa Publications (Nap), a newly incorporated subsidiary of the Prosper Africa Group, acquired

ownership of the daily newspaper *Sowetan* from the Argus Group in January 1994 (see also chapter on *Business*). Dr Nthato Motlana, the chairman of Nap, said the paper's editorial independence would remain unaffected and the company intended acquiring other publications.[114] [114 *The Citizen, Sowetan* 26 January 1994]

In February 1994 an Irish newspaper group, The Independent Newspaper Company, bought *The Argus*, *The Daily News*, *The Star* and *Sunday Tribune* from The Newspaper Printing Company as the Anglo American Corporation of South Africa (Anglo) and the Johannesburg Consolidated Investment Company (JCI) unbundled their interests in Argus Holdings. The managing director of Argus Holdings, Mr Doug Band, said that he believed that with the sale of these newspapers the 'ongoing hassle over press ownership by Anglo and JCI would end'.[115] [115 *Business Day* 10 February 1994] Other English language newspapers such as *Business Day* and the *Sunday Times* are owned by Times Media Limited.[116] [116 *Sunday Times* 13 March 1994]

At Independent Broadcasting Authority (IBA) hearings into cross-ownership of the media in November 1994, the Newspaper Press Union backed by Nasionale Pers and the Provincial Press Association, said that the IBA should not impose rigid regulations on cross-media ownership by newspaper groups. The absence of cross-ownership would cause struggling publications to collapse. The chief executive of Nasionale Pers, Mr Hennie van Deventer, said that because there was 'fierce competition' for readers and advertising in a small economy, newspapers should be allowed to invest in other media forms to safeguard their future.[117] [117 *The Star* 1 December 1994]

Control of the Media

Prosper Africa has a 52% stake in New Africa Publications, owners of *Sowetan*[118] [118 *Sowetan* 26 January 1994] , while The Independent Newspaper Company controls newspapers formerly owned by The Newspaper Printing Company (the printing division of Argus Newspapers) after it purchased 31% of the shares in Argus Holdings from Anglo and JCI in February 1994.[119] [119 *Business Day* 10 February 1994] Argus Holdings has a 37% interest in Times Media Limited, publishers of *Sunday Times* and *Business Day*, among other newspapers.[120] [120 *Sunday Times* 13 March 1994] Perskor owns *The Citizen* and *Rapport* while *Beeld*, *City Press* and *Die Burger* belong to Nasionale Pers.

In December 1994 the editor in chief of *The Star*, Mr Richard Steyn, announced his resignation, saying that the proposed new structure of The Independent Newspaper Company—which would make editors report to regional managing directors—would not be 'appropriate'. He feared that the new structure would not guarantee editorial independence.[121] [121 *The Citizen, Weekend Star* 10 December 1994] The chief executive of Argus Newspapers, Mr John Featherstone, gave the assurance that editors would continue to have 'absolute and sole responsibility for the content—both editorial and advertising—of their newspapers'. The branch co-ordinator of the South African Union of Journalists (SAUJ), Ms Claire Gebhardt, said that the action of the management of Argus Newspapers placed the editor and the

journalists in a 'subservient' role to management which was unacceptable. The president of the SAUJ, Mr Connie Molusi, demanded immediate negotiations for the establishment of an editorial charter for all newspapers owned by The Independent Newspaper Company, which would 'enshrine editorial freedom and the non-interference of management in the practice of journalism'.[122] [122 *Weekend Star* 10 December 1994]

Independent Broadcasting Authority

In terms of the Independent Broadcasting Authority Act of 1993 the primary functions of the Independent Broadcasting Authority (IBA) were:

• to promote the development of public, private and community broadcasting services which were 'responsive to the needs of the public';

• to ensure that broadcasting services develop and protect a national and regional identity, culture and character;

• to protect the integrity and viability of public broadcasting services;

• to ensure that the needs of language, cultural and religious groups as well as the needs of constituent regions, local communities and the need for educational programmes were taken into account;

• to encourage ownership and control of broadcasting services by persons from historically disadvantaged groups, and to encourage equal opportunity employment practices by all licensees;

• to ensure that broadcasting services are not controlled by foreign persons, that public broadcasting licensees, private broadcasting licensees and signal distribution licensees comply with internationally accepted technical standards; and

• to ensure equitable treatment for all political parties by all broadcasting licensees during any election period.[123] [123 *Independent Broadcasting Authority Act No 153 of 1993*, 18 October 1993]

In mid-March 1994 the Transitional Executive Council (TEC) announced the names of eight people it had appointed to the IBA from a list of nominees submitted by a panel appointed by the TEC. These were the executive vice president of the Association of Advertising Agencies, Mr Peter de Klerk, who would be co-chairman together with a broadcast educationist, Dr Sebiletso Mokone-Matabane (who worked for the United States Agency for International Development in Johannesburg); a lawyer, Mr William Lane; a radio journalist, Mr John Matisonn; Mr Frank Meintjies, a former spokesman for the Congress of South African Trade Unions; an anthropologist, Professor Harriet Ngubane; the chairwoman of the National Telecommunications Forum, Mrs Lyndall Shope-Mafole; and the former chairman of the South African Broadcasting Corporation (SABC), Professor Christo Viljoen.[124] [124 *The*

Star 17 March 1994]

The IBA said that it would work towards formulating a policy which would enable interested South Africans to obtain broadcasting licences. The IBA was charged with ensuring that all South Africans received the 'fairest and best possible broadcast services, free of undue bias' and that broadcasters were protected from 'government interference'. 125 [125 *Business Day* 13 April 1994]

In April 1994 the co-chairman of the IBA, Mr Peter de Klerk, called for written submissions which would help the authority to set up rules on the application and granting of temporary radio licences.126 [126 *The Citizen* 30 April 1994]

In June 1994 the IBA presented a summary of the submissions received from interested parties regarding the processing of applications and granting of temporary radio licences. The criteria affecting the granting of licences took into account, among other things, the issues of culture, language, religion and adherence to the bill of rights (specifically freedom of speech).127 [127 Ibid 21 June 1994] An additional consideration was the rules and procedures governing hearings to be held in respect of applications for licences.128 [128 *Ibid* 21 June 1994]

Professor Viljoen said in June 1994 that there was space within the existing frequency plan to add further broadcasting stations, as an interim measure, and that an entirely new frequency plan was required to restructure the SABC.129 [129 *The Star* 24 June 1994]

The new minister for posts, telecommunications and broadcasting, Dr Pallo Jordan, said in Parliament in September 1994 that the IBA should speed up the granting of licences to private broadcasters, as they could provide 'creativity and variety' in the broadcasting industry.130 [130 *The Citizen* 7 September 1994]

In September 1994 the IBA and the Independent Broadcasters' Committee agreed that Parliament should amend legislation to enable the IBA to grant commercial licences without delay.131 [131 *Business Day* 13 September 1994] The draft legislation to amend the act was tabled in Parliament in November 1994 (see also *Legislation* above).132 [132 *The Citizen* 8 November 1994]

POLITICAL CONFLICT AND TENSION

According to figures compiled by the South African Institute of Race Relations, 2 434 people had been killed in political violence by the end of December 1994, compared with 3 794 deaths in the same period in 1993 (a decrease of 36%). Statistics compiled by the Institute of political fatalities in South Africa (including the ten homelands) in 1993 and 1994, and the average daily fatality rate for each month, are as follows:

Political fatalities in South Africa: 1993 and 1994[a]

1993

1994

Month

Total

Average daily rate

Total

Average daily rate

January

135

4,4

239

7,7

February

148

4,3

259

9,3

March

143

4,6

537

17,3

April

212

7,1

436

14,5

May

339

10,9

207

6,7

June

309

10,3

119

4,0

July

547

17,6

136

4,4

August

451

14,5

106

3,4

September

425

14,2

109

3,6

October

398

12,8

103[b]

3,3

November

370

12,3

80b

2,7

December

317

10,2

103[b]

3,3

Total

3 794

10,4

2 434[b]

6,7

a

The totals represent an average of minimum and maximum fatality figures. Whereas minimum totals represent fatalities which can be assumed to be politically unrest-related, maximum totals includes fatalities where the political nature is nit certain, such as faction-fighting and taxi feuds.

b

These figures are preliminary as reports from some monitoring agencies had not been received at the ti

Sabotage

A series of bomb blasts occurred in the Transvaal in April 1994 just prior to the general election. The bomb explosions were mainly at taxi ranks, bus stops and terminuses where black people usually congregated and at polling stations in Bloemhof (western Transvaal), Boksburg, Germiston (both on the east Rand), Johannesburg, Krugersdorp (west Rand), Nelspruit (eastern Transvaal), Potgietersrus (northern Transvaal), Randfontein and Westonaria (both on the west Rand), killing about 21 people and

injuring just under 200.[133] [133 *Business Day, Sowetan, The Citizen, The Star* 26 April 1994]

In Johannesburg, a bomb explosion in Bree Street in the central business district, near the offices of the African National Congress (ANC), claimed nine lives, while a bomb explosion at a taxi rank in Germiston killed ten people and injured 41.[134] [134 Ibid] A police spokesman, Captain Evan Johnson, said that an anonymous caller, claiming to be from the Boere Bevrydingsbeweging, had claimed responsibility for the explosion in Germiston.[135] [135 *The Citizen* 26 April 1994]

A device containing 5kg of commercial explosives was discovered at a polling station in Potchefstroom (western Transvaal) during voting. A police spokesman, Captain Koos Degenaar, said that the device was defused. No one was injured in an explosion at a polling station in Carletonville (west Rand) during the same period.[136] [136 Ibid 28 April 1994]

The bomb blasts, believed by the ANC and the National Party to be the work of white right-wing extremists, were described as acts of intimidation aimed at scaring away voters from polling stations during the election. International observer missions in the country specifically to monitor the general election also denounced the attacks.[137] [137 *Sowetan* 27 April 1994]

In May 1994, 32 members of right-wing organisations were arrested in connection with the bomb blasts. Testifying at their bail application hearing in the Johannesburg magistrate's court, the head of the Crime Intelligence Services in the Witwatersrand, Colonel Cornelius van Wyk, said that police had received information that members of right-wing organisations planned to detonate a bomb containing between three and five tonnes of explosives at Jan Smuts Airport (Johannesburg) on 10 May 1994 to disrupt the presidential inauguration. Col van Wyk asked the court to deny the suspects bail on the grounds that the police were still gathering information and he was convinced that the suspects were part of a group which 'would go ahead with their activities' if released.[138] [138 *The Star* 17 May 1994] The accused were granted bail on appeal in June 1994 after Mr Justice C Eloff ruled in the Witwatersrand Local Division of the Supreme Court in Johannesburg that the state had failed to provide evidence linking them directly to the bomb blasts.

Eight members of the right wing were convicted in July 1994 for their involvement in a sabotage campaign on the west Rand just before the general election.[139] [139 Ibid 13 October 1994] One of the eight convicted, Mr Johannes Christian Visser, a member of the Afrikaner Weerstandsbeweging (AWB), was also sentenced to five years' imprisonment in the Johannesburg magistrate's court in October 1994 for blowing up a shop in Krugersdorp and for his role in the right-wing sabotage campaign in the run-up to the general election.[140] [140 *Ibid*] Mr Visser was sentenced to a further three years in jail, suspended for five years, for his role in an attempted sabotage on the Voortrekker Monument (Pretoria), and the sabotage of the Munsieville power station and a bridge (both in Krugersdorp).

Twenty-five members of the AWB were scheduled to face 96 charges, including 20 counts of murder

arising from pre-election bomb blasts, in the Witwatersrand Local Division of the Supreme Court in January 1995.[141] [[141] *The Citizen* 4 November 1994]

Racial Attacks

Attacks on Blacks by Whites

A member of the right wing, Mr Ignatius Odendaal, who shot two Africans dead and wounded two during a protest march which was organised by the African National Congress (ANC) in Vanderbijlpark (Vaal Triangle) in April 1993 after the assassination of the general secretary of the South African Communist Party, Mr Chris Hani, was sentenced to 16 years' imprisonment for each of the two murders and 12 years for each of the attempted murders in the Potchefstroom circuit court (western Transvaal) in February 1994.[142] [[142] *The Star* 25 February 1994]

In March 1994 an African family found the flag of the Afrikaner Weerstandsbeweging (AWB) in the garden of their new house in Silverton (formerly a whites-only suburb) in Pretoria. The discovery was followed shortly by two bomb explosions and, although no one was injured, the family left the house soon after to avoid 'further harassment and possible injury'.[143] [[143] *Sunday Times* 6 March 1994]

According to the police, two African women were shot at by three white men travelling in a bakkie as they walked alongside a road between Brits and Thabazimbi (eastern Transvaal) in March 1994. One of the women was killed in the attack. A police spokesman, Captain Evan Johnson, said that while police were still on the scene, another African pedestrian had arrived and reported that the white men had shot at him too.[144] [[144] *The Citizen* 31 March 1994]

Police in the Orange Free State said in the same month that a white man in a bakkie fired shots at and injured a 13-year-old African boy from Lusaka Park in Theunissen. Shortly after a white man was arrested in connection with the attack and a rifle, magazine and 15 rounds of ammunition were confiscated.[145] [[145] *The Star* 12 April 1994] In another incident in the western Transvaal, white men in a bakkie opened fire on a taxi travelling to Kanana township in Orkney. One passenger was injured in the attack.[146] [[146] Ibid]

Also in April 1994, in Westonaria (west Rand) two white men were apprehended and arrested after they had opened fire from a car on a minibus taxi, killing the driver and wounding his brother. In October 1994 the men were sentenced in the Witwatersrand Local Division of the Supreme Court in Johannesburg to 15 years' imprisonment for the murder and a further five years each on a charge of attempted murder.[147] [[147] *The Citizen* 28 April 1994; *The Star* 29 April 1994, 18 October 1994]

A black American journalist, Mr Michael Allen, in South Africa to report on the general election in April 1994, was beaten by members of the AWB and thrown out of their meeting in Rustenburg

(western Transvaal). Speaking after the incident, the leader of the AWB, Mr Eugene Terre Blanche, said that the right wing considered journalists who spread the message that the elections were democratic as 'part of a communist conspiracy'.[148] [148 *Sowetan* 29 April 1994]

Six members of the AWB—who had shot and murdered four and seriously injured three Africans after setting up an illegal roadblock near Krugersdorp (west Rand) in December 1993—were each sentenced to death four times in the Witwatersrand Local Division of the Supreme Court in May 1994. Five of the men were also sentenced to 18 years' imprisonment for attempted murder, assault and theft, while the sixth received 15 years. Another right-wing member was sentenced to ten years' imprisonment on charges of culpable homicide.[149] [149 *The Citizen* 12 May 1994]

Passing sentence, Mr Justice D Marais said, 'Actions [such as these] have an adverse effect on race relations. As a result, there may well be a perception among blacks that whites are arrogant bullies. Blacks may exact revenge by attacking whites. This will lead to a vicious circle of violence and counterviolence. People were shot simply because they were black. What sets this murder apart from most is the number of people, including children, who were fired at. It was a simple execution.'[150] [150 Ibid 12 May 1994]

In June 1994 the two leaders of the AWB group, which had committed the murders were each sentenced to death four times in the Witwatersrand Local Division of the Supreme Court. The two men also received ten years on six charges of attempted murder.[151] [151 Ibid 18 June 1994]

The owner of Combat Security (a Durban security firm), Mr Kenneth Reeves, was sentenced in the Durban magistrate's court to eight years in jail for 'his role in the incitement of racial killings' after he was convicted of being an accessory in several murder cases in Durban. Mr Reeves was alleged to have ordered staff to kill Africans for a bonus of R100.[152] [152 *Ibid 17 May 1994*]

An assistant commandant in the AWB, Mr Jacobus Gerhardus Johannes Steyn, was sentenced to 12 years' imprisonment in the Witwatersrand Local Division of the Supreme Court in September 1994 for murdering an African man. Mr Steyn had accused the man of making a noise outside his flat in Germiston (east Rand) in December 1993.[153] [153 *The Star* 28 September 1994, *The Citizen, Sowetan* 30 September 1994]

A former policeman, Mr Herculaas Jacobus Coetzee, one of several members of the right wing facing 20 charges of murder and 190 charges of attempted murder in connection with pre-election bombings, was sentenced to 25 years in jail in the Witwatersrand Local Division of the Supreme Court in October 1994 for the murder of an African at a dam in Boksburg North (east Rand) in August 1993.[154] [154 *The Citizen* 1 October 1994] Another former policeman, Mr Alwyn Scholtz, who had pleaded not guilty to the same charge, was to be tried separately in 1995.[155] [155 Ibid]

Attacks on Whites by Blacks

A white man from Vanderbijlpark (Vaal Triangle) was stabbed by three Africans in January 1994 after his car broke down near Bophelong township (Vaal Triangle). Police said that the three men had offered to help him but stabbed him as he tried to flee. They then drove off in his car which was later found gutted.[156] [156 *The Star* 31 January 1994]

In March 1994 six gunmen burst into a church in Mdantsane (in the Ciskei) and, after separating the worshippers according to race, shot dead the three who they considered white—Iranians who had been living in South Africa for some time. The ANC attributed the killings to 'criminal elements'.[157] [157 *Business Day* 14 March 1994]

In the same month a white private detective was shot dead in Vosloorus (east Rand) while on an investigation in the township.[158] [158 *The Star* 18 March 1994]

In an ambush by armed Africans in the same month in Idutywa (in the Transkei) another white man was killed.[159] [159 Ibid]

A farmer from Wolmaransstad (western Transvaal) was killed by a group of armed Africans near Soweto in April 1994.[160] [160 *Daily Dispatch* 7 April 1994] The body of a construction worker was found by police with a bullet wound in Alexandra (near Johannesburg) where he had been working.[161] [161 *The Citizen* 14 April 1994] In another incident in April 1994 a white truck driver was pulled out of his vehicle and shot dead in Katlehong (east Rand) before his body was doused with petrol and set on fire. The truck driver, who was employed by a construction firm, had been working in the township.[162] [162 *Business Day* 26 April 1994]

In October 1994 three members of the Pan-Africanist Students' Organisation, Messrs Vusumzi Ntamo, Mongezi Manqina and Mzikhona Nofomela, were sentenced in the Cape of Good Hope Provincial Division of the Supreme Court in Cape Town to 18 years in jail each for the 'cold-blooded and ruthless' murder of Miss Amy Biehl, an American exchange student, on 25 August 1993 (see also 1993/94 Survey, pp621, 658). Mr Justice Gerald Friedman rejected the prosecution's motion for the death penalty because 'it was not impossible that the killers could reform themselves and become useful citizens'.[163] [163 Ibid]

African/coloured Tension

During the period under review tensions emerged among coloured communities regarding the payment of rent and services arrears as the communities believed they had not been treated equitably by the new government.

In January 1994 the president of the ANC, Mr Nelson Mandela, called for an end to the ten-year-old township boycott of rent and service charges in African townships which had left local authorities with R1,84bn in arrears (see also chapter on *Housing and Infrasctructure*).[164] [[164] *The Star* 21 January 1994]

After a conference on national reconstruction and development organised by the ANC in Johannesburg in January 1994, the ANC issued a statement calling on the Congress of South African Trade Unions, the South African National Civic Organisation and 'all mass democratic movement structures' to launch countrywide campaigns to encourage the resumption of rent payments and service charges.[165] [[165] *The Citizen* 24 January 1994]

In February 1994 rent arrears in Soweto were written off and a monthly flat rate of R45 for essential services, including the removal of waste and the provision of water, but excluding the provision of electricity, was introduced.[166] [[166] *Sowetan* 19 January 1994, *Business Day* 17 February 1994]

Early in September 1994 thousands of angry residents of coloured townships around Johannesburg took to the streets, setting up burning barricades, stoning traffic and stopping people from going to work, demanding that their townships be given the 'same service concessions as Soweto'.[167] [[167] *The Star* 15 September 1994]

Civic organisations in Bosmont, Eldorado Park, Newclare, Noordgesig, Waverley and Westbury (all near Johannesburg) said that coloured areas had been discriminated against by the authorities, and demanded a flat rate for services equivalent to that of Soweto—about R45 a month—and the writing off of all rent arrears.[168] [[168] Ibid]

In September 1994 residents of Alra Park, a coloured township near Nigel (east Rand), set up roadblocks and began searching passing cars, refusing to allow commuters to leave the township. A spokesman for the police, Lieutenant Jan Combrinck, said that residents were refusing to pay rent until their monthly service charges were equivalent to those of Soweto residents.[169] [[169] *Ibid 19 September 1994*]

After their protest led to violence early in September 1994, residents of Reiger Park (east Rand) were granted a moratorium on the payment of electricity bills. A spokesman for the township crisis committee, Mr Lionel le Roux, said that the decision was taken after a meeting between the MEC for public safety and security in the Pretoria-Witwatersrand-Vereeniging (PWV) province, Ms Jessie Duarte, and the PWV MEC for local government and housing, Mr Dan Mofokeng.[170] [[170] *Ibid 8 September 1994*]

At a community meeting in Coronationville (near Johannesburg), the premier of the PWV, Mr Tokyo Sexwale, said, 'We cannot remove arrears in Soweto and not in Coronationville'. However, Mr Sexwale said that he did not have the power to write off arrears. The provincial legislature would have to discuss this and make a decision.[171] [[171] *Ibid 20 September 1994*]

Addressing a meeting in Reiger Park in September 1994 Ms Duarte said that 'coloured people treated the new government with disrespect because they had not yet moved away from racist thinking' and warned that police action would be taken in future if protest marches became violent.[172] [[172] *The Citizen* 23 September 1994]

Members of the South-western Joint Civic Association (Sowejoca) called for the establishment of a 'militant coloured' political party at a meeting in Noordgesig in September 1994 to look after the interests of coloured people because the 'ANC-led government was discriminating against them'.[173] [[173] *The Star* 30 September 1994]

The chairman of Sowejoca, Mr Basil Douglas, said in October 1994 that different race groups in South Africa were not meant to mix and that the decision by coloured people to 'pursue their destiny' in a federal state was not racist. Coloured people had no identity or political home and politicians referred to them as 'leftover products of rape'.[174] [[174] *Business Day* 3 0ctober 1994]

In the same month Sowejoca organised a protest march in Johannesburg where about 300 residents from coloured townships handed a memorandum to members of the PWV legislature demanding a flat rate for services and the writing off of arrears. Mr Douglas told marchers that self-defence units would be formed if their demands were ignored.[175] [[175] *The Star* 9 0ctober 1994]

Intra-African Tension and Conflict

In January 1994 residents of Katlehong (east Rand) said that power struggles among self-defence units (SDUs) of the ANC were the cause of renewed violence in the township. Conflict between SDUs in different sections of Katlehong began after an SDU commander in one section was allegedly abducted and murdered by a faction in another section.[176] [[176] Ibid 4 January 1994]

About 100 armed residents from Hadebe section in Katlehong marched to the ANC office in Mavimbela section in January 1994 and demanded that the office be closed because they believed that the ANC was not protecting them against violence in the township. The marchers dispersed after an ANC official at the office, Mr Bonisile Zulu, agreed to close it down.[177] [[177] *Ibid*]

In the same month a meeting was held in Katlehong to resolve the internal feuding among members of rival SDUs. However, the meeting was abandoned after a member of an SDU, Mr Jabu Zwane, was killed by members of an alleged rival SDU faction.[178] [[178] *Sowetan* 7 January 1994]

Fighting among members of the Sharpeville (Vaal Triangle) branch of the ANC Youth League in January 1994 claimed the lives of two youths.[179] [[179] Ibid 19 January 1994] In February two more members of the youth league in Sharpeville were killed while another four were wounded.[180] [[180] Ibid 1 March 1994]

A massacre of 12 members of SDUs in Tokoza (east Rand) in May 1994 was attributed to a power struggle among members of SDUs in the area.[181] [181 *The Citizen, Sowetan* 17 May 1994]

Zulu Traditionalists versus Inkatha Freedom Party

Differences between supporters of the king of the Zulus, King Goodwill Zwelithini, and supporters of Chief Mangosuthu Buthelezi, the president of the Inkatha Freedom Party (IFP), emerged after the king invited the president, Mr Nelson Mandela, to attend the annual celebration of Shaka Day to be held on 24 September 1994.

Chief Buthelezi said that as the king's traditional prime minister he should have issued the invitation. In early September 1994 some 200 Zulu indunas in Johannesburg said that the king had not followed the 'correct' procedure by personally issuing an invitation to Mr Mandela.[182] [182 *Sunday Times* 4 September 1994]

Addressing an IFP rally at Nongoma (northern KwaZulu/Natal), Chief Buthelezi identified several members of the royal family, including the king's sister, Princess Nonhlahla, who he said were attempting to create a rift between him and the king. According to Chief Buthelezi, these people wanted to create the impression that both he and the IFP were using the king for political gain. Chief Buthelezi said, 'I [was] a political personality in my own right long before the reign of the present king.'[183] [183 *Sunday Times, Sunday Tribune* 11 September 1994]

During the annual reed dance ceremony at Nongoma on 17 September 1994, Chief Buthelezi failed to take his seat next to King Zwelithini for the first time in ten years. However, senior officials of the African National Congress were present, including the leader of the organisation in the province, Mr Jacob Zuma, and his wife, the new minister for health, Dr Nkosazana Zuma.[184] [184 *Sunday Times* 18 September 1994]

At the Shaka Day celebrations at Stanger (KwaZulu/Natal), Chief Buthelezi said that he wanted a 'secure future' for the king, but that the king's role should be outside the 'party-political arena'. King Zwelithini said that he wanted his role to be above politics.[185] [185 *Sunday Tribune* 25 September 1994] Prior to the celebration hundreds of police and soldiers were deployed in Stanger to allay fears of a fresh outbreak of violence between supporters of the king and Chief Buthelezi.[186] [186 Ibid]

During a live broadcast of an interview with a spokesman for the royal family, Prince Sifiso Zulu, on the *Agenda* programme on television in September 1994 Chief Buthelezi entered the studio and confronted Prince Sifiso after Prince Sifiso had said the chief was not the king's traditional prime minister. A scuffle ensued and a gun was drawn. Chief Buthelezi alleged that the prince had drawn the gun and had tried to 'assassinate' him. Prince Sifiso accused Chief Buthelezi's aides of planting the gun on the prince.[187] [187 *The Star* 6 October 1994]

Prince Sifiso was later arrested and charged with illegal possession of a firearm and ammunition. He was, however, released on R500 bail when he appeared in the Durban magistrate's court on 5 October 1994.[188] [[188] *Sowetan* 6 October 1994] At the time of writing his case was still pending.

Subsequently, Chief Buthelezi apologised before a cabinet meeting at which ministers expressed public censure of his actions which they described as a challenge to the very constitution all ministers had sworn to respect. Chief Buthelezi said that he had told Mr Mandela at an earlier meeting that he was prepared to resign if he was an embarrassment to the government of national unity.[189] [[189] *The Star* 29 September 1994] However, Mr Mandela asked him not to resign.

The executive deputy president from the largest minority party, Mr F W de Klerk, said in an address to the annual congress of the National Party in Durban in September 1994 that the power struggle between King Zwelithini and Chief Buthelezi should not be allowed to encourage a resurgence of violence in KwaZulu/Natal.[190] [[190] *The Citizen* 1 October 1994]

In October 1994 King Zwelithini openly rejected moves by the IFP to control traditional affairs when he expressed his opposition to the House of Traditional Leaders Bill passed by the KwaZulu/Natal legislature in October 1994 despite protest. The king said that he viewed the matter with serious concern as he believed he should have been 'properly consulted' and 'given due respect as the head of the nation'.[191] [[191] *The Star* 31 0ctober 1994]

Following the king's rejection of the act, the executive deputy president from the majority party, Mr Thabo Mbeki, said in October 1994 that the government would review the security of King Zwelithini after the monarch had told him that he feared for his life and the lives of those around him.[192] [[192] *Business Day, The Star* 1 November 1994]

In November 1994 King Zwelithini called for peace and said that in the interest of peace chiefs or traditional leaders should not be aligned to any political organisation. Some 5 000 people, including chiefs and representatives of hostel residents in KwaZulu/Natal, met the king at Nongoma in the same month to pledge support for his peace plan. Prince Sifiso said that the visitors had voiced their opposition to the House of Traditional Leaders Act.[193] [[193] *The Citizen* 15 November 1994]

Chief Buthelezi said in November 1994 at an IFP election victory rally at Umbumbulu (KwaZulu/Natal) that the problems affecting Zulus and their king would remain unresolved until a meeting took place between the Zulu monarch and the Zulu chiefs.[194] [[194] Ibid 28 November 1994]

In December 1994 a spokesman for the South African National Defence Force, Captain Kim van Niekerk, said that the army was protecting the palace of King Zwelithini at Nongoma because of threats against the king (apparently by his enemies). A spokesman for the South African Police, Major Bala Naidoo, said the king was receiving 24-hour VIP security.[195] [[195] *Sowetan* 13 December 1994]

A Zulu prince, Prince Mcwayizeni Zulu, announced in December 1994 that he had resigned from the national executive committee of the ANC. Mr Mandela said at the ANC's 49th national conference in the same month that Prince Mcwayizeni's resignation was in line with King Zwelithini's call on all chiefs 'to rise above party politics and not allow themselves to be used by any political power'. However, the prince would remain an ANC MP, Mr Mandela said.[196] [196 *The Citizen* 20 December 1994]

Conflicts Over Service Charges

See *African/coloured tension* above.

Burning of Witches

The National Peace Secretariat warned in August 1994 that witch-burning was escalating in the Northern Transvaal and that by April 1994 at least 69 people had been burnt to death. According to the secretariat, this type of violence was rooted in the region because 'the people [there] firmly believe in witchcraft'.[197] [197 *The Star* 10 August 1994]

Three villagers in the Northern Transvaal were killed and their bodies set alight in May 1994 after they were accused of practising witchcraft. A spokesman for the South African Police (SAP), Lieutenant Ernest Setati, said that a fourth person had been rescued by the SAP.[198] [198 *The Citizen* 14 May 1994]

The MEC for public safety and security in the Pretoria-Witwatersrand-Vereeniging province, Ms Jessie Duarte, said in October 1994 that statistics showed that 34 incidents of witch-burning were reported in Soweto alone—16 in 1992 and 18 in 1994.[199] [199 *Sowetan* 28 0ctober 1994] No figures were available for 1993.

Two pensioners, Mr Speelman Matsipane and Mrs Mamiakgabo Mailula, who were accused of practising witchcraft, were burnt to death by a mob of youths in the Northern Transvaal in November 1994. According to a spokesman for the SAP in the Northern Transvaal, Captain Frans Mojapelo, police were still searching for the killers.[200] [200 *The Citizen* 15 November 1994]

Three people—two in the Northern Transvaal and one in the North-West—were stoned and burned to death in December 1994 after being accused of witchcraft. The deaths of the two women in the Northern Transvaal brought to 38 the number of victims of witch-burnings in the Seshego district alone in 1994.[201] [201 Ibid 20 December 1994]

In other incidents related to witchcraft, two women alleged to be witches were rescued by police from a mob which wanted to burn them at Tafelkop near Groblersdal (Northern Transvaal)[202] [202 *Sowetan* 26

January 1995] , while another woman, aged 72 years, was burned to death in a village in the Northern Transvaal.[203] [[203] *The Citizen* 7 February 1995] In Soweto a mob gutted the home of a woman who was accused of having bewitched some teenage girls after police had taken her into protective custody.[204] [[204] *Sowetan* 7 February 1995]

People's Courts

The head of the criminal investigation division of the police in KwaZulu/ Natal, Major General Johan Meintjies, said that preliminary evidence regarding the killing of seven people at Bhambayi shack settlement (about 40km north of Durban) in October 1994 indicated that they were 'victims of a kangaroo court'.[205] [[205] *The Citizen* 15 October 1994]

In the same month the Natal Provincial Division of the Supreme Court in Pietermaritzburg increased the prison sentences of five people who appealed to the court after their conviction and sentence by a magistrate for participating in a kangaroo flogging in Clermont near Durban in April 1991. Messrs Agreement Khumalo, Jabulani Mjoka, Themba Ngcobo, Xolani Ngubane and Big Boy Zondo had been found guilty and sentenced for having struck Mrs Ivy Shangase 300 times with a sjambok after accusing her of witchcraft following the death of a man in a car accident. Mrs Shangase had been taken from her home, pronounced guilty without being allowed to defend herself and flogged.[206] [[206] Ibid 12 0ctober 1994]

In December 1994 a kangaroo court was convened at Chesterville (Durban) after a young woman was allegedly raped and killed and the three suspects rounded up and tried at a sportsfield in the township. The internal stability unit of the South African Police was alerted to the kangaroo court and on arrival found that two men had already been stabbed to death while one suspect had escaped.[207] [[207] *The Star* 7 December 1994]

Necklacing

A former member of the Bophuthatswana Legislative Assembly, Mr Shadrack Kadi, and his younger brother were necklaced by a mob protesting against the administration of the president of Bophuthatswana, Chief Lucas Mangope.[208] [[208] *The Citizen* 19 March 1994]

Violence in the Taxi Industry

During the period under review there was a resurgence of violence in the taxi industry as taxi operators fought over routes. The violence was more pronounced in the Northern Transvaal, the Pretoria-Witwatersrand-Vereeniging province (especially in Soweto) and on the routes to KwaZulu/ Natal.

A spokesman for the South African Police (SAP), Lieutenant Brahm du Preez, said in October 1994 that 80 people had been killed countrywide in the first nine months of the year in attacks on taxis and that

many of these had been commuters. The new minister of transport, Mr Mac Maharaj, said that strict controls and guidelines were necessary for the issuing of taxi permits because an oversupply of taxi operators in the industry was leading to taxi wars, disputes and irresponsible behaviour on the roads (see also chapter on *Business*).[209] [209 *The Star* 19 October 1994]

Three unidentified taxi operators were killed and a fourth seriously wounded when three gunmen opened fire at the KwaMhlanga taxi rank in KwaNdebele in January 1994.[210] [210 *Sowetan* 11 January 1994]

A queue marshall of KwaMadala Hostel in Alexandra (near Johannesburg), Mr Sealo Hlela, was sentenced to death five times in the Transvaal Provincial Division of the Supreme Court in Pretoria in January 1994, following a 'brutal and senseless' attack on commuters at the Denneboom taxi rank in Mamelodi (east of Pretoria) in October 1993. Five people were killed.[211] [211 *The Citizen* 25 January 1994] Mr Hlela was also sentenced to 24 years' imprisonment on charges of attempted murder of commuters who had been injured in the attack. Mr Justice H Daniels also imposed the maximum sentence of 25 years on Mr Hlela for the unlawful possession of an AK-47 machine gun and ammunition. Mr Hlela had admitted in a statement to the police that he and three others had shot people at the rank after receiving instructions from a member of the Lethlabile Taxi Association (LTA).[212] [212 *The Citizen, Sowetan* 25 January 1994]

Six people were killed in two separate attacks on a kombitaxi and on another vehicle in Nongoma (northern KwaZulu/Natal) early in April 1994. According to a spokesman for the KwaZulu Police, Warrant Officer Mpiwa Magubane, the attacks were linked to a local feud over taxi routes.[213] [213 *The Citizen* 6 April 1994]

A feud between the South African Long Distance Taxi Association (Saldta) and the LTA resulted in the death of four taxi operators in Mabopane (north of Pretoria) in May 1994 (see also chapter on *Business*). According to the SAP, three of the dead were allegedly victims of a revenge attack after a member of Saldta was killed at the local taxi rank.[214] [214 *Ibid 30 May 1994*]

The taxi war in the Northern Transvaal prompted the provincial MEC for safety and security, Mr Seth Nthai, to set up a special police unit in July 1994 to deal with the taxi violence. Mr Nthai said that the unit comprised ten policemen from the former homelands of Gazankulu, Lebowa and Venda who would report directly to him.[215] [215 *Sowetan* 5 July 1994]

Four commuters were killed and six others injured when two gunmen opened fire at the Baragwanath taxi rank in Soweto in September 1994. According to a police spokesman, Lieutenant Colonel Herman Oosthuysen, the armed attackers walked past the rank and fired randomly.[216] [216 *The Citizen* 26 September 1994]

Eleven people were killed and 20 wounded in the Western Cape in October 1994 when armed men

opened fire at a rally at Khayelitsha Stadium. A police spokesman, Lieutenant Ben Theron, said that the police believed the shooting was connected to rivalry between two taxi groups—the Conference for a Democratic Taxi Association and the Cape Taxi Association.[217] [217 *The Star* 17 October 1994]

The minister for safety and security, Mr Sydney Mufamadi, said in Parliament in August 1994 that 120 people had been killed in taxi violence in 1993 and 71 between January and 23 August 1994. Mr Mufamadi also said that in 1993, 189 people were injured, compared with 104 between January and 23 August 1994.[218] [218 *Hansard* (S) 6q col 133, 30 August 1994]

Disruptions in Schools

See chapter on *Education*.

Hostages

See chapter on *Education*.

Expulsion of Principals

See chapter on *Education*.

LABOUR RELATIONS AND EMPLOYMENT

KEY POINTS

• The National Economic Development and Labour Council Bill was tabled in Parliament in November 1994. The council would incorporate the functions of the National Economic Forum and the National Manpower Commission (NMC).

• The Integration of Labour Laws Act, passed in November 1994, repealed the labour laws of the former ‘independent’ and non-independent homelands.

• According to the Department of Manpower, the number of registered trade unions increased by seven to 201 during 1993, and they had a total membership of 2,89m workers. There were 50 unregistered trade unions at the end of 1993 with about 528 000 members. About 27% of the total economically active population (EAP) were union members.

• An industrial relations consultancy, Andrew Levy and Associates, said the average wage settlement level for the first nine months of 1994 was 10%, the same as in the corresponding period of 1993, but less than the 12,6% increase recorded in the first nine months of 1992.

• The consultancy said that during the first nine months of 1994, just over 2,5m mandays were lost because of strike action, compared with 2,4m in the same period in 1993, 3,1m in 1992, 2m in 1991 and 2,2m in 1990.

• About 25 000 workers in the motor industry took part in a strike that lasted five-and-a-half weeks in August and September 1994. The strike cost the industry more than R3bn in turnover, while workers lost an estimated R91m in wages.

• South Africa rejoined the International Labour Organisation (ILO) in May 1994. The country had withdrawn its membership in 1964 following an ILO declaration calling for action against apartheid.

• The Public Service Act of 1994 amalgamated the 11 different public service administrations and established 27 national departments.

• The NMC said that the EAP of South Africa had increased from 9,2m in 1980 to approximately 13,4m in 1993 (ie by 46%).

• According to the Central Statistical Service (CSS), about 30% of the EAP in South Africa (excluding the ‘independent homelands’) were unemployed in 1993. However, the NMC estimated that 43% of the EAP did not have formal employment.

• According to the Development Bank of Southern Africa, female participation in the labour force increased by 25% between 1980 and 1991, while male participation decreased by 4,8%.

• The CSS said that approximately 1,6m people were employed in the extended public sector (including the ten homelands) at the end of 1993, which was 2,6% lower than the previous year. However, the number of people employed in the civil services of the non-independent homelands increased by 7,8% to almost 262 000.

• Between 1992 and 1994, 25% more companies implemented affirmative action policies, according to a survey conducted by a human resources consultancy, FSA-Contact.

• The minister for public service and administration, Dr Zola Skweyiya, said 85% of senior management positions in the civil service were occupied by white men, 10% by African men and 2% by white women, while African and Indian women accounted for 0,6% each. Coloured women were not represented at all in senior management positions.

• According to a survey by P-E Corporate Services, a management consultancy, blacks were earning 96% of the salaries of whites in 1994—compared with 63% in 1980. Women were paid about 5% to 20% less than men in the same jobs.

• Research by the University of Natal and the Human Sciences Research Council published in March 1994 showed that the richest 20% of African households experienced a 40% growth in income from 1975 to 1991, while the income of the richest whites remained constant. However, the income of the poorest 40% of white and African households dropped equally by about 40% over the same period.

• According to the Southern Africa Labour and Development Research Unit at the University of Cape Town, 4m workers were covered by a minimum wage of one sort or another. However, domestic and farm workers were not covered by a minimum wage.

• The average monthly household income of Africans, Asians, coloured people and whites was R996, R3 261, R2 050 and R5 602 respectively in 1993, according to a survey conducted by the South African Advertising Research Foundation.

LABOUR RELATIONS

Policy

The new minister of labour, Mr Tito Mboweni, said in October 1994 that his ministry was finalising a strategic five-year plan to create a labour department which would be centrally involved in economic policy and which would place labour policy within the framework of the reconstruction and development programme. The plan would focus on the reform of labour law.[1] [1 *Business Day* 18 October 1994] In August Mr Mboweni had appointed a legal team to draft a new labour relations bill to replace the Labour Relations Act (LRA) of 1956, the Public Service Labour Relations Act of 1994, the Education Labour Relations Act of 1993 and the Agricultural Labour Act of 1993.[2] [2 *The Star* 10 August 1994, *Business Day* 18 October 1994]

A key feature of the new LRA would be the development of workplace forums in which management and labour could discuss a range of subjects, including global competitiveness, productivity and flexible work patterns. The forums would make possible the development of a non-adversarial relationship between labour and business.[3] [3 *Business Day* 18 October 1994] Bargaining over wages would still occur at industry level through bargaining councils.

Mr Mboweni said that the new act should also entrench the right of representative unions to organise in the workplace, accord union representatives access to company information and time off for union meetings, and protect shopfloor representation and shopsteward training.[4] [4 *Financial Mail* 16 September 1994]

Other features of the new act would be:

• the establishment of a state-funded but independent mediation and arbitration service;

• the recognition of private collective bargaining and mediation arrangements; and

• the setting up of a revamped labour court to replace the industrial court.

Another component of the five-year plan was the development of a national labour market policy.[5] [5 *The Citizen* 10 September 1994] The policy would aim to improve the operation of labour markets in order to maximise employment and minimise unemployment and underemployment. Mr Mboweni said in Parliament in September 1994 that government strategy would be to encourage high productivity and adequately remunerated and sustainable employment, taking into account the government's commitment to ensuring basic worker rights.[6] [6 *Business Day* 9 September 1994]

Other intended changes to labour legislation included amending the Basic Conditions of Employment Act of 1983 (BCEA), to include a reduction in the maximum legal working week from 46 to 40 working hours and increasing the minimum statutory period of annual leave from 14 to 21 days.[7] [7 Ibid 18 October 1994] Employers would also be prevented from dismissing staff because they were pregnant or because of absence owing to maternity leave. Provision in the act also had to be made for annual and sick-leave benefits for part-time and casual workers. According to Mr Mboweni, another amendment would ensure workers' access to company records.[8] [8 Ibid 12 September 1994]

Forums

A draft bill for the establishment of the National Economic Development and Labour Council (Nedlac) was tabled in Parliament in November 1994.[9] [9 *The Star* 11 November 1994] The council would incorporate the functions of the National Economic Forum and the National Manpower Commission (NMC). Mr Mboweni said that Nedlac would 'institutionalise a new form of governance and co-operation involving business, labour and other stakeholders in all significant areas of socio-economic policy formulation'. The council would provide a framework for the negotiation of agreements on wages and incomes policy, productivity, the level of private and public sector investment, public sector and industrial restructuring, and 'belt-tightening' measures. A consensus-driven approach on key policy issues would ensure workable agreements on the difficult choices to be made concerning restructuring, the minister said. Apart from organised business, labour and government, broader community organisations would also be involved in the council.[10] [10 Ibid 28 October 1994]

Legislation

The Integration of Labour Laws Act was passed in November 1994. The act repealed the labour laws of the former 'independent' and non-independent homelands.[11] [11 *Sowetan* 17 November 1994]

The Agricultural Labour Amendment Bill, aimed at rectifying technical deficiencies in the Agricultural

Labour Act of 1993, was passed by the National Assembly in November 1994.

The amendments included, among other things:

• the procedure to be followed with disputes and appeals from the agricultural labour court to the industrial court;

• the referral of a dispute to the agricultural labour court within a period of 180 days; and

• compulsory arbitration for lock-outs and strikes, unless the employers and employees had concluded an agreement that the normal procedure for the settlement of disputes be followed.

The bill also stated that for the purposes of the BCEA domestic workers would be regarded as farmworkers when performing housework on a farm.[12] [12 *Agricultural Labour Amendment Bill*, 1994] According to Mr Mboweni, the bill was the product of consensus in the NMC between organised agriculture and labour.[13] [13 *The Citizen* 17 November 1994]

Trade Unions

A meeting between the Congress of South African Trade Unions (Cosatu), the Federation of South African Labour Unions (Fedsal) and the National Council of Trade Unions (Nactu) took place in April 1994. The meeting was the first ever between the full executives of the three union federations and consensus was reached on broad priorities and policies for labour in South Africa. The Federation of Independent Trade Unions (Fitu) and the South African Confederation of Labour (a whites-only federation which was no longer regarded as a major player in the labour arena) did not take part in the talks, but the meeting agreed not to allow the non-involvement of others to delay the process of achieving union unity.[14] [14 *Mayibuye*, May/June 1994]

The three federations reached agreement on reconstruction and development, industrial strategy, collective bargaining, minimum wages, education and training, and trade union capacity. It was agreed that permanent job creation and the provision of basic goods and services were urgent priorities for reconstruction and development. Jobs created through a public works programme should be based on fair labour standards and decent wages.[15] [15 Ibid]

The trade union movement needed to play a central role in industrial restructuring processes, which should include the following:

• achieving increased wages through collective bargaining;

• encouraging productive investment in basic goods and services;

• developing an industrial policy to produce higher value goods and increase export markets;

• placing greater emphasis on research and development of technology;

• introducing new participatory forms of work organisation;

• lobbying for social clauses in international trade agreements; and

• developing smaland medium-sized enterprises in ways which were labour friendly.

The federations also committed themselves to three-tiered collective bargaining—national, industrial and plant (see also *Collective bargaining* below).[16] [16 Ibid]

It was further agreed that a national policy framework to improve wages and reduce wage differentials was essential. There should also be minimum wages in each sector, based on sectoral collective bargaining. The Wage Board should be restructured to help set sectoral minima in unorganised sectors.[17] [17 Ibid] The federations also proposed an integrated system of education and training, the promotion of adult basic education and paid educational leave. Affirmative action plans should involve trade unions to avoid conflict on the shopfloor and affirmative action programmes had to focus on training. Improved structures for the dissemination of information, communication, discussion and mandating should be set up to prevent the alienation of workers from decision making at national forums.[18] [18 Ibid]

In October 1994 the South African National Defence Union announced that it had been registered in terms of the Public Service Act of 1994. However, the Defence Act of 1957 forbade members of the defence force from belonging to unions.[19] [19 *The Citizen* 5 October 1994] The chief of the South African National Defence Force (SANDF), General Georg Meiring, said that permanent force members would be prosecuted on criminal grounds if they became members of trade unions, in line with internationally recognised practice among defence forces. Gen Meiring said that the formation of a defence force union could handicap the defence force in the execution of its duties as defender of the constitution. It could lead to unfounded rumours, causing confusion and suspicion among soldiers, unfounded and unattainable promises could be made, and the morale and military discipline and culture of the defence force could be undermined.[20] [20 *Daily Dispatch* 14 September 1994]

Statistics

The number of registered trade unions increased by seven during 1993, bringing the total number of registered trade unions at the end of 1993 to 201. According to the Department of Manpower, there were 50 unregistered trade unions at the end of 1993. In October 1993 about 2,89m workers belonged to registered trade unions and 528 000 to unregistered unions, bringing the total to 3,42m or 27% of the

total economically active population. There was a decline of 0,5% in the number of workers belonging to registered trade unions from 2,9m in October 1992 to 2,89 in October 1993 and an increase of 43,8% in the membership of unregistered unions.[21] [21 Department of Manpower, annual report 1993, April 1994] However, the National Labour and Economic Development Institute (Naledi), the research wing of Cosatu, said that the department's figures were unreliable as a Cosatu affiliate, the National Education, Health and Allied Workers' Union, with nearly 64 000 members, was listed by the department as an unregistered union.[22] [22 National Labour and Economic Development Institute (Naledi), *Unions in transition —Cosatu at the dawn of democracy*, September 1994]

Cosatu was still the largest trade union federation in 1994, with 15 affiliates and 1 317 496 members compared with 1 205 244 in 1993 (ie an increase of 9,3%) and with 400 000 at its inception in 1985 (an increase of 230%). Figures published by Naledi showed that the National Union of Mineworkers was the largest union, with 310 596 members, followed by the National Union of Metalworkers of South Africa (Numsa) with 169 598 and the Southern African Clothing and Textile Workers' Union with 156500.[23] [23 Ibid]

The second largest trade union federation was Nactu, with 327 000 members in 18 affiliates. Nactu's largest affiliate was the South African Chemical Workers' Union, with 40 000 members.[24] [24 *Business Day* 14 October 1994]

Fedsal was the third biggest union, with about 266 000 members. It was previously known as the Federation of Salaried Staff Associations and consisted of 'moderate' trade unions and staff associations. It had traditionally concentrated on white-collar workers but at the time of writing was also recruiting blue-collar workers. Fedsal's membership was predominantly white in 1994, with about 30% of members being black.[25] [25 Naledi, *Unions in transition*, September 1994] Fedsal's biggest affiliate was the South African Society of Bank Officials (Sasbo), with 75 000 members, followed by the South African Association of Municipal Employees (45 000) and the Hospital Personnel Trade Union of South Africa (37 000).[26] [26 Information obtained from Mr C du Plooy of the Federation of South African Labour Unions, 7 November 1994] However, Sasbo had decided in principle to affiliate to Cosatu, although the union was concerned about Cosatu's political alliance with the African National Congress (ANC) and the South African Communist Party (SACP). Sasbo's affiliation would be the first time large numbers of white workers had joined Cosatu.[27] [27 Naledi, *Unions in transition*, September 1994]

Fitu claimed a membership of about 172 000 in 25 affiliates. Fitu had been formed along nonpolitical lines in 1991 and was not affiliated to any organisation. According to the general secretary and president of Fitu, Mr Martin Deyzel, there were workers who did not want to be aligned to either the 'far right' unions or federations such as Cosatu. Mr Deyzel said that Fitu had an important role to play in terms of projecting 'another viewpoint within the labour movement as opposed to, for example, the Cosatu position'.[28] [28 Andrew Levy and Associates, *Annual report on labour relations in South Africa 1994–1995*, January 1995] The federation's largest union was the South African Typo-graphical Union, with 31 000 members.[29] [29 Naledi, *Unions in transition*, September 1994]

Trade Unions and the Economy

Productivity

A labour consultant, Dr Duncan Innes, said in November 1994 that with South Africa's return to international markets, local companies realised that they were not competitive and needed to improve productivity if they were to survive.[30] [30 *Workplace* (supplement to *The Star*), 2 November 1994] However, according to Naledi, unions often viewed employers' plans for improving productivity with suspicion as workers seldom reaped the fruits of these improvements. They were often followed by retrenchments on the grounds that the company could achieve the same output with fewer workers. Naledi said that labour productivity was not simply the result of how hard workers worked, but rather how efficiently raw material and human and capital resources were used. It said that productivity was influenced by:

• national decisions, such as whether there was a comprehensive training system;

• company decisions, such as whether to export raw materials or processed goods, and whether to invest in new technology; and

• plant-level decisions, such as the number of grades of workers, the organisation of work and the extent of wage disparity.

According to Naledi, workers could play a role in improving productivity if they could influence decisions ranging from investment plans to eliminating waste in the plant. Until they were given more influence, their contribution to an improvement in productivity would be limited.[31] [31 Naledi, *Unions in transition*, September 1994]

Dr Innes said that two surveys conducted for the Steel and Engineering Industries Federation of South Africa (Seifsa) found that there had been no real improvement in the proportion of companies which had productivity schemes in place. It was found that in 1993, 46% of companies had such schemes, compared with 44% in 1994. Dr Innes said that the lack of an increase in such schemes could be the result of the recession. He also said, however, that although there was much talk about the need to improve productivity, very little was being done about it. The two most prevalent forms of productivity schemes in the metal and engineering industries—involving ideas and suggestions by workers and attendance bonuses—had had limited impact. The third most prevalent scheme was profit sharing, which had better long-term prospects. The main reason cited by respondents for not implementing productivity schemes was that they were too difficult to measure, Dr Innes said (see also *Employment* below).[32] [32 *Workplace* (supplement to *The Star*), 2 November 1994]

Tariff Reform

In September 1994 the government announced the scrapping of a 15% surcharge and the cutting by 20% of import tariffs on new cars (see also chapter on *Business*). The announcement coincided with a five-and-a-half week strike in the motor industry and drew sharp criticism from unions. However, the new minister of trade and industry, Mr Trevor Manuel, denied that the government was trying to put pressure on the strikers, saying the decision had been taken about three months before at the National Economic Forum, where the government, unions and employers had been represented.[33] [33 *The Citizen* 5 September 1994]

At its congress in September 1994, Cosatu adopted a declaration calling for 'proper co-ordination' between government and organised labour on the programme of tariff reform and the timing of any announcements. Although Cosatu accepted Mr Manuel's explanation on the reasons for the announcement, it said it wanted to be consulted on future moves in this regard.[34] [34 *Sunday Times* 11 September 1994] The new deputy minister of finance, Mr Alec Erwin, told delegates at Cosatu's congress that unless industries became more competitive, more jobs would be lost. He said that the government had to take action because only greater international competitiveness would bring long-term job security. However, the government had committed itself to consultation and negotiation on a sectoral basis.[35] [35 *Business Day* 9 September 1994]

The general secretary of Cosatu, Mr Sam Shilowa, said in November 1994 that Cosatu would oppose the reduction of tariffs if it led to widescale job losses. According to Mr Shilowa, workers had clearly been the losers in the recent round of talks on the General Agreement on Tariffs and Trade (Gatt). The federation would monitor closely the effect of tariff reductions on employment, and would resist any attempt to go beyond Gatt requirements. Cosatu would also guard against the exploitation of workers by multinational corporations entering the South African market but without concern for the rights of South African workers, Mr Shilowa said.[36] [36 Ibid 8 November 1994]

Tax Reform

In October 1994 Cosatu submitted a proposal to the Commission of Inquiry into Taxation in South Africa, chaired by Professor Michael Katz, in which it called for an increase in company taxes, either by the removal of some of the exemptions or by a rise in the general level of company tax. According to Cosatu, South African companies were not bearing their share of the burden compared with international norms.[37] [37 *The Star* 17 October 1994]

The federation also called for the recusal of Professor Katz and tax commissioner Ms Dolly Mokgatle for 'pre-empting the findings of the commission', by making public statements on issues concerning taxation. Ms Mokgatle had stated publicly that the commission favoured the scrapping of value added tax (VAT) exemptions on foodstuffs. According to the federation, there were few issues more sensitive than the impact of VAT on the poor. Professor Katz reportedly told an investment conference that company tax could not be increased.[38] [38 *Business Day* 13 October 1994] Cosatu also criticised the

government for not giving it representation on the commission. Mr Erwin urged Cosatu to lobby commission representatives on workers' needs, saying the commission consisted of experts who would openly assess tax structures (see also chapter on *The Economy*).[39] [39 Ibid 9 September 1994]

Privatisation

Government proposals regarding the privatisation of state assets also led to concern among unions. Fedsal said in November 1994 that privatisation would be a short-term solution for longer-term problems. Privatisation almost inevitably led to retrenchments and would add to the unemployment problem in South Africa, Fedsal said.[40] [40 Ibid 4 November 1994]

In October 1994 the cabinet approved plans for the restructuring of government finances, including the privatisation of state assets to reduce the state's debt burden and to make funds available for the reconstruction and development programme (RDP). However, the minister without portfolio, Mr Jay Naidoo, said that key parastatals such as Eskom, Telkom and Transnet would not be privatised, but only nonstrategic and non-productive assets would be.[41] [41 Ibid 11 November 1994] The government would also consult all parties concerned before taking decisions on privatisation.[42] [42 Ibid 9 September 1994]

Community Growth Fund

The Community Growth Fund (CGF)—established in June 1992 and controlled jointly by seven trade unions and Syfrets—showed a 45,6% return on its investment in the financial year to June 1994, placing it in the top three of South Africa's general equity unit trusts. The fund had a cash flow of about R5m and assets of R129m at the end of June 1994.[43] [43 Ibid 22 July 1994] The CGF investments were based on a firm's social responsibility, which was determined by reference to 17 weighted criteria (see also 1993/94 Survey, pp75, 587–588). By November 1994 a total of 38 companies had been approved for investment, while 14 had been rejected. In August 1994 the United States-based Calvert Group announced that it would invest more than R3,6m in the CGF.[44] [44 *Weekly Mail and Guardian* 11 November 1994]

Trade Unions and Politics

Reconstruction and Development Programme

In submissions to the parliamentary standing committee on the RDP, both Cosatu and Fedsal said that they supported most features of the government's white paper on the RDP published in September 1994 (see also chapter on *The Economy*), but made suggestions on areas which they believed needed refining. Fedsal warned that to place too much emphasis on consultation would be counterproductive, adding that the government should not be 'afraid to govern'. It also called for more detail on how the government planned to achieve the RDP's goals.[45] [45 *Business Day* 1 November 1994]

Cosatu urged the government not to stick to a rigidly ideological commitment to fiscal discipline and reduced public spending if this was to the detriment of the RDP. The federation said that the RDP involved largescale expansion in welfare and service delivery, which might lead to increased public spending and employment in certain areas, while reducing it drastically in others.[46] [46 Ibid]

It said that reducing public sector employment levels should not be done according to a simple mathematical formula, but 'a political approach to reorganisation' should be followed. The federation also demanded a clear commitment from the government to close the wage gap in the public sector and replace it with a sliding scale which would cut the salaries at the top level and improve the salaries of lower-paid workers. About one third of workers in the public sector earned less than R1 000 a month. The federation also proposed the establishment of a public sector forum aimed at changing the attitudes of staff associations hostile to the restructuring of the civil service.[47] [47 Ibid]

Not enough emphasis had been placed in the white paper on the process of industrial restructuring and on the removal of management's prerogative over strategic decisions in 'solving South Africa's structural economic problems', Cosatu said. The democratisation of economic decision making and affirmative action were key omissions from the white paper, the federation added.[48] [48 Ibid]

However, Cosatu welcomed the government's recognition of the need for a progressive labour market policy, including an adequate social security safety net, the right to strike and the right to a living wage. It felt human resource development had been neglected, however.[49] [49 Ibid]

At its fourth national congress in October 1994, Nactu said that the RDP should address the shortage of water, electricity, roads and health care facilities, as well as the lack of education facilities in rural areas. The council also adopted a resolution stating that communities should view the RDP as promising economic aid only and should strive for self-development and empowerment. Nactu also resolved to become actively involved in addressing shortcomings in the RDP, using its own economic policy working document as a basis. It said that it had to work with Cosatu, Fedsal and other institutions to ensure that the RDP was not used to undermine the social and economic objectives it was meant to achieve.[50] [50 *The Citizen* 15 October 1994]

Future of the African National Congress/Congress of South African Trade Unions/South African Communist Party Alliance

At its fifth national congress in September 1994, Cosatu committed itself to campaign for local government elections. It said the campaign should be led by the ANC.[51] [51 Ibid 10 September 1994] The union federation would not produce its own list of candidates as had been the case for the election in April 1994, but would support candidates from 'mass democratic movements' in order to avoid a leadership drain similar to that of the general election.[52] [52 *The Star* 12 September 1994]

A resolution put forward by Numsa at the congress, calling for the dissolution of the ANC/Cosatu/SACP

alliance and the formation of a workers' party, was defeated. Instead, a resolution was adopted for the strengthening of the alliance and a further consolidation of links with civic associations. The resolution also stated that Cosatu should maintain its independence of political parties and the government on matters of policy and action.[53] [53 Ibid 9 September 1994] However, Cosatu reiterated that the alliance was not permanent and would be reviewed as conditions dictated.[54] [54 *Business Day* 9 September 1994]

The move followed speculation that a rift might be developing between Cosatu and the ANC and that strike action had been interpreted by some as a sign of union discontent with the predominantly ANC government (see also *Strikes* below). During a visit to the United States in October 1994, the president of South Africa, Mr Nelson Mandela, said South Africa's labour leaders had agreed not to disrupt the economy while the country was trying to attract investment to provide jobs for 5m unemployed people. Mr Mandela said the wave of post-election strikes had been discussed with Cosatu and, although workers were fighting to close the wage gap between blacks and whites, they had accepted his call for restraint.[55] [55 *The Citizen* 8 October 1994]

Collective Bargaining

At its biannual campaigns conference in March 1994, Cosatu committed itself to securing centralised bargaining forums in all sectors by the end of the year.[56] [56 *The Star* 15 June 1994] In a document outlining its views on the issue, Naledi, Cosatu's research wing, said a central bargaining system should be flexible, allowing for decision making to take place upwards and downwards without fragmenting the system. The director of Naledi, Mr Jeremy Baskin, stressed that flexibility did not equal decentralisation, however.[57] [57 *Business Day* 17 June 1994] The bargaining system should comprise three levels—national, industrial or sectoral, and plant level. The national level would comprise tripartite bodies such as the National Economic Forum and the National Manpower Commission (NMC) and would deal with major economic and labour-market issues. The industrial level would involve negotiations between employers and unions in a limited number of industries or sectors, setting minimum conditions for employees in that sector. Plant-level bargaining would deal with issues such as staff facilities and safety measures, productivity and the application of industrial agreements.[58] [58 Ibid] There would be approximately 40 centralised bargaining forums spread over all sectors. These forums should be registered as industrial councils, giving them the power to make legally binding agreements for an industry. The agreements should also be extended to organisations which were not members of industrial councils.[59] [59 Ibid]

Industrial Councils

The NMC said in its annual report for 1993 that industrial councils regulated the conditions of employment of 845 572 workers.[60] [60 National Manpower Commission (NMC), annual report 1993, 1994] Between 1 November 1992 and 31 October 1993, the number of disputes referred to industrial councils increased from 6 050 to 6 865, of which only 29,7% were resolved. During this period 8 703 applications for exemptions from industrial council agreements were received, of which 84% were successful.[61] [61 Department of Manpower, annual report 1993, April 1994]

In June 1994 the Confederation of Employers of South Africa (Cofesa) said it had asked the International Labour Organisation to help curtail South Africa's industrial council system. Cofesa, which said that its 120 000 members employed 2,4m people, contended the system lent itself to 'heavy-handed bureaucracy' and 'over-regulation'. Cofesa maintained that it could create 1m jobs in five years, if freed from the restrictions of the Labour Relations Act of 1956, which, it argued, allowed an industrial council to stamp out competition it thought unfair. The Small Business Development Corporation said that the councils were inherently biased against competition. The system was regarded as protecting big business and organised labour to the detriment of small business.[62] [62 *Sunday Times* 5 June 1994]

The executive director of Seifsa, Mr Brian Angus, said, however, that the main purpose of the system was to set fair minimum terms and conditions of employment for an industry through collective bargaining between employers and trade unions. Mr Angus said this helped ensure that competition between employers was not based on cheap labour and poor conditions of employment, but on better products and services, more effective work organisation and higher productivity.[63] [63 Ibid 12 June 1994]

According to Naledi, a new style of industrial council, which was less bureaucratic, should be developed as individual workers and smaller employers often received 'shabby' treatment from industrial councils. Naledi said exemptions from industrial council agreements should be avoided or minimised. It suggested that an independent exemption board be established to ensure that exemptions were given on the basis of an agreed national policy regarding small businesses, which were the main complainants about the existing exemption system.[64] [64 *Business Day* 17 June 1994]

Naledi said industrial councils should be entitled to adopt special schedules applicable to small and medium enterprises. These measures might include:

• simplifying administrative work;

• making concessions from agreements for small and medium enterprises in their set-up phases;

• carrying out inspections to verify compliance by employers with agreements on gradually improving standards to a minimum;

• making industrial councils more proactive in supporting training and innovation; and

• lifting punitive measures against enterprises which were clearly faced with a choice between non-compliance with industrial council agreements or closure of the business.[65] [65 Ibid]

In October 1994, in the first case of its kind, a company in East London (Eastern Cape), sued an industrial council official for R6,8m in his personal and official capacities for damages caused to the

company. The knitwear company served summons on the secretary of the Industrial Council for the Clothing Industry in the Eastern Province, Mr Brian Wilson, following a decision by the industrial court in East London that the council's agreement was not binding on the company, which was a knitting and not a clothing firm. The company claimed, among other things, that:

• compliance with the council agreement had forced it to lay off 160 workers;

• the council had instigated industrial action to force the company to comply with the agreement;

• it had lodged complaints with the police and procured a criminal prosecution of the managing director, Mr Tom Cawood; and

• it had acted outside its authority and had interfered in the company's þþ right to free trade.

The director of Cofesa, Mr Hein van der Walt, said the case sent a clear warning to other industrial council officials that they could be liable in their personal capacities for damages caused to businesses. Mr van der Walt said that industrial councils would also be challenged in the Constitutional Court for violating the right to freedom of association in the bill of rights.[66] [66 *Sunday Times* 30 October 1994] At the time of writing the company was awaiting a reply to its summons.[67] [67 Information obtained from Mr Hein van der Walt, director of the Confederaton of Employers of South Africa, 7 February 1995]

Conciliation Boards

According to the Department of Manpower, a total of 15 868 applications for the establishment of conciliation boards were received between 1 November 1992 and 31 October 1993, compared with 14 698 applications the previous year. In 11 644 of these cases (73%), boards were established, while in 3 572 cases boards could not be established, because applications did not comply with the requirements of the Labour Relations Act. A further 437 applications were withdrawn, while 215 were still receiving attention when the department published its report. Of the 11 644 applications that were approved, conciliation boards succeeded in settling 2 202 disputes (18,9%), while in 3 499 cases (30%) deliberations were unsuccessful. A total of 688 applications were withdrawn after the conciliation boards had already been established.[68] [68 Department of Manpower, annual report 1993, April 1994]

Industrial Court and Labour Appeal Court

The NMC said that the industrial court had heard 6 699 cases between 1 November 1992 and 31 October 1993, compared with 6 042 in the same period during 1992. The backlog in cases had decreased from 4 328 in 1991 to 4 300 in 1992 and to 2 293 at the end of 1993. The labour appeal court's case load had increased from 54 cases in 1991 to 109 in 1992 and 115 in 1993.[69] [69 NMC, annual report 1993, January 1994]

The president of the industrial court, Professor Adolph Landman, said in November 1994 that the court heard about 500 cases a month and that the existing case load would take ten months to clear. The four regional divisions of the court had handled 824 cases in September 1994 alone. Professor Landman added that proposed changes to labour law and uncertainty about the future of the industrial court were detrimental to staff motivation. He believed that the industrial court would be phased out in favour of a labour court on a par with the Supreme Court and staffed by Supreme Court judges.[70] [70 *Business Day* 1 November 1994]

Bargaining on Wages

An industrial relations consultancy, Andrew Levy and Associates, said that the average level of wage settlement for the first nine months of 1994 was 10%, the same as for the corresponding period in 1993, but down on the 12,6% recorded in the first nine months of 1992. During the same period in 1991, the average level of settlement was 15,3% and in 1990, 16,9%. Settlement levels ranged between 6% and 23% in the first nine months of 1994. The consultancy said that increases after the election in April 1994, had been one to two percentage points higher than before the election as heightened expectations had pushed up the level of settlement. The average minimum wage for all sectors at the end of September 1994 was R1 276 a month. The lowest-paid workers were in the agricultural sector, where the average minimum was R349. The highest-paid workers were in the petroleum and rubber and tyre industries, with minimum wages of more than R2000. According to the consultancy, 30% of companies surveyed experienced industrial action during the course of wage negotiations in the first nine months of 1994, compared with 10% in 1993 and 21% in the previous year. It predicted that upward pressure on wage-settlement levels was likely to continue into 1995.[71] [71 Ibid 18 October 1994]

Strikes

Andrew Levy and Associates said in September 1994 that despite the perception that there had been an unusual upsurge in industrial action and that the country was experiencing a labour crisis, statistics showed that the number of mandays lost in the first nine months of 1994 was comparable to previous years and even lower in some instances. During this period just over 2,5m mandays were lost, compared with 2,4m in the corresponding period in 1993, 3,1m in 1992, 2m in 1991 and 2,2m in 1990.[72] [72 Andrew Levy and Associates, *Strike report nine months ending 30 September 1994,* Press release, September 1994]

The Department of Labour published a special document in November 1994 to put strike action in perspective. It said that commentators, the media and some members of Parliament had come to many conclusions about strikes, including that workers were testing the new government. Others had argued that strike action was scaring-off foreign investors and that the government had to take firm action against strikers. However, preliminary figures showed that although there had been an increase in the number of mandays lost during the second and third quarters of 1994, the number of strikes had declined. The department further stated that the level of public exposure given to labour relations in 1994 had been higher than in previous years and had created the perception of a labour crisis. It also pointed out that the central demands in labour disputes had been basically the same as in previous years

and had centred around wage increases, improved working conditions, workplace democratisation, elimination of racism in the workplace, dismissals of fellow workers and unfair labour practices.[73] [[73] Department of Labour, *Contextualising strike action in the current period—January to 30 September 1994*, November 1994]

Andrew Levy and Associates said that the major annual wage negotiations moved into full swing only after the general election in April 1994 and that some of the negotiations—and thus strike action—scheduled for the first quarter of 1994 had been postponed until after the election. As a result an impression had been created that the level of strikes was unusually high. The consultancy added that the public might have expected that with the election of a new legitimate government, 'protest politics would become a thing of the past'.[74] [[74] Andrew Levy and Associates, *Strike report nine months ending 30 September 1994*, Press release, September 1994]

Preliminary figures published by the Department of Labour showed that the number of strikes during the third quarter of 1994 was 69,6% lower than during the same period in 1993. However, the number of mandays lost was 130,5% higher than during the corresponding period in 1993, mainly because of the prolonged strikes in the motor and retail industries. In the second quarter of 1994 there were 59,4% fewer strikes than in the second quarter of 1993, while 42,5% fewer mandays were lost.[75] [[75] Department of Labour, *Contextualising strike action in the current period—January to 31 September 1994*, November 1994]

The majority of mandays lost in the third quarter of 1994 were the result of the automotive industry strike (540 000 mandays) and the Pick 'n Pay strike (330 000 mandays).[76] [[76] Andrew Levy and Associates, *Strike report nine months ending 30 September 1994*, September 1994]

The issue of wages was the main trigger for strike action during the first three quarters of 1994 and accounted for 47,7% of the total number of strikes, while grievances accounted for 28,3% of strikes and dismissal or disciplinary issues for 16,9%. Issues such as safety in the workplace triggered 3,1% of strikes, retrenchment 1,8% and recognition 1,8%, according to Andrew Levy and Associates.[77] [[77] Ibid]

According to the consultancy, during this period, manufacturing had been most affected by strikes (48,4% taking place in that sector), followed by mining (20,7%), the public sector (17,6%), chemicals and pharmaceuticals (6,9%), textiles (4,4%) and the retail sector (1,8%). Most strikes (54,7%) occurred in the Pretoria-Witwatersrand-Vereeniging province, followed by the Eastern Cape (10,7%), KwaZulu/ Natal (10%), national strikes (9%) and the Western Cape (6,2%).[78] [[78] Ibid]

In the first major industrial dispute after the April 1994 election, about 15 000 Pick 'n Pay workers took part in a three-week wage strike that was characterised by violence. The South African Commercial, Catering and Allied Workers' Union demanded an increase of R229 a month across the board for 12 months and a minimum wage of R1 200.[79] [[79] *Business Day* 5 August 1994] In an unusual step the minister of labour, Mr Tito Mboweni, intervened and recommended mediation. He appointed the director of the Independent Mediation Service of South Africa, Mr Charles Nupen, as mediator.[80] [[80] *The Citizen* 22 July

1994] Agreement was finally reached on a mimimum wage of R1 110 per month and an increase of R180 per month across the board for 15 months. The strike was estimated to have cost the average worker R1 447 in wages.[81] [81 *Business Day* 5 August 1994] The cost of the strike to Pick 'n Pay was estimated to be R70m.[82] [82 *The Citizen* 4 August 1994]

In one of the most costly strikes in South African labour history, 25 000 workers in the motor industry downed tools in August 1994. The cost of the strike to the industry amounted to more than R3bn, while workers lost an estimated R91m in wages.[83] [83 *The Star* 6 September 1994] Workers accepted a wage increase of 10,5%, which, according to the National Union of Metalworkers of South Africa (Numsa), was the highest-ever increase on actual rates in the history of collective bargaining in the industry. Numsa also expressed satisfaction over an agreement reached with the Automobile Manufacturers Employers' Organisation to introduce a comprehensive adult basic education programme, the first such industrywide agreement.[84] [84 *Business Day* 6 September 1994] The strike ended shortly after a government announcement on the scrapping of a 15% surcharge and the cutting of import tariffs on new cars by 20% (see *Tariff reform* above).

Information published by Andrew Levy and Associates in January 1995, indicated that strikes in the public sector as a proportion of all strike action, decreased from 67,5% in 1993 to 12,3% in 1994.[85] [85 Andrew Levy and Associates, *Annual report on labour relations in South Africa 1994–1995*, January 1995]

However, strikes by prison officials and police officers in December 1994 and January 1995 drew widespread criticism. More than 50 prisoners escaped from prisons in KwaZulu/Natal at the end of December because of industrial action by members of the Police and Prisons Civil Rights Union (Popcru), while industrial action also occurred at several prisons in the Western Cape in January and February 1995.[86] [86 *Business Day* 27 December 1994, *The Citizen* 4 February 1995]

A strike by police officers at the Orlando Police Station (Soweto) in January 1995, during which an officer was killed in clashes between strikers and the internal stability unit, triggered further protest action around the country. The police officers were originally striking over allegations of racism and poor working conditions. According to Popcru, only strikes at two out of seven police stations had been endorsed by the union, while the rest were triggered by the killing of the police officer.[87] [87 *The Star* 2 February 1994]

The president, Mr Nelson Mandela, urged public servants and the security forces in February 1995 to co-operate with the government. Mr Mandela said that employees disrupting the public service were embarrassing the government.[88] [88 *Ibid 3 February 1994*]

Andrew Levy and Associates said that strike action in 1994 was characterised by, among other things:

• the defiance of court interdicts by strikers and calls by union officials for a return to work;

• the increased use of mediation to resolve wage disputes;

• the eviction of striking workers by police and the arrest of hundreds of strikers;

• a high level of violence on picket lines;

• a total disregard in some cases for company property during industrial action; and

• the taking of hostages during industrial action.

According to the consultancy, the resurgence of militancy and violence was reminiscent of the 1980s. Reasons for the resurgence included:

• a disparity in actions and attitudes between more established unions and those operating in sections which did not have the benefit of years of collective bargaining;

• the political transformation which resulted in an upsurge of expectations;

• a perception that the new government was a 'people's government' and workers could do as they wished;

• a growing divide between leadership and grassroots membership possibly because of the view that previous union leaders were now in government and more 'moderate';

• allegations of racism and perceived discriminatory practices; and

• the democratisation of the workplace opposed to paternalistic management styles.[89] [89 *Andrew Levy and Associates, Annual report on labour relations in South Africa, 1994–1995*, January 1995]

Employer Organisations

According to the Department of Manpower, five new employer organisations were registered in 1993 and the registration of 13 was cancelled, bringing the total number of such organisations to 195 at the end of 1993.[90] [90 Department of Manpower, annual report 1993, April 1994]

According to the department, two employer federations were deregistered during 1993, bringing the total number of such federations to nine. In April 1994 the South African Employers' Consultative Committee on Labour Affairs and other employer organisations involved in the National Economic Forum formed Business South Africa (BSA). The confederation has 20 member organisations including

the Afrikaanse Handelsinstituut, the Chamber of Mines of South Africa, the Federated Hospitality Association of South Africa, the Foundation for African Business and Consumer Services, the National African Federated Chamber of Commerce and Industry (Nafcoc), the National Automobile Manufacturers of South Africa, the Automobile Manufacturers Employers' Organisation, the South African Agricultural Union, the South African Chamber of Business, and the Steel and Engineering Industries Federation of South Africa.[91] [91 Information obtained from Ms F Dowie, Business South Africa, 8 November 1994]

In December 1994 Nafcoc suspended its participation in BSA activities pending discussions on its status compared to that of other BSA members. Nafcoc felt that it was the largest business organisation in the country and should have had greater representation, especially on the National Economic Development and Labour Council.[92] [92 Andrew Levy and Associates, *Annual report on labour relations in South Africa 1994–1995*, January 1995]

The International Labour Organisation

South Africa rejoined the International Labour Organisation (ILO) in May 1994 and became its 170th member. The country had withdrawn its membership following an ILO declaration calling for action against apartheid in 1964.[93] [93 *The Citizen* 28 May 1994] The ILO—an agency of the United Nations, founded in 1919—attempts to ensure minimum working standards throughout the world and defends basic trade union rights, such as the right to freedom of association and to collective bargaining. The ILO has a tripartite structure, allowing worker and employer organisations to participate on an equal footing with governments.[94] [94 Amnesty International, *Newsletter*, May 1994] At the 75th ILO conference in Geneva in June 1994, the minister of labour, Mr Tito Mboweni, said in a speech marking South Africa's return to the organisation that he would work for the ratification of key ILO conventions. However, employer representatives in the South African delegation to the conference said they were surprised that Mr Mboweni had raised the question of ratification of ILO conventions without having debated and reached agreement on the issue within the National Manpower Commission. Although employers were not necessarily opposed to the ratification of the conventions, they said labour law was specifically mentioned in the transitional constitution as being protected from all changes until amended by legislation. A process of extensive consultation on labour relations legislation, requiring the full participation of trade unions, employer organisations and the government, was also one of the recommendations of the ILO Fact Finding and Conciliation Commission on Freedom of Association concerning the Republic of South Africa, which had visited South Africa in February 1992 (see 1992/93 *Survey*, p317).[95] [95 Institute for Futures Research, University of Stellenbosch, *Strategy Insights*, July 1994]

On South Africa's readmittance to the ILO, the organisation allocated $1m (R3,6m) to help with labour law reform, create jobs and new enterprises, and improve working and living conditions and health and safety in the workplace. The ILO said it would also help South Africa to attract further aid from the international community.[96] [96 *The Citizen* 28 May 1994] Mr Mboweni said priorities had to be set by a subcommittee on technical assistance to prevent the ILO from dictating terms and conditions for

assistance to South Africa, although the organisation's input was essential.

In August 1994 the ILO also offered to assist the National African Federated Chamber of Commerce and Industry with training, overseas research and developmental programmes.[97] [97 *Business Day* 15 August 1994]

Regional Co-Operation

The *Reconstruction and Development Programme* published in March 1994 stated that sustainable reconstruction and development in South Africa could be achieved only through sustainable reconstruction and development in the whole of southern Africa. If this was not the case, the region would face continued high unemployment and underemployment, which would lead to labour migration and a brain drain to industrialised areas. The South African government would therefore have to negotiate with its neighbours to forge an equitable and mutually beneficial programme of increasing co-operation, co-ordination and integration appropriate to the conditions of the region. Minimum standards for workers' rights should also be established across the whole region.[98] [98 African National Congress, *Reconstruction and Development Programme*, 1994]

The National Labour and Economic Development Institute (Naledi), the research wing of the Congress of South African Trade Unions (Cosatu), said in a research report entitled *Migration to South Africa* that trade union concerns about illegal immigration centred on the following:

• illegal immigrants were being used to undermine labour standards;

• most illegal immigrants faced exploitation at work, where they lived, and by authorities;

• large numbers of immigrants might place pressure on the ability of the government to deliver housing and social services; and

• xenophobia and racism were being 'whipped up', diverting attention from the longer-term issue of integrated regional development.[99] [99 Naledi, *Migration to South Africa: problems, issues and possible approaches for organised labour*, October 1994]

Naledi said that policies aimed at 'evicting foreigners' were wrong and unlikely to work, but also that simply allowing the free movement of labour was unrealistic, at least in the short term. The challenge was to contain illegal immigration and regulate those immigrants already in the country. According to the institute, this should be done on a differentiated basis according to country of origin, length of effective residence and in accordance with international standards. [100] [100 Ibid]

Naledi suggested that the following proposals could form the basis for union policy on labour migration

to South Africa:

• support for the long-term goal of southern African economic union, including the free movement of labour;

• opposition to efforts aimed at creating anti-immigration hysteria and xenophobia;

• preference to South Africans in the job market, subject to allowing specified numbers of citizens from neighbouring countries into the market;

• fair treatment and hospitality for refugees in accordance with international standards;

• equal treatment and conditions for all workers, including legal and illegal workers;

• stricter penalties for employers breaching labour standards and exploiting illegal immigrants;

• review of existing policy on legal immigrants;

• the stamping out of alleged corruption in the Department of Home Affairs and by the police and immigration authorities; and

• the acceptance of the effect of previous South African policies on citizenship (policy had been determined by race) and the avoidance of witch hunts.

Cosatu said that it wanted a social clause included in trade agreements, so that 'poverty would not become the competitive edge of countries in the region'.[101] [101 *Business Day* 8 November 1994] A Belgian academic, Dr Albert Martens, said at a seminar on labour standards held in Johannesburg in June 1994 that such a clause would require that governments agree to a minimum level of labour standards to ensure that social conditions improved as trade expanded. However, trade unions, through collective bargaining, or governments, through adequately enforced labour laws, had to ensure that an increase in trade did lead to higher standards of living for all workers. By enabling unions to press for wage increases, the social clause would encourage employers to seek productivity improvements, thereby helping to ensure that demand and output rose to the benefit of both employment and trade.[102] [102 Paper delivered by Dr Albert Martens, Hoger Instituut voor de Arbeid, University of Leuven, Belgium, at a seminar on labour standards and the social implications of economic reality, Johannesburg, 21 June 1994]

The minister without portfolio, Mr Jay Naidoo, said that members of the Southern African Trade Union Co-ordinating Council had to decide on how to translate the Social Charter of Fundamental Rights of Workers in Southern Africa—adopted by the council in the early 1990s—into law. (Both Cosatu and the National Council of Trade Unions had been involved in the drafting of the charter.) Mr Naidoo said that the charter had been widely accepted by members in the region but until it was enshrined in law,

governments and employers would continue to set labour standards.[103] [[103] *Business Day* 14 November 1994] A planning forum of the council that took place in November 1993 drafted a plan of action which included monitoring the implementation of the social charter by all governments in the subregion.[104] [[104] Congress of South African Trade Unions, *Secretariat Report—5th National Congress*, September 1994]

EMPLOYMENT

Policy

The draft *White Paper on Reconstruction and Development* published in September 1994 stated that economic growth strategies had to focus on improving labour absorption, because of the high unemployment rate in South Africa. Although technical and institutional needs and labour absorption possibilities might differ across sectors, the general foundation for employment growth was a literate, numerate and healthy workforce, the white paper said.[105] [[105] *White Paper on Reconstruction and Development*, September 1994]

Government labour policies would assist the most vulnerable among the unemployed, who included rural women and the youth. Accredited training programmes would be established within the context of a national qualifications framework, while the aim of the national public works programme would be to maximise the job creation potential of all capital-intensive projects. All projects concerning infrastructure funded by the reconstruction and development programme (RDP) fund were linked to the public works programme, while R250m had been allocated for special community-based programmes. The public works programme should also provide training and capacity building to ensure long-term job prospects for workers.[106] [[106] Ibid]

The white paper said that affirmative action policies would be used to end discrimination on the grounds of race and sex, and to address the ‘disparity of power between workers and employers, as well as between urban and rural areas’.[107] [[107] *Ibid*]

With regard to the restructuring of the public sector, the white paper said that all departments would be reviewed to ensure the discontinuation of policies, programmes or projects that were in opposition to the spirit of the RDP and the transitional constitution. New staffing plans were to be drawn up to correspond to RDP programmes and civil servants would be redeployed accordingly. In 1994, 60% of consumption expenditure was for remuneration and government at all levels would take steps to reduce such expenditure and increase capital expenditure, according to the white paper. The size of the public service would stay unchanged, or growth would be kept to 1% in 1994/95, without compromising affirmative action goals. In 1994 the rate of turnover of employees in the public service was 8% but the government intended filling only 5% of vacancies, the white paper said.[108] [[108] *Ibid*]

The issue of disparity regarding, among other things, job grading, career planning and training in the

public service, and the need for affirmative action had to be dealt with urgently. The grading structure should be rationalised and be based on competency rather than qualifications and should allow for clear career paths and training. In addition, improved efficiency, especially at management levels, and the improved allocation of resources had to be linked to the ending of disparities, according to the white paper. A programme would also be drawn up to ensure the elimination of racism, inequality between the sexes and all other forms of inequality, while special programmes would be designed to address the under-representation of specific categories of persons at different levels of the public service.[109] [109 *Ibid*]

The white paper said that the budgets of all state departments and institutions would be drawn up to reflect the priorities of the RDP. Departments would negotiate with the RDP office for the funding of programmes and projects in line with the objectives of the RDP. The total number of staff would not be increased and personnel would be redeployed to meet the staffing requirements of the RDP programmes. Benefits and salaries for the entire public service should also be uniform.

The Public Service Training Institute would be restructured to focus on research and development, training and internationally comparative programmes. According to the white paper, programmes in project management and relating to issues concerning administrative and human rights law would be introduced to further the implementation and management of the RDP. The institute's training facilities would also be made available to civil society and programmes would be designed in such a way that skills would become transferable between government and civil society. The white paper also stated that the training and retraining of personnel, as well as a bursary policy, would receive priority.[110] [110 *Ibid*]

A system to measure performance would be introduced to improve productivity. Public sector unions would be consulted on a range of performance-enhancing methods such as work reorganisation, more efficient work practices, simplification of reporting structures, removal of duplication and greater use of modern technology.

The document also said that in a major departure from past practice, information would be made available unless there was a good reason to withhold it. The government's management of information was under review at the time of writing as information collected by government departments in the past had generally been fragmented and not adequate for the monitoring and the assessment of the performance of the public service, or effective integrated planning, the white paper said.

The government would also encourage the extension of basic trade union rights to all public servants. Procedures would be negotiated to promote workplace democracy and collective bargaining, according to the white paper.[111] [111 *Ibid*]

Legislation

The Public Service Act of 1994 amalgamated the 11 different administrations and established 27 national departments. According to the white paper, public service regulations and the public service

staff code, provided for in the act, still contained anomalies between different categories of personnel, and between civilian and security personnel, which had to be rationalised.[112] [[112] *Ibid*]

The government also planned to amend the laws governing labour relations. The long-term goal was a single unified labour relations act. The existing Public Service Labour Relations Act of 1994 provided for a public service bargaining council for negotiations over wages and conditions.

At the time of writing the Public Service Commission Act of 1984 was being considered for revision. Provinces would be encouraged to establish public service commissions, which, according to the white paper, would be important vehicles in the rationalisation of administration (see also chapter on *Government and Constitution*). It stated further that a mechanism would be created whereby the national Public Service Commission could meet provincial commissions to establish a coherent and restructured public service at all levels of government.[113] [[113] *Ibid*]

In November 1994 the Commission on the Remuneration of Representatives Bill was tabled in Parliament. The bill was referred to a select committee which would receive submissions from the public. A further select committee was appointed to liaise with a cabinet committee on the benefits of political officebearers. The bill provided for the appointment of a seven-member independent commission which was to make recommendations on the salaries of members of national and provincial governments and traditional leaders.[114] [[114] *The Star* 7 October 1994]

Economically Active Population

The National Manpower Commission (NMC) said in its 1993 annual report that the economically active population (EAP) of South Africa had increased from 9,2m in 1980 to approximately 13,4m in 1993 (including the former 'independent' homelands), which represented an average annual growth rate of 2,9%. The growth rate for Asians was the highest (3,5%), followed by coloured people (3,2%), Africans (3,1%) and whites (2,2%). Africans formed the largest proportion of the EAP (67,9%), followed by whites (18,6%). Coloured people represented 10,7% and Asians 3% of the EAP, according to the NMC report.[115] [[115] NMC, annual report 1993, April 1994]

The Bureau of Market Research (BMR) at the University of South Africa predicted that South Africa's labour force would increase to 23,1m by 2011 (an increase of nearly 70% on the 1991 figure of 13,6m). The BMR said that if the labour/capital ratio of the late 1980s was maintained, the economy would have to grow at an annual rate of between 8% and 9% to absorb the labour force increase in the formal sector.[116] [[116] Bureau of Market Research (BMR), *Projections of the South African Labour Force 1991–2011*, 1994]

The BMR also predicted that the African labour force would increase by 3,3% a year between 1991 and 2011, while the increases in the Asian, coloured and white labour forces would be 1,8%, 1,7% and 0,6% respectively. These changes would mean that the proportion of Africans in the labour force would increase from 68,8% to 77,3% between 1991 and 2011. The proportion of Asians would drop from 2,9%

to 2,4%, the proportion of coloured people would drop from 10,3% to 8,5%, while the proportion of whites would drop from 18% to 11,8% over the same period.[117] [117 Ibid]

The following tables provide a proportional breakdown of regular and casual employment by race in the formal sector in 1993:[118] [118 Southern Africa Labour and Development Research Unit (Saldru), University of Cape Town, *South Africans Rich and Poor: Baseline Household Statistics*, August 1994]

Regular employment by race and sector: 1993

Type of economic sector

African

Coloured

Indian

White

Average

Agriculture, fishing, forestry

16,7%

13,4%

a

3,1%

12,2%

Armed forces

2,3%

2,4%

3,3%

2,2%

2,3%

Construction

5,6%

5,3%

4,6%

5,8%

5,6%

Domestic services

13,4%

3,6%

0,3%

0,6%

8,5%

Educational services

7,3%

7,3%

12,0%

8,3%

7,8%

Electricity, water

1,6%

1,9%

0,9%

3,0%

1,9%

Finance

1,2%

2,7%

4,6%

11,8%

4,2%

Legal services

1,5%

1,2%

2,7%

3,2%

2,0%

Manufacturing

15,1%

25,0%

36,3%

13,0%

16,6%

Medical services

5,2%

5,6%

4,8%

6,6%

5,6%

Mining

9,7%

1,0%

0,6%

5,4%

7,3%

Entertainment, hotel, restaurant

2,7%

2,3%

1,2%

2,5%

2,6%

Transport, communication

4,7%

6,0%

5,7%

12,0%

6,7%

Wholesale, retail

9,8%

13,5%

16,4%

11,5%

10,9%

Other services

3,2%

8,1%

6,6%

10,0%

5,6%

Other

0,0%

0,6%

a

0,8%

0,3%

Total[b]

100,0%

100,0%

100,0%

100,0%

100,0%

Number

4 399 300

846 400

294 200

1 863 400

7 403 300[c]

a

No sample drawn or no characteristic captured.

b

Figures may not add up owing to rounding.

c

Total number of workers with

Casual employment by race and sector: 1993

Type of economic sector

African

Coloured

Indian

White

Average

Agriculture, fishing, forestry

10,2%

7,3%

a

3,4%

8,3%

Armed forces

a

a

a

1,2%

0,2%

Construction

16,1%

14,4%

a

a

12,6%

Domestic services

34,0%

28,5%

a

1,2%

26,6%

Educational services

1,5%

a

4,1%

9,7%

2,8%

Electricity, water

1,6%

0,8%

4,1%

1,8%

1,6%

Finance

0,3%

0,8%

a

7,0%

1,6%

Legal services

0,3%

a

a

0,6%

0,3%

Manufacturing

9,9%

11,4%

20,7%

6,9%

9,8%

Medical services

0,8%

1,6%

4,1%

4,3%

1,6%

Mining

1,0%

a

a

a

0,7%

Entertainment, hotel, restaurant

3,0%

3,9%

4,1%

21,2%

6,4%

Transport, communication

4,2%

1,6%

12,4%

5,2%

4,2%

Wholesale, retail

12,0%

19,2%

38,0%

29,3%

16,7%

Other services

4,9%

10,3%

8,3%

6,4%

6,0%

Other

0,3%

a

4,1%

1,8%

0,6%

Total[b]

100%

100%

100%

100%

100%

Number

613 200

120 500

21 200

167 400

922 200[c]

a

No sample drawn or no characteristic captured.

b

Figures may not add up owing to rounding.

c

Total number of workers with

Structure of the Workforce

Private and Public Sector

The Central Statistical Service (CSS) provided the following breakdown of employment in selected economic activities in the private sector in June 1993 and the proportional change over June 1992 (comprehensive figures on private sector employment were not available):119 [119 Central Statistical Service (CSS), *Labour statistics—Employment and salaries and wages (Summary)—June 1993*, Statistical release, PO200, 30 March 1994]

Employment in selected economic activities in the private sector: June 1993

Construction

Finance

Manufacturing

African

259 874

27 286

658 799

Increase (decrease)

(4,2%)

3,4%

(8,9%)

Asian

6 667

10 640

72 641

Increase (decrease)

(8,6%)

2,2%

(13,9%)

Coloured

49 151

21 318

257 140

Increase (decrease)

(10,3%)

(0,3%)

(10,4%)

White

38 750

132 247

306 184

Increase (decrease)

(3,6%)

(0,1%)

(10,9%)

Unspecified

7 402

-

104 625

Total

361 844

191 491

1 399 389

Increase (decrease)

(3,1%)

0,5%

(2,7%)

According to the CSS, between June 1992 and June 1993, employment had decreased in all the economic sectors of the non-agricultural sector, except in financing, insurance, real estate and business services.

In 1994, 15,7% of employed Indians were working for the central government, compared with 9,9% of Africans, 9,3% of coloured people and 10,4% of employed whites. Some 73,1% of employed coloured people were working in the private sector, compared with 62,4% of Africans, 70,3% of Indians and 62,9% of whites. Six percent of employed whites were self-employed in 1994, compared with 0,3% of Africans, 0,4% of coloured people and 0,6% of Indians.[120] [[120] Saldru, S*outh Africans Rich and Poor*, August 1994]

The following table provides a proportional breakdown of regular employment in the private and public sector in 1994 by type of employer a

Regular employment by type of employer and race: 1994

Type of employer

African

Coloured

Indian

White

Average

Central government

9,9%

9,3%

15,7%

10,4%

10,2%

Provincial administrations

4,8%

9,0%

3,0%

8,7%

6,2%

Local/regional authorities

4,3%

3,0%

2,1%

3,8%

3,9%

Public corporations

5,6%

1,7%

7,6%

6,1%

5,3%

Private sector employment

62,4%

73,1%

70,3%

62,9%

64,1%

Nonprofit institntions

0,6%

0,3%

0,3%

1,6%

0,8%

Self-employment

0,3%

0,4%

0,6%

6,0%

1,8%

Private households

12,1%

2,9%

0,3%

0.3%

7,6%

Other

0,0%

0,2%

a

0,1%

0,0%

Total[b]

100%

100%

100%

100%

100%

Number

4 397 400

846 400

291 600

1 868 500

7 403 900[c]

a

No sample drawn or no characteristic captured

b

Figures may not add up owing to rounding.

c

Total number of workers with regular employment.

The following table provides a proportional breakdown of regular em-ployment in 1994 by type of employer an

Proportional distribution of regular employment by employer andprovince: 1994

Type of employer

EasEasternKwaZulu

NorNorCentral government

17,3%

4,4%

10,8%

11,5%

22,8%

Provincial administrations

5,9%

6,4%

4,8%

3,0%

7,0%

Local/regional authorities

4,3%

5,1%

4,7%

3,8%

a

Public corporations

4,1%

7,0%

6,7%

3,6%

5,0%

Private sector employment

57,5%

66,1%

64,4%

69,8%

62,9%

Nonprofit institutions

0,6%

0,7%

0,6%

0,3%

a

Self-employment

0,5%

0,5%

1,7%

0,7%

a

Private households

9,5%

9,6%

6,3%

7,4%

2,3%

Other

0,3%

0,1%

a

a

a

Total[b]

100%

100%

100%

100%

100%

Number

591 300

699 500

1 159 200

725 500

85 500

Proportional distribution of regular employment by employer andprovince: 1994 (continued)

Type of employer

NorOraPWV[c]

WesAverage

Central government

14,0%

9,9%

9,3%

7,9%

10,2%

Provincial administrations

12,6%

3,8%

5,7%

9,9%

6,2%

Local/regional authorities

9,7%

2,7%

2,9%

3,1%

3,9%

Public corporations

3,3%

5,1%

6,6%

3,1%

5,3%

Private sector employment

53,3%

61,9%

63,3%

69,2%

64,1%

Nonprofit institutions

1,2%

0,3%

1,3%

0,9%

0,8%

Self-employment

0,2%

2,7%

2,8%

2,3%

1,8%

Private households

5,7%

13,6%

8,0%

3,5%

7,6%

Other

a

a

0,1%

0,2%

a

Total[b]

100%

100%

100%

100%

100%

Number

405 500

699 500

2 033 800

1 076 300

7 403 900[d]

a

No sample drawn or no characteristic captured

b

Figures may not add up owing to rounding.

c

Pretoria-Witwatersrand-Vereeniging.

d

Total number of workers with regular employment.

Of the nine provinces, the North-West had the highest proportion of people employed in the private sector (69,8%), followed by the Western Cape (69,2%) and the Eastern Transvaal (66,1%). In the Northern Transvaal and the Eastern Cape only 53,3% and 57,5% respectively were employed in the private sector. The largest proportion of self-employed people was in the Pretoria-Witwatersrand-Vereeniging province (2,8%), followed by the Orange Free State (2,7%) and the Western Cape (2,3%).[123] [[123] Ibid]

The following table provides a breakdown of employment in the public sector in June 1993 and the proportional change over June 1992:[124] [[124] CSS, *Employment and salaries and wages: public sector—June 1993*, Statistical release, PO251, 29 November 1993]

Public sector employment: June 1993

Central government

Local authorities

Transnet

African

316 929

112 544

61 032

Increase (decrease)

(1,9%)

(5,2%)

(13,9%)

Asian

30 453

7 624

2 046

Increase (decrease)

0,6%

(1,5%)

(1,2%)

Coloured

124 711

37 970

9 985

Increase (decrease)

(0,3%)

(0,2%)

(20,5%)

White

295 429

61 503

58 874

Increase (decrease)

(3,2%)

(1,9%)

(16,6%)

Total

767 521

221 579

131 937

Increase (decrease)

(2%)

(2,4%)

Public sector employment: June 1993 (continued)

Posts and telecommunications

Civil services of non-independent homelands

Public corporations

African

26 594

241 335

40 633

Increase (decrease)

(6,4%)

11,2%

(19,1%)

Asian

2 897

-

390

Increase (decrease)

(0,2%)

-

(8,7%)

Coloured

11 602

-

6 037

Increase (decrease)

(5,1%)

-

(10,1%)

White

47 34

-

43 476

Increase (decrease)

(8,1%)

-

(10,2%)

Unspecified

-

-

10 404

Total

88 627

241 335

100 940

Increase (decrease)

(7,0%)

11,

Public sector employment: June 1993 (continued)

Parastatal institutions

Universities and technikons

Agricultural marketing boards

Total

African

9 600

11 600

610

820 877

Increase (decrease)

(10,7%)

(13%)

(16,7%)

(1,4%)

Asian

142

1 964

50

45 566

Increase (decrease)

(22,4%)

(23,9%)

31,6%

(1,4%)

Coloured

1 320

4 251

121

195 997

Increase (decrease)

(27,7%)

(26,3%)

(47,8%)

(3,2%)

White

7 884

29 459

1 576

545 734

Increase (decrease)

(32,8%)

(17,1%)

(10,8%)

(7,1%)

Unspecified

5 022

9 281

-

26 645

Total

23 968

56 555

2 357

1 634 819

Increase (decrease)

(2,1%)

(1,2%)

(14,9%)

(2,1%)

a

Coloured, Asian and white civil servants in the non-independent homelands were paid by the South African

government and were, therefore, recorded there rather than under the non-independent homelands.

According to the CSS, employment in the public sector decreased by 2,1% between June 1992 and June 1993. With the exception of 'other' local authorities (including regional water service corporations, water boards excluding the Rand Water Board, management committees for smallholdings, the Local Government Affairs Council, the Development and Services Board, and management boards of rural areas), 'other' parastatal institutions, universities and technikons, employment decreased in all components of the

Restructuring of the Civil Service

The CSS said that the number of people employed in the total public sector was approximately 1634 000 at the end of December 1993, which was 2,6% lower than at the end of December 1992. However, the number of people employed in the civil services of the non-independent homelands increased by 7,8% to almost 262 000. The number of people employed in the provincial administrations decreased by 7,2% to 217 157 from December 1992 to December 1993. The number of people employed in parastatal institutions such as scientific councils decreased by 9,9% to 10 232 during the same period, while the number of people employed at universities decreased by 5,6% to 41 414. However, the number of employees at technikons increased by 10,3% to 10 604. There was a decline of 26,1 % in the number of people employed by agricultural marketing boards, while the number of people employed by Transnet, and the South African Post Office and Telkom also decreased by 18,1% and 7,1 % respectively.[125] [[125] CSS, *Employment and salaries and wages: public sector*, Statistical release, PO251, 25 May 1994]

The new minister of finance. Mr Chris Liebenberg, said in September 1994 that the 54% of South Africa's total budget spent on the salaries of civil servants was too high and had to be cut. He said that although salary levels would not be reduced, the number of people employed and efficiency and productivity needed to be tackled.[126] [[126] *Eastern Province Herald* 20 September 1994]

In October 1994 the cabinet announced that it had approved measures for the transformation of the public service, including a reduction in the size of the civil service by 200 000.[127] [[127] *Sunday Times* 30 October 1994]

The Public Service Commission said in October 1994 that nearly 1,5m applications had been received for about 11 000 affirmative action positions in the civil service.[128] [[128] *The Citizen* 17 October 1994] About 250 of the advertised positions were at senior-management level and about 4 000 at middle-management level.[129] [[129] *The Argus* 7 September 1994]

The Institute for Futures Research at the University of Stellenbosch said in September 1994 that the new government under the leadership of the African National Congress did not trust the existing bureaucracy faithfully to implement its policies of reconstruction and development. It said that although only a

minority of public officials were elderly, white Afrikaner males, they tended to occupy virtually all the major management positions in the public service. Although the situation had already started changing to include other population groups, the institute pointed out that the political and financial implications of such changes had to be thoroughly considered. In this regard it referred to allegations of financial mismanagement in the appointment of special advisers with 'absurd' contractual terms, and the controversy over the replacement of current directors general of government departments with new appointments before the contracts of the incumbents had expired. These developments were not well received abroad in financial circles, according to the institute. With regard to the appointment of special advisers, the minister for public service and administration, Dr Zola Skweyiya, said it was a temporary arrangement and would be phased out as soon as possible.[130] [[130] *Financial Mail* 23 September 1994] The salaries of consultants or advisers to ministers ranged from covering expenses to R30 000 a month before taxation.[131] [[131] *Weekly Mail and Guardian* 2 September 1994]

The president of the Public Servants Association of South Africa, Mr Koot Myburgh, said in September 1994 that pessimism and uncertainty among public servants should be urgently addressed by the government. He said that since the run-up to the election in April 1994, public servants had been made to feel that they would be unacceptable to a new government. The feeling of uncertainty had been aggravated by affirmative action and threats that posts would be advertised and pay cut, Mr Myburgh said. He denied that public servants had been obstructing the reconstruction and development programme.[132] [[132] *The Star* 20 September 1994]

The Institute for Futures Research pointed out that structural transformation was being hampered by the security of tenure of white public servants as negotiated at the multiparty negotiations at Kempton Park (east Rand) leading up to the April 1994 election. [133] [[133] Institute for Futures Research, University of Stellenbosch, *Strategy Insights*, September 1994] In this regard Dr Skweyiya said that continued employment in the public service and not specific positions were guaranteed.[134] [[134] *Business Day* 13 July 1994]

The institute also cautioned against upheavals in the public service as a result of changes. These could include breakdowns in public services because of increasing labour unrest and strikes and a lowering of effectiveness and efficiency in the provision of services as a result of the appointment of insufficiently trained or inexperienced staff.

Male/female Breakdown

The following table provides a comparison between the male/female distribution of the labour force by province in 1980 and 1991:[135] [[135] Development Bank of Southern Africa (DBSA), *South Africa's nine provinces: a human development profile*, 1994]

Proportional male/female distribution of the labour force: 1980 and 1991

Extended labour force[a]

Male

Female

Province

1980

1991

1980

1991

Eastern Cape

46,7%

43,6%

53,3%

56,4%

Eastern Transvaal

61,9%

53,8%

38,1%

46,2%

KwaZulu/Natal

52,3%

46,0%

47,7%

54,0%

North-West

63,4%

52,6%

36,6%

47,4%

Northern Cape

58,1%

53,4%

41,9%

46,6%

Northern Transvaal

46,5%

41,1%

53,5%

58,9%

Orange Free State

60,6%

54,6%

39,4%

45,4%

PWV[b]

58,3%

53,0%

41,7%

47,0%

Western Cape

51,2%

50,6%

48,8%

49,4%

Average

55,1%

49,6%

44,9%

50,4%

Labour force[c]

Male

Female

Province

1980

1991

1980

1991

Eastern Cape

63,8%

58,6%

36,2%

41,4%

Eastern Transvaal

73,4%

65,3%

26,6%

34,7%

KwaZulu/Natal

66,2%

57,4%

33,8%

42,6%

North-West

76,4%

62,6%

23,6%

37,4%

Northern Cape

68,3%

63,6%

31,7%

36,4%

Northern Transvaal

65,8%

57,4%

34,2%

42,6%

Orange Free State

70,9%

63,9%

29,1%

36,1%

PWV[b]

67,3%

60,9%

32,7%

39,1%

Western Cape

60,9%

59,7%

39,1%

40,3%

Average

67,5%

60,4%

32,5%

39,6%

a

Includes people in formal employment, the unemployed, and those active in the informal (unregistered) sector or in the marginal sectors (subsistence agriculture and nonmarket activities).

b

Pretoria-Witwatersrand-Vereeniging.

c

Exc

According to the Development Bank of Southern Africa, women were playing an increasingly important role in the labour force. This occurred particularly in urban areas, where female participation in the labour force (ie the proportion of women between the ages of 15 and 64 who were active in the labour force) was more obvious. Female participation in the labour force increased by 25% between 1980 and 1991, while male participation decreased by 4,8%.[136] [136 Ibid]

The BMR predicted that the female labour force would increase by an average of 3,2% a year between 1991 and 2011, while the male labour force would increase by 2,4% a year. The proportion of men in the labour force would decrease from 61% in 1991 to 58% in 2011, according to the BMR.[137] [137 BMR, *Projections of the South African labour force*, 1994]

Urban/rural Breakdown

The following table provided by the Southern Africa Labour and Development Unit gives a breakdown of the employed by location and population group in 1993:[138] [138 Saldru, *South Africans Rich and Poor,* August 1994]

Employment by location and population group: 1993[a]

Location

African

Coloured

Indian

White

Average[c]

Rural

30,1%

69,6%

b

65,0%

31,5%

Urban

41,5%

50,6%

52,2%

70,1%

48,7%

Metropolitan

46,5%

55,4%

55,7%

72,3%

56,2%

Average [d]

35,4%

54,6%

54,1%

71,1%

42,7%

a

Includes regular and casual employees and the self-employed aged 16-64 years.

b

Sample size too small for valid conclusion to be drawn.

c

Refers to the average proportion of people in each area who were employed in 1993.

d

Refers to the average proportion of people employed by race group.

The table shows that only 30% of Africans in rural areas were employed in 1993. Of all population groups, the level of employment was the lowest among Africans, even in metropolitan areas where only 47% were employed. The highest level of employment (72%) was recorded among whites in metropolitan areas, while the white population also had the highest level of employment (71%) a

Provincial Breakdown

The following table provides a comparative provincial breakdown of the labour force in 1980 and 1991:[139] [[139] *DBSA, South Africa's nine provinces*, 1994]

Provincial distribution of the labour force: 1980 and 1991[a]

Province and year

Formal employment[b]

Unemployment[c]

Informal sector[d]

Marginal sector[e]

Total

Eastern Cape

1980

773 574

137 454

85 695

372 786

1 369 509

1991

798 012

310 865

210 411

462 196

1 781 484

Eastern Transvaal

1980

556 494

33 536

54 600

122 309

766 939

1991

555 798

143 593

181 339

191 599

1 072 329

KwaZulu/Natal

1980

1 235 455

193 552

167 902

432 698

2 029 607

1991

1 352 888

609 161

459 851

600 004

3 02 905

North-West

1980

648 717

63 565

70 510

163 756

946 548

1991

689 360

267 883

244 575

234 552

1 436 370

Northern Cape

1980

226 134

17 894

20 202

47 026

311 256

1991

175 774

46 304

55 514

54 614

332 206

Northern Transvaal

1980

416 497

48 727

53 114

219 018

737 356

1991

459 694

201 478

151 284

329 264

1 141 720

Orange Free State

1980

691 466

47 087

52 269

143 050

933 872

1991

692 484

162 916

209 556

187 588

1 252 544

PWV[f]

1980

2 129 925

175 333

224 105

401 237

2 930 600

1991

2 152 371

570 028

708 722

526 664

3 957 785

Western Cape

1980

879 887

54 472

85 868

197 789

1 218 016

1991

1 035 020

204 624

294 935

283 974

1 818 553

Total

1980

7 558 149

771 620

814 265

2 099 669

11 243 703

1991

7 911 401

2 516 853

2 516 187

2 870 455

15 814 896

a

Represents the extended labour force which includes the employed, unemployed, and informal and marginal sectors (ie subsistence agriculture and people active in nonmarket activities, which contribute to the family's ability to produce goods and services).

b

Includes people in paid employment in the formal sector of the economy.

c

Includes people who are actively looking for a job but who are not in any type of paid employment.

d

Includes all people active in unregistered enterprises.

e

Includes all people active in the subsistence agriculture sector and those active in nonmarket activities.

f

P

Foreign Workers

An executive selection consultancy, Renwick, said in June 1994 that companies had resorted to recruiting black managers from outside South Africa. The consultancy said that companies had difficulty in implementing their affirmative action policies at higher management levels because of historical inequalities in education and job opportunities and, therefore, they imported executives who were either unemployed or poorly paid from other African countries. The Congress of South African Trade Unions (Cosatu) condemned this tendency, saying that there was a conscious decision in the business community to bring foreigners into the country because it was cheaper than training local black people for the positions.

The NMC report for 1993 said that there were no official figures available on the number of foreign workers in South Africa, but that indications could be obtained from the number of deportations (see also chapter on *Population*). The NMC said that there were a number of factors attracting migrants from neighbouring countries to South Africa. 'Push' factors were civil war, famine, population pressures, high unemployment levels and declining wage employment. 'Pull' factors were the wage gap between South Africa and other countries in the region, the perception that economic opportunities and prospects were better in South Africa, and the higher standards of living and education in this country. The NMC said factors such as the election of a democratic government, improvement in economic growth and a declining mining industry would also influence future patterns of migration to South Africa (see also *Immigration and Emigration* in the chapter on *Population*).

The National Labour and Economic Development Institute (Naledi), Cosatu's research wing, said in October 1994 that apart from contract mineworkers. foreign workers were also legally employed in other sectors of the economy. These included about 100 000 migrants employed in agriculture, mainly from Lesotho, Malawi, Mozambique and Zambia. Approximately 20 000 Mozambicans worked on farms in the Eastern Transvaal and around Tzaneen in the Northern Transvaal, but the figure could be higher, according to Naledi. Since the mid-1980s, more than 70 000 Mozambicans had been granted permits to work and live in KaNgwane and Gazankulu by the authorities of these former homelands. In addition, the Department of Home Affairs had issued temporary work permits to farmworkers in the Eastern and Northern Transvaal, the institute said.[140] [[140] Naledi, *Migration to South Africa*, October 1994]

Naledi said that foreign workers, and illegal immigrants in particular, were usually active at the lower end of the labour market, working in fairly marginal sectors of the economy such as casual work, sub-contracting and the informal sector. In addition to the mining industry and agriculture, foreigners were also employed as domestic workers as well as in the hotel and restaurant industries, construction and informal trading.

According to Naledi, the presence of large numbers of 'vulnerable' people seeking work at the lower end of the labour market had a depressing effect on already low wages. The institute said that various

trade unions reported workers as saying that the presence of foreign workers depressed wages especially when these workers were employed illegally. Workers also felt that foreign workers deprived local people of jobs (see also *Regional co-operation* above).[141] [141 Ibid]

The following table provides a breakdown of the countries of origin of workers on member mines of the Chamber of Mines of South Africa in 1993, compared with 1983:[142] [142 Chamber of Mines of South Africa, *Statistical Tables 1993*, 1994]

Country of origin of workers on Chamber of Mines of South Africa member mines: 1983 and 1993

Country of origin

1983

1993[a]

Increase (decrease)

Gold mines

Botswana

17 225

10 681

(37,9%)

Lesotho

96 409

79 530

(17,5%)

Malawi

14 287

0

-

Mozambique

42 473

41 553

(2,17%)

South Africa

245 718

157 996

(35,7%)

Swaziland

10 624

14 471

36,2%

Zimbabwe

1

1

0%

Other areas

1 266

545

(56,9%)

Sub-total

428 003

304 777

(28,8%)[b]

Coal mines

Botswana

60

1

(98,3%)

Lesotho

9 730

3 186

(67,3%)

Malawi

227

0

-

Mozambique

1 321

1 100

(16,7%)

South Africa

43 842

17 911

(59,1%)

Swaziland

679

316

(53,5%)

Zimbabwe

7

1

(85,7%)

Other areas

0

13

-

Sub-total

55 866

22 528

(59,7%)[b]

Other mines

Botswana

1 394

2 248

61,3%

Lesotho

3 331

5 487

64,7%

Malawi

1 862

0

-

Mozambique

2 042

7 050

245,2%

South Africa

22 064

35 871

62,6%

Swaziland

210

1 107

427,1%

Zimbabwe

0

0

0%

Other areas

3

154

5033,3%

Sub-total

30 906

51 917

67,9%[b]

Total

514 775

379 222

(26,3%)[b]

a

Figures apply only to daily paid staff

b

These are averages.

The table shows that in 1983, 39,5% or 203 151 out of a total of 514 775 workers on member mines of the Chamber of Mines were from other countries, while in 1993, 44,2% or 167 444 out of a total of 379 222 were from other countries. Between 1983 and 1993 the number of foreign workers on mines within the chamber declined by 17,5% and the total number of workers in gold and coal mines dropped by 28,8% and 59,7% respectively. The number of workers

Affirmative Action and Job Advancement

According to the draft *White Paper on Reconstruction and Development*, the government of national unity would not only 'stamp out racism' in the public service, but would establish a 'proactive' affirmative action programme. All levels of government would be expected to implement a policy of affirmative action to ensure that the public service was representative of all the people of South Africa in racial, sex and geographical terms. Such a policy would be negotiated with trade unions in the public service. Fair employment conditions, codes of conduct and a prohibition of racism and sexism in the workplace were also envisaged. According to the white paper, affirmative action would be effective only if the rules on qualifications for positions and for salary scales were reviewed. It stated that these rules, which required formal qualifications and penalised applicants who had not previously had access to the public service, had the effect of perpetuating discrimination. Rules based on competency were required. The promotion histories of women in the public service had to be reviewed and measures taken to correct discrimination based on sex.[143] [143 *White Paper on Reconstruction and Development*, September 1994]

The Black Management Forum said that the racial make-up of South African business had to reflect that of the South African population by 2000. The forum called on business to set achievable targets which could be applied at a national level and be legally enforced. It recommended that by 2000, 80% of all trainees should be black, along with 70% of supervisors, 50% of junior managers, 40% of middle managers, 30% of senior managers, 20% of executive directors and 30% of non-executive directors (see also chapter on *Business*). Companies failed to award meaningful responsible positions to black people

and black managers were under-utilised, according to the forum.[144] [144 *Business Day* 3 March 1994]

A survey by a human resources consultancy, FSA-Contact, showed that although all affirmative action programmes focused on black empowerment, only 78% looked at the advancement of coloured people and Asians. About 66% paid attention to women's advancement and 31% to that of disabled people. According to FSA-Contact, there had been a 25% increase in affirmative action policies between 1992 and 1994. A survey of 600 companies by management consultants P-E Corporate Services showed that about a third of the companies paid up to a 50% premium on white salaries to attract top black personnel, the average premium being between 25% and 30%. The consultancy said that companies were competing for a limited pool of specialist talent, which led to poaching and job-hopping.[145] [145 *Sunday Times* 22 May 1994]

In a survey of the top executives of 1 200 companies FSA-Contact found that 'disadvantaged' groups were represented at executive levels in 36% of organisations. The survey showed that 53% of the companies indicated that they had implemented affirmative action policies at executive level and 44% said that they were working towards specific targets. Targets ranged from 8% representation of 'disadvantaged' groups at executive level by the end of 1997 to 50% by 2000. The most frequent response was 20% to 30% by 2000.[146] [146 *Business Day* 25 August 1994]

A survey of mainly middland senior-level managers attending seminars and programmes at the Graduate School of Business Leadership at the University of South Africa, showed that most managers believed that if their companies did not advance more blacks, they would have a serious skills shortage in the future.[147] [147 Ibid 21 July 1994]

The minister for public service and administration, Dr Zola Skweyiya, said in June 1994 that the public service would be monitored to ensure that it became more 'racially representative' and that affirmative action was being implemented. A database would be established for continuing analysis of the composition of the public service.[148] [148 *The Citizen* 11 June 1994] Filling of posts on the recommendations of the previous Commission for Administration had been halted and these posts would be readvertised. In addition, at least 1000 new posts would be made available at all levels up to that of management, Dr Skweyiya said.[149] [149 *Business Day*, *The Citizen* 9 June 1994]

The general manager of the Public Servants Association of South Africa, Mr Casper van Rensburg, said in the same month that the association rejected any form of affirmative action which would result in staff dismissals. An affirmative action policy should be centrally and statistically determined to ensure its consistent application and should involve the 18 recognised employee organisations (which were currently negotiating an affirmative action policy at the Public Service Bargaining Council).[150] [150 *The Citizen* 9 June 1994] A spokesman for Cosatu, Mr Neil Coleman, said that restructuring the public sector would have to 'go beyond a few affirmative action appointments'.[151] [151 *Business Day* 9 June 1994]

The director of information and media for the National Party (NP), Mr Marthinus van Schalkwyk, said in June 1994 that the NP was not in favour of expanding the civil service to make provision for a large number of new posts as the rationalisation and integration of the civil services from the former homelands had not yet taken place. Posts should be created according to the needs of the civil service. The leader of the Freedom Front (FF), General Constand Viljoen, said that the FF was concerned that the affirmative action policy would lead to discrimination against white civil servants.[152] [[152] *The Citizen* 9 June 1994]

The new deputy minister of environmental affairs and tourism, Major General Bantu Holomisa, said in the same month that his department intended to implement state-funded schemes to assist entrepreneurs from disadvantaged communities to enter the tourism industry. Funds would have to be set aside for this purpose. Current participants in the tourism industry would receive government support, and foreign investors would be allowed to operate in South Africa only if they contributed towards the reconstruction and development programme, Gen Holomisa said.[153] [[153] Ibid 10 June 1994] In January 1995 the Department of Environmental Affairs and Tourism was investigating the possibility of financial assistance for disadvantaged entrepreneurs to enter the tourism industry with the minister of finance, Mr Chris Liebenberg.[154] [[154] Telephonic interview with Mr Hendrik Steyn, Department of Environmental Affairs and Tourism, 9 January 1995]

In June 1994 the new minister of justice, Mr Dullah Omar, said that the Department of Justice was making bursaries available to allow more Africans to enter the legal profession, which had been dominated by whites. There was a sufficient number of African attorneys with the skills and experience to become judges, and the department would appoint them as acting judges in an effort to bring more blacks on to the bench, Mr Omar said.[155] [[155] *Sowetan* 1 July 1994]

Dr Skweyiya said in June 1994 that groups ‘under-represented’ in the public service would be targeted for filling 11 000 vacant posts, from junior to top management positions. This should not, however, prevent people from ‘other groups’ or from the existing service applying for these jobs. It was a priority of the government of national unity to guarantee jobs and implement an affirmative action policy over the next five years, and rationalisation of the 1,2m employees in the public service would have to be undertaken by a new government. The 8% annual attrition rate in the public service would be used mostly for affirmative action, particularly for black women, Dr Skweyiya said.[156] [[156] *The Star* 29 June 1994, *Business Day* 1 July 1994]

Dr Skweyiya announced a broad affirmative action plan for the public service in August 1994. The plan would concentrate on the promotion of blacks and the appointment of people from nongovernmental organisations, trade unions and churches. Dr Skweyiya said that he hoped the plan would be finalised by the end of August and implemented by the end of 1994.[157] [[157] *Business Day* 2 August 1994]

In October 1994 Dr Skweyiya said that the civil service could not afford tokenism. He said that affirmative action would take place on merit and efficiency would not be compromised.[158] [[158] *The Star* 12

October 1994] Eighty-five percent of senior management positions in the civil service were occupied by white men and only 10% by African men, according to Dr Skweyiya. Two percent of top management was made up of white women and African and Indian women accounted for 0,6% each, while coloured women were not represented at all. The representation of African women in the civil service would receive priority, Dr Skweyiya said.[159] [[159] *Sowetan* 12 October 1994]

In December 1994 Dr Skweyiya announced that the Public Service Commission had finalised the interim rules and procedures to be applied by the central government and provincial legislatures in staffing their rationalised organisational structures. Posts in the public service would be advertised only once employees currently serving in the public service had been thoroughly considered, and if a 'compelling need' to appoint people from outside the service 'to promote representivity' was identified, Dr Skweyiya said.[160] [[160] Fax communication from Mr Corrie Smit, Public Service Commission, 6 January 1995]

Unemployment

Statistics

The National Manpower Commission (NMC) said in its 1993 annual report that the average number of registered unemployed people for the first six months of 1993 was 308 076. This figure was nearly 17,7% higher than the 261 810 registered unemployed in the first six months of 1992.[161] [[161] NMC, annual report 1993, January 1994]

Figures published by the Central Statistical Service (CSS) in May 1994 showed that unemployment in South Africa (excluding the 'independent' homelands) was about 30%. This figure included people 15 years of age and older who were not in paid employment or self-employed, were available for employment and had the desire to take up employment.[162] [[162] CSS, *October Household Survey,* Statistical release, PO317, 23 May 1994] However, the NMC estimated that the number of people without a formal job opportunity in 1993 was 5,7m, or 43% of the economically active population.[163] [[163] NMC, annual report 1993, January 1994] The NMC said that low economic growth combined with relatively high population growth and increasingly capital-intensive production methods accounted for the high unemployment levels in South Africa. Economic growth was a prerequisite for the eradication of unemployment, although it had to be accompanied by the removal of structural impediments to job creation. The NMC said an economic growth rate of between 8% and 10% a year was necessary to lower the level of unemployment significantly.[164] [[164] Ibid]

The minister of trade and industry, Mr Trevor Manuel, said in August 1994 that 97% of school leavers could not find jobs at the beginning of 1994. He said in Parliament that 55% of African, 34% of Indian and coloured, and 21% of white workers were not employed in the formal sector.[165] [[165] *The Citizen* 24 August 1994]

According to the South African Reserve Bank, the rate of decrease in employment had accelerated from

0,6% in 1990 to 2,1% in both 1991 and 1992 and to 2,5% in the first three quarters of 1993. The reserve bank said that employment had decreased by 7,8% or nearly 430 000 workers from the second quarter of 1989 to the third quarter of 1993, which brought the level of total formal employment in the non-agricultural sectors of the economy down to a level last reached in 1981. The employment growth experienced from 1981 to 1989 had been wiped out in the four years from 1989 to 1993, according to the reserve bank.[166] [166 South African Reserve Bank (SARB), annual economic report 1994]

The reserve bank said that total formal employment in the private sector in the third quarter of 1993 had been 10,1% lower than in the first quarter of 1989. With the exception of the financial sector, all other sectors had contributed to the increase in unemployment. A reduction in the workforce in the manufacturing and mining sectors had accounted for nearly 80% of the overall decline in private sector employment between 1989 and 1993, the reserve bank said.[167] [167 Ibid]

According to the reserve bank, the public sector experienced an employment growth rate of 1,6% in 1991, compared with 0,1% in 1992. In 1993 employment by the public sector had decreased by up to 2,4%. The reserve bank pointed out that although growth in South Africa's potential labour force had outpaced growth in formal sector employment throughout the 1980s and early 1990s, rising long-term unemployment was experienced by market economies worldwide.[168] [168 Ibid]

The World Bank said in July 1994 that up to 400 000 jobs had been lost in South Africa through union-induced wage increases between 1979 and 1990. The bank said union activity had raised black wages during this period by about 15% more in real terms than what they would otherwise have been, resulting in a lower demand for labour.[169] [169 *Sunday Times* 24 July 1994] The South African Chamber of Business (Sacob) said in its *Survey of Confidence Levels in the Manufacturing Industry* in May 1994 that although increased competition as a result of the opening up of the South African economy and the gradual reduction in tariffs was likely to constrain job creation by manufacturers, it appeared as though the retrenchment phase had ended. Sacob said that 56% of industrialists surveyed expected to employ more skilled people between April 1994 and April 1995, while 51% anticipated that their employment of unskilled people would rise.[170] [170 South African Chamber of Business, *Business Confidence Index*, November 1994]

The following table provides a breakdown of the unemployed by race and sex in 1993:[171] [171 CSS, *October Household Survey*, Statistical release, PO317, 23 May 1994]

Unemployment [a] by race and sex: 1993[b]

Male[c]

Female[d]

Total

African

Number

1 399 471

1 569 068

2 968 539

Rate

31,6%

43,9%

37,1%

Coloured

Number

171 907

169 939

341 846

Rate

21,0%

26,4%

23,4%

Indian

Number

32 955

33 136

66 091

Rate

12,5%

23,0%

16,3%

White

Number

78 882

130 378

209 260

Rate

5,3%

12,9%

8,4%

Total

Number

1 683 215

1 902 521

3 585 736

Rate

24,1%

35,5%

29,0%

a

Includes people 15 years of age and older who were not in paid employment or self- employment, were available for such employment and had the desire to take up employment.

b

All figures exclude the former 'independent' homelands.

c

The proportion of the male labour force which was unemployed.

d

The proportion of the female labour force which was unemployed.

The table shows that the uemployment rate in 1993 among Africans was 37,1%, among coloured people 23,4%, Indians 16,3% and among whites 8,4%. There were more unemployed women than men in all the population groups. According to the CSS, 53,1% of the unemployed were under the age of 30, while nearly 60% had been without work for m

The minister of labour, Mr Tito Mboweni, said in October 1994 that the Unemployment Insurance Fund would be able to pay out claims only until April 1995. The fund's reserves had decreased from R1bn in 1991 to R230m in June 1994 and the shortfall in October 1994 was in excess of R20m. The cabinet had called for discussions on a task group proposal that the state fund the shortfall to the extent of 25% of employers' and employees' contributions. The task group also recommended that the state contribute an additional R60m a year for not more than five years.[173] [[173] *Business Day* 19 October 1994]

Provincial Breakdown

The following table provides a breakdown of unemployment in each of the nine provinces in 1991, compared with the situation in 1980:[174] [[174] DBSA, *South Africa's nine provinces*, April 1994]

Provincial breakdown of unemployment: 1980 and 1991

Unemployed[a]

Unemployment rate[b]

Province

1980

1991

1980

1991

Eastern Cape

137 454

310 865

13,8%

23,6%

Eastern Transvaal

33 536

143 593

5,2%

16,3%

KwaZulu/Natal

193 552

609 162

12,1%

25,2%

North-West

63 565

267 883

8,1%

22,3%

Northern Cape

17 894

46 304

6,8%

16,7%

Northern Transvaal

48 727

201 478

9,4%

24,8%

Orange Free State

47 087

162 916

6,0%

15,3%

PWV[c]

175 333

570 028

6,9%

16,6%

Western Cape

54 472

204 624

5,3%

13,3%

Total

771 620

2 516 853

8,4%d

19,4%[d]

a

Includes people actively looking for a job who are not in any type of paid employment.

b

The unemployed as percentages of the labour force excluding the marginal sector.

c

Pretoria-Witwatersrand-Vereeniging.

d

Average unemployment rate in the country.

The table shows that total unemployment increased by 226% between 1980 and 1991, which, according to the Development Bank of Southern Africa (DBSA), could be attributed partly to higher participation rates (ie the percentage of people in the 15 to 64 year age group who were active in the labour force). The DBSA pointed out, however, that participation in the labour force did not necessarily imply finding paid employment as the formal economy was unable to absorb ever-increasing numbers of job seekers. It said that unemployment rates were particularly high in rural provinces, affecting around a quarter of the labour force in KwaZulu/ Natal, the Northern Transvaal, the Eastern Cape and the

Job Creation

The aim of the national public works programme (NPWP) as envisaged in the *White Paper on Reconstruction and Development* was to 'maximise job creation potential of all capital projects'. According to the white paper, all projects for the development of infrastructure funded by the reconstruction and development programme (RDP) fund were linked to the NPWP. An amount of R250m had also been allocated for special community-based programmes. The NPWP would also provide for long-term job prospects through training and capacity building.[176] [[176] *White Paper on Reconstruction and Development*, September 1994] The NPWP should provide 2,5m jobs over a period of ten years.[177] [[177] South African Communication Services, *RSA Review*, September 1994]

In August 1994 the Department of Public Works appointed a team of eight members to facilitate the implementation of the government's job-creation programmes by setting up permanent structures with assistance from the private sector and development organisations such as the DBSA.[178] [[178] *Die Burger* 12 August 1994]

According to the National Economic Forum (NEF), an amount of up to R800m could be spent on the NPWP during the first year of the programme, while spending would amount to more than R2bn by the

fifth year.[179] [179 *The Citizen* 13 September 1994] Initially, about a quarter of the amount would be funded by rationalising departmental budgets, but by the fifth year it could be solely funded by the departments. Mr Sivi Gounden, the special adviser to the minister of public works, said in August 1994 that the implementation of the NPWP was scheduled for early 1995 and that this would take place through the second and third tiers of government.[180] [180 *Business Day* 13 September 1994]

Apart from the R250m budgeted for under the RDP fund, an amount of R292m was made available for job creation during the 1994/95 financial year. Of this, R247m from the Department of Manpower was brought over from the previous financial year, while an additional amount of R45m was granted under the 1994/95 budget. Another R72,8m had been granted for a training scheme for the unemployed.[181] [181 *The Citizen* 23 June 1994]

The NEF warned that the NPWP could employ only a fraction of the jobless at any point in time and could not solve the country's poverty, unemployment and underdevelopment problems.[182] [182 Ibid 13 September 1994] However, the acting director general of the Department of Public Works, Mr Theo van Robbroeck, said in a report to the cabinet that the NPWP might have to last longer than the envisaged five years, because of the level of unemployment in the country. In June 1994 the NEF announced a R222m scheme for job creation. According to the forum, over 40 000 temporary jobs could be generated over a period of ten months through 450 projects approved out of 2 000 proposals. About R97,6m, or 44% of the amount, had been allocated for projects emerging from community-based organisations, R73m or 33% from nongovernmental development organisations, about R40m or 18% from parastatal organisations, and about R11m or 5% from public sector departments at national, regional and local level. KwaZulu/Natal would get 23% of the amount, the Eastern Cape 22%, the Northern Transvaal 21%, and the Eastern Transvaal 8%, with the remaining 26% going to the other five provinces.[183] [183 *The Star* 16 June 1994]

The Small Business Development Corporation (SBDC) said in September 1994 that more than 39 000 jobs had been created or maintained through the corporation in 1993. Since its inception in 1981, a total of 380500 jobs had been created.[184] [184 *Sowetan* 22 September 1994] In August 1994 the SBDC announced a R240m budget to be used for financial and infrastructural support to black business. Of this, R179m came from the SBDC, while an amount of R61m was granted by the Department of Trade and Industry. The corporation said that despite a 90% failure rate for all small business undertakings, the SBDC had an 85% success rate on financial loans.[185] [185 *Business Day* 16 August 1994]

Productivity

The South African Reserve Bank said in its 1994 annual report that the rate of retrenchment of workers in the formal sector of the economy exceeded the decline in real gross domestic product. As a result labour productivity (ie the number of units of output obtained per unit of labour input) continued to increase between 1989 and 1993. The rate of increase in labour productivity in the non-agricultural

sectors of the economy accelerated from 0,3% in 1990 to 1,2% in 1992 and to 2,8% in the first three quarters of 1993. According to the bank, however, overall productivity—which had grown at an average annual rate of only 0,5% since the beginning of the 1980s-remained low in 1993. To increase the growth potential of South Africa, productivity should be raised and the reserve bank recommended that attention be given to:

• the provision of high-quality education to a large part of the population and training by the private sector;

• the improvement of services such as health, transportation and electrification;

• the training of managers, particularly middle management;

• the introduction of more advanced technology, which had been impeded in the 1980s by sanctions, disinvestment and internal unrest;

• the promotion of effective competition, deregulation, privatisation and commercialisation; and

• the maintenance of sound fiscal and monetary policy measures aimed at creating a stable financial environment.[186] [186 SARB, annual economic report 1994] The NMC said in its 1993 annual report that labour productivity in the private non-agricultural sector had increased by 1,3% in 1992. The largest increase in labour productivity, according to the NMC, was in the mining sector (9,5%), while the agricultural sector experienced the largest decrease (23,2%). Between 1985 and 1992, labour productivity increased on average by 1,2% a year, but this occurred at the expense of employment.[187] [187 NMC, annual report 1993, 24 January 1994]

Income

Income Levels

The table below shows the household subsistence levels (HSL) for a lower-income family of six and a lower-middle income family of five for March 1993 and 1994 as calculated by the Institute for Planning Research at the University of Port Elizabeth:[188] [188 Institute for Planning Research, *The household subsistence level in the major urban centres of the Republic of South Africa*, March 1994]

Household subsistence levels for lower-income families: 1993 and 1994

Centre

March 1993 R/month

March 1994 R/month

Increase

Benoni

936,27

965,32

3,1%

Bloemfontein

919,18

945,76

2,9%

Boksburg

922,06

982,59

6,6%

Brakpan

890,15

949,46

6,7%

Brits

933,61

1 028,93

10,2%

Cape Town

887,19

944,52

6,5%

Durban

910,69

944,73

3,7%

East London

860,34

941,15

9,4%

George

887,49

939,00

5,8%

Genniston

893,01

940,87

5,4%

Johannesburg

930,46

984,20

5,8%

Kimberley

929,25

989,92

6,5%

Krugersdorp

886,88

933,11

5,2%

MosselBay

867,23

929,73

7,2%

Pietermaritzburg

845,15

896,09

6,0%

Port Elizabeth

882,46

949,95

7,6%

Pretoria

946,65

1 006,61

6,3%

Springs

879,79

926,04

5,3%

Uitenhage

896,67

949,92

5,9%

Vaal Triangle

Household subsistence levels for lower-middle income families: 1993 and 1994

Centre

March 1993 R/month

March 1994 R/month

Increase (decrease)

Bloemfontein

1 044,94

1 074,91

2,9%

Cape Town

895,97

968,16

8,1%

Durban

1 034,07

1 068,32

3,3%

East London

1 025,19

1 076,86

5,0%

George

948,63

1 013,61

6,8%

Johannesburg

997,73

1 056,14

5,9%

Kimberley

997,73

1 076,64

7,9%

MosselBay

901,28

950,63

7,9%

PortElizabeth

913,50

931,52

2,0%

Pretoria

1 125,37

1 122,45

(0,3%)

Uitenhage

932,12

99

The Institute for Planning Research said that the consumer price index (CPI) for the 12 months ending March 1994 had been 8,4% for the lower-income group. The HSL of two centres, Brits and East London, showed an increase higher than the CPI for the lower-income group—10,2% and 9,4% respectively. The lowest increases were in Bloernfontein (2,9%), Benoni (3,1%) and Durban (3,7%). According to the institute, the HSL had shown a relatively low increase since September 1993—a trend that had also occurred between March 1993 and September 1993. One of the main reasons for the low increase was the fact that there had been virtually no increase in the cost of housing and transport. The newly introduced prepaid electricity system also had a dampening effect on consumption. A low increase in the price of food items was also noted. The average increase in the HSL for the lower-income group since March 1993 was 6,1%. For the lower-middle income group the average increase in the HSL was 5,8%. For people in this category, Pretoria was the most expensive place to live in March 1994 (R1 122 a month), although the HSL for the city showed a slight decline of 0,3% over March 1993. Of the centres surveyed the most inexpensive for people in the lower-middle income group was Port Elizabeth (R932 a month).

A survey conducted by the South African Advertising Research Foundation (as part of the All Media and Products Survey) found that in 1993 the average monthly household income of Africans, Asians, coloured people and whites was R996, R3 261, R2 050 and R5 602 respectively. The average household income of these race groups increased by 9,2%, 13,2%, 14,3% and 8,5% respectively over figures for 1992.

The table below shows the proportion of households of the different races in each income category:[189]
[[189] All Media and Products Survey, *AMPS 1993*, September 1994]

Monthly household income:[a] 1993

Income group R/month

African proportion

Asian proportion

Coloured proportion

White proportion

1–499

34,5%

3,7%

17,0%

1,5%

500–799

18,6%

4,5%

10,1%

2,2%

800–1399

28,4%

19,2%

22,6%

6,5%

1 400–2 499

11,8%

20,0%

20,9%

12,0%

2 500–3 999

4,3%

21,7%

16,4%

18,7%

4 000–5 999

1,5%

18,0%

7,9%

21,2%

6 000–7 999

0,4%

8,8%

3,4%

16,0%

8 000+

0,3%

4,0%

1,6%

22,0%

Average R/month: 1993

996

3261

2050

5602

Average R/month: 1992

912

2880

1793

5163

Change 1992–1993

9,2%

13,2%

14,3%

8,5%

a

Figures may not add up owing to

Wages

The announcement of the salary packages for the newly elected government in May 1994 caused a

public outcry, especially after statements by the president, Mr Nelson Mandela, before the general election in April 1994 that 'fat cats' would not be allowed in the new government.[190] [190 *Weekend Star* 7 May 1994]

The Commission on the Renumeration of Representatives (the Melamet commission), chaired by Mr Justice David Melamet, proposed a salary package of R784 350 a year before taxation for the president. However, the president would be the first South African president to pay tax and his salary would amount to R34 136 a month after tax and other deductions. Net annual salaries (after deductions, including tax) for the executive deputy presidents amounted to R338 247, while cabinet ministers and provincial premiers would get R298 043 a year. Deputy ministers would earn R240 876 a year, national assembly members and senators R137 001 and regional legislature members R132 121.[191] [191 *The Star* 9 May 1994] The salary and allowance bill for Parliament came to R78m in 1993, while the new proposals would bring the bill to R100m. The salaries and allowances for the nine provincial assemblies could amount to an additional R70m.[192] [192 *Weekend Star* 7 May 1994]

The Congress of South African Trade Unions (Cosatu) said in May 1994 that the new government had been elected on a mandate which included the promise of clean and open government as opposed to the nepotism and corruption of previous governments. An important element of this was to end the 'gravy train mentality' characteristic of apartheid parliaments and the upper echelons of the civil service. However, the president of the National Union of Mineworkers, Mr James Motlatsi, dissociated his union from Cosatu's statement, claiming the statement did not reflect the views of Cosatu's affiliates. Mr Motlatsi was a member of the Melamet commission.[193] [193 *Business Day* 27 May 1994] The caucus of the African National Congress (ANC) called in Parliament in May 1994 for an independent commission to research the salary structures for members of Parliament, but said that perceptions of a 'gravy train' in government had been grossly exaggerated.[194] [194 *The Star* 23 May 1994] In August, however, the national executive committee of the ANC said that it was committed to putting an end to the government 'gravy train' and corruption.[195] [195 Ibid 29 August 1994]

In response to the criticism, Judge Melamet said that the salaries of elected officials were linked to those in the private sector. The Melamet commission report said that it was important to attract the best available people who subscribed to the principles of the parliamentary system and to provide pay packages which were based on job content and which were competitive with the private sector market for jobs of similar content. Judge Melamet said the report had been signed unanimously by all members, which included business, labour and political representatives.[196] [196 *Weekly Mail and Guardian* 25 May 1994]

The 'gravy train' was also criticised by, among others, the Anglican archbishop of Cape Town, the Most Rev Desmond Tutu; the National Council of Trade Unions (Nactu); the Public Servants Association of South Africa; the Public Service League; the Afrikaanse Handelsinstituut; the Democratic Party; and the Freedom Front.[197] [197 *The Citizen* 14 July 1994] The National Party said the salaries of politicians should not be so low as to invite corruption. The minister without portfolio, Mr Jay Naidoo, and the minister of

trade and industry, Mr Trevor Manuel, both called for a cut in the salaries of politicians.[198] [198 Ibid 26 August 1994]

During a visit to the United States in October 1994, Mr Mandela proposed that the salaries of the president and the two executive deputy presidents be cut by 20%, while members of Parliament would be asked to take cuts of 10%. Public servants, except the lowest ranks, would have their salaries frozen for a negotiable ^period. Mr Mandela also suggested that workers and management should be encouraged to negotiate voluntary pay restraint agreements (see also *Bargaining on wages* above).

Wage Gap

Research by the University of Natal and the Human Sciences Research Council published in March 1994 showed that the income of South Africa's top earning Africans was rising faster than that in any other segment of society and that the wage gap within the African community was becoming as big as the gap between whites and Africans. The richest 20% of African households experienced a 40% growth in income from 1975 to 1991, while the incomes of the richest whites remained constant. However, the incomes of the poorest 40% of white and African households dropped equally by about 40% over the same period. Indian and coloured households showed the broadest growth, with incomes increasing by between 20% and 38% across the board, except for the poorest coloured households, whose incomes had dropped slightly.[199] [199 *Financial Mail* 12 August 1994]

The Bureau of Market Research (BMR) at the University of South Africa said in March 1994 that although the gap between white and African incomes had been narrowing since the 1960s, the closing of the gap might be delayed by a declining economic growth rate and declining formal sector job opportunities. In 1960 white personal disposable income per head had been 11,8 times that of Africans, narrowing to 9,3 times in 1980 and 9,2 in 1990. The BMR said that the real personal income of whites rose by 175% between 1960 and 1990 and that of Africans by 393%. The white share of total income fell from 70% in 1960 to 56% in 1990, while that of Africans rose from 22,4% to 32,1%. The wage gap between Africans and whites for equal work had fallen from 90% at the beginning of the 1970s to 14% in 1994.[200] [200 *Weekly Mail and Guardian* 25 March 1994]

With regard to the wage gap between managers and supervisors. Hay Management Consultants said that South Africa was not out of step with other countries in paying executives 4,01 times the average supervisory wage. The Netherlands paid top earners an average of 2,83 times and Italy an average of 4,62 times the supervisory wage. According to the consultants, the average wage of the lowest-paid South African worker was 10,6 times below that 'of top executives, 4,5 times below that of middle management and 2,5 times lower than that of supervisors.[201] [201 *Business Day* 3 October 1994] A survey by the Labour Research Service of the average wages paid to directors of large South African companies showed that their monthly salaries were between 45 and 126 times higher than those of workers.[202] [202 *South African Labour Bulletin* July 1994]

According to a survey of 600 companies by a management consultancy, P-E Corporate Services, blacks were earning 96% of the salaries of whites in 1994, compared with only 63% in 1980. The survey showed that the biggest differential remained at the lowest basic skills level where black employees earned 7% less than whites. Most of the 600 companies intended narrowing the differential in about three years. The survey also showed that women were paid about 5 % to 20% less than men in the same jobs.[203] [[203] *Business Day* 22 May 1994]

Earnings by Sector

Comprehensive statistics for the private sector were not available at the time of writing. The average monthly salaries and wages by race in selected activities in the private sector in June 1993 and the actual and constant percentage changes over June 1992 were as follows (brackets indicate decline) [204] [[204] CSS, *Labour statistics—Employment and salaries and wages (Summary)*, Statistical release, PO200, 30 March 1994]

Average monthly salaries and wages for selected activities in the private sector: June 1993

Construction

Finance

Manufacturing

African[a]

R/month

829

2 363

1 364

Change1992-1993

(4,4%)

15,3%

12,4%

Real change

(12,6%)

5,3%

2,7%

Asian[b]

R/month

2 337

2 443

2 266

Change1992-1993

10,1%

13,0%

12,5%

Real change

(0,4%)

2,2%

1,7%

Coloured[b]

R/month

1 360

2 777

1 496

Change1992-1993

5,6%

10,9%

11,2%

Real change

(4,5%)

0,3%

0,6%

White[c]

R/month

4 035

4 850

4 744

Change1992-1993

3,7%

10,6%

11,0%

Real change

(6,6%)

(0,4%)

0,0%

Totaf[d]

R/month

1 287

4 185

2 278

Change1992-93

0,7%

10,9%

12,9%

Real change

(8,6%)

0,0%

2,0%

a

Lower-income group consumer price index (CPI) used.

b

Middle-income group CPI used.

c

Higher-income group CPI used.

d

All items CPI used.

The average monthly salaries and wages by race in the public sector for June 1993 and the actual and constant percentage changes over June 1

Average monthly salaries and wages for the public sector: June 1993

Central government

Local authorities

Posts and telecommunications

Transnet

African[a]

R/month

2 310

1 495

2 395

3 762

Change 1992-1993

7,6%

14,0%

14,9%

7,0%

Real change

(1,8%)

4,1%

4,8%

(2,4%)

Asian[b]

R/month

4 197

3 073

4 952

3 918

Change 1992-1993

4,7%

14,8%

12,2%

24,0%

Real change

(5,3%)

3,8%

1,5%

12,2%

Coloured[b]

R/month

3 082

2 014

3 398

3 813

Change 1992-1993

11,8%

13,0%

18,9%

7,9%

Real change

1,1%

3,0%

7,5%

(2,4%)

White[c]

R/month

4 284

5 354

5 400

3 798

Change 1992-1993

7,2%

10,9%

12,5%

8,8%

Real change

(3,5%)

(0,1%)

1,3%

(2,0%)

Total[d]

R/month

3 274

2 717

4 223

3 784

Change 1992-1993

7,6%

13,4%

13,2%

8,1%

Real change

(2,6%)

2,5%

2,2%

(2,0%)

a

Lower-income group consumer price index (CPI) used

b

Middle-income group CPI used

c

Higher-income group CPI used

Average monthly salaries and wages for the public sector: June 1993 (continued)

Civil services of non-independent homelands [a]

Public corporations

Parastatal institutions

Agricultural marketing boards

Universities and technikons

African [b]

R/month

1 925

2 877

1 107

1 323

2 364

Change 1992-1993

2,4%

12,0%

0,1%

2,5%

17,4%

Real change

(6,5%)

2,3%

(8,7%)

(6,6%)

7,1%

Asian[c]

R/month

-

4 482

3 842

2 300

5 979

Change 1992-1993

-

14%

35,3%

(21,3%)

63,2%

Realchange

-

3,1%

22,3%

(28,8%)

47,6%

Coloured[c]

R/month

-

3 298

1 453

1 540

2 832

Change 1992-1993

-

5,4%

(5,0%)

32,8%

(9,0%)

Realchange

-

(4,7%)

(14,0%)

20,1%

(17,7%)

White[d]

R/month

-

5028

5068

5548

6144

Change 1992-1993

-

13,4%

3,3%

6,4%

13,0%

Realchange

-

2,2%

(7,0%)

(4,2%)

1,8%

Total[e]

R/month

1925

4016

3320

4175

4747

Change 1992-1993

2,4%

13,8%

11,6%

9,8%

13,1%

Realchange

(6,5%)

3,0%

0,8%

(1,0%)

2,1%

a

Coloured, Asian and white civil servants were paid by-the South African government and were, therefore, not recorded under the non-independent homelands.

b

Lower-income group consumer price index (CPI) used.

c

Middle-income group CPI used.

d

Higher-income group CPI used.

Wage Policy

Hay Management Consultants said in September 1994 that there had been a marked trend towards performance incentives and away from hikes in basic salary packages. The consultants predicted that South Africa would follow international trends in granting increases based on performance.[206] [206 *Business Day* 3 October 1994]

According to a human resource consultancy, PSA-Contact, a recent trend was the granting of the highest percentage increase to lower-skilled workers. Another trend which had emerged over the three years since 1991 was a move towards, across-the-board salary increases of a similar scale for different staff categories. [207] [207 *The Natal Witness* 28 September 1994] The consultancy said that companies were looking increasingly at extending performance-based remuneration schemes, previously limited to executives, to workers at all levels of the organisation.[208] [208 *Business Day* 16 June 1994]

Management consultants Sibson and Company South Africa said research conducted in the United States had shown that half of the companies that had introduced an incentive remuneration scheme for their workers said that they had failed to achieve the intended results. According to the consultants, 75% of workers at these companies said their productivity had dropped because they saw no link between personal performance and the pay they received. Incentive schemes should, therefore, be set up with the participation of workers to ensure identification with the goals of the scheme.[209] [209 *The Star* 11 June 1994]

The deputy minister of finance, Mr Alee Erwin. said in Parliament in September 1994 that the huge disparity between the salaries of management and employees would be resolved over time as a result of international competition. He said that the high salaries of South African executives were the result of ‘a stagnated, protected and weak economy’ and that both government and the private sector could not continue functioning as they did in the past. He said that if highly paid executives did little to improve efficiency and productivity, their companies would be taken over by foreign interests.[210] [210 *Business Day* 8 September 1994]

On the possible introduction of minimum-wage legislation by a new government, PSA-Contact said data from the International Labour Organisation indicated that the introduction of minimum wages in sub-Saharan African countries had resulted in initial big pay hikes at the lower end of the pay scale. However, it had also often led to lower productivity and rising inflation. In the short term it had appeared to narrow the wage gap but companies had found other ways of keeping managerial staff

whose salaries had been frozen, for instance by increasing benefits. Minimum-wage legislation could also negatively affect collective bargaining, as trade unions automatically demanded the maximum legal increase, according to PSA-Contact.[211] [211 Ibid 14 April 1994]

The Johannesburg Chamber of Commerce and Industry said in September 1994 that imposing a national across-the-board minimum wage would lead to large structural adjustments, 'the effect of which would be unpredictable and probably unmanageable'. It said that salaries and wage levels varied significantly between different sectors, with more prosperous industries being able to afford higher wages.

The three largest trade union federations, Cosatu, Nactu and the Federation of South African Labour Unions, decided at a joint meeting in April 1994 to push for a minimum wage in each sector of the *economy*.[212] [212 *New Nation* 22 April 1994] The Southern Africa Labour and Development Research Unit at the University of Cape Town said that in 1992 nearly 4m workers were covered by a minimum wage of one sort or another and that the NMC was investigating the possibility of extending the Wage Act of 1957 to farmworkers. Domestic and farm workers were the major sectors of the labour force not covered by some form of minimum wage.[213] [213 *Indicator SA* spring 1994, vol 11 no 4, 1994]

KEY PROJECTIONS

• Hay Management Consultants predicted in September 1994 that South Africa would follow international trends in structuring remuneration packages with incentives based on performance.

• A survey conducted by the South African Chamber of Business showed that 56% of industrialists expected to employ more skilled people between April 1994 and April 1995, while 51% anticipated that their employment of unskilled people would rise.

• The Department of Public Works said that up to R800m could be spent on the national public works programme (NPWP) during its first year, while more than R2bn would be spend in the fifth year. The NPWP should provide 2,5m jobs over the next ten years.

• The Bureau of Market Research (BMR) at the University of South Africa predicted that South Africa's labour force would increase to 23,1m by 2011, an increase of nearly 70% on the 1991 figure of 13,6m.

• According to the BMR, the African labour force would increase by 3,3% a year between 1991 and 2011, while the Asian, coloured and white labour forces would increase by 1,8%, 1,7% and 0,6% respectively.

• The BMR predicted that the female labour force would increase by an average of 3,2% a year between 1991 and 2011, while the male labour force would increase by 2,4% a year.

HOUSING AND INFRASTRUCTURE

KEY POINTS

• The CSIR said that South Africa had a formal urban housing stock of some 3,4m units in 1994 compared with an estimated 4,4m households. Only 25% of the formal units were occupied by African households, which numbered 2,2m.

• The CSIR estimated that there were 1,6m informal housing units in urban areas in 1994 and the National Electrification Forum estimated that 2,9m existed in the rural areas, bringing the total estimated number of informal houses in South Africa to 4,5m.

• The Central Statistical Service reported that 6% fewer residential buildings were built in 1993 by the private sector, compared to 1992. Of those units 56% were for whites, 20% for coloured people, 16% for Africans and 8% for Indians.

• The CSIR estimated that the urban housing backlog (excluding hostels) was 1,45m in 1994 but Dr Tobie de Vos of the CSIR and Mr Moses Mayekiso MP (ANC) estimated that the national housing backlog was 3m (including hostels and rural areas).

• The government allocated R1,8bn to housing in 1994/95 (representing 1,3% of the national budget and 0,4% of gross domestic product). The department also had some R1bn left over from the 1993/94 budget, bringing to R2,7bn the amount available for housing.

• The minister of housing, Mr Joe Slovo, approved a R325,5m plan in June 1994 to upgrade the 181 public hostels into single rental accommodation and family-owned units. The co-ordinator of the National Hostels Co-ordinating Committee, Mr Piet du Plessis, said in November that the state owned about 40% of hostels in South Africa comprising about 300 000 beds with an average of 1,2 persons per bed.

• The Housing Amendment Act passed in July 1994 provided for the establishment of nine provincial housing boards to replace the four regional housing boards established in September 1993. The new boards would have the power to advise members of provincial executive councils on policy matters that affected the provinces.

• The Department of Housing published a white paper entitled *A new Housing Policy and Strategy for South Africa* in December 1994. The document outlined the government's new approach to housing in South Africa.

HOUSING: THE PICTURE

Statistics

Present Stock

The Division of Building Technology at the CSIR estimated in September 1994 that in urban areas, South Africa had a formal housing stock (including formal houses, flats, townhouses and retirement homes) of 3 389 811 units. The CSIR added that only 836 380 of those units were occupied by African households, with the remainder shared between South Africa's three other major race groups. Approximately 4,4m households of all races lived in urban areas, according to the manager of technology for development at the CSIR, Dr Tobie de Vos, and Mr Moses Mayekiso MP (ANC), in a presentation to an Institute for Futures Research conference in the Western Cape in October 1994.[1] [1 De Vos T and Mayekiso M, *Housing: A Key Factor in the Success of the RDP*, October 1994]

The South African Advertising Research Foundation estimated in 1994 that there were 2 188 448 African households in urban areas in South Africa. This indicated a total shortage of formal housing stock among Africans in urban areas of 1 352 068 (2 188 448 minus 836 380). In 1994 the 2 169 556 coloured, Indian and white households living in urban areas shared a stock of 2 553 431 houses, indicating a possible surplus of 383 875 housing units among those households (2 553 431 minus 2 169 556). There was, however, a real shortage of 96 411 formal housing units among coloured, Indian and white households (some property owners had title over more than one residential property), according to the Division of Building Technology at the CSIR (see also *Backlog* below).[2] [2 Bureau for Economic Research (BER), *Building and Construction*, October 1994]

The Department of Housing, in its white paper entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, estimated that about 61% of all households living in urban areas in South Africa in 1994 either occupied formal housing or shared formal housing with other families.[3] [3 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, 7 December 1994, p9]

The CSIR's estimates of the size of the formal (urban) and informal housing stock (in both urban and rural areas) in the provinces are shown as follows:[4] [4 BER, *Building and Construction*, October 1994]

Present housing stock (formal and informal): 1994

Formal (urban)

Informal

African

Other[a]

Urban

Rural

Eastern Cape

117 565

177 085

284 281

832 560

Eastern Transvaal

78 131

75 444

125 929

146 778

KwaZulu/Natal

38 001

440 075

260 665

740 440

North-West

37 580

84 034

113 508

400 518

Northern Cape

23 942

73 469

25 857

14 976

Northern Transvaal

12 555

36 023

41 593

580 880

OFS[b]

152 168

168 540

132 612

140 269

PWV[c]

338 491

945 536

444 983

37 828

Western Cape

37 947

553 225

145 290

14 857

Total

836 380

2 553 431

1 574 718

2 909 106

a

Coloured, Indian and white.

b

Orange Free State.

c

Pretoria-Witwatersrand-

In its white paper the Department of Housing distinguished between urban informal housing (housing units over which tenure is held and with access to basic services such as water and sanitation) and squatter housing (units over which no formal tenure is held and with little or no access to basic services). There were about 1,5m urban informal housing units in South Africa in 1994, including 720 000 serviced sites delivered by the former provincial authorities and the Independent Development Trust

(IDT) (see *Backlog* below). About 1,06m households in the urban areas lived in squatter housing in 1994 (mostly in free-standing squatter settlements and backyards), according to the Department of Housing.[5] [5 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p10]

The CSIR's estimate of the number of informal housing units in rural areas was based on the provincial estimates of the National Electrification Forum (Nelf) during 1994. Nelf had estimated that there were about 2,9m informal housing units in rural areas. The Department of Housing reported that since 1990 farmowners had received government subsidies to build 20140 farmworker residences.[6] [6 Ibid]

According to the Central Statistical Service, in 1991 there were 1551942 Africans living in hostels, compounds (communally shared living quarters) and boarding establishments. In October 1994 Dr de Vos and Mr Mayekiso estimated that about 50% of people living in hostels wished to remain permanently in the urban area while the remaining 50% wished to live in rural areas. In December 1994 the Department of Housing estimated that 5,2% of all households in South Africa resided in private, public and 'grey-sector' (ie privately owned hostels on public sector land) hostels in 1994. The department added that no new hostel accommodation had been built in the five years preceding the publication of its white paper.[7] [7 De Vos and Mayekiso, *Housing: A Key Factor in the Success of the RDP*; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p10]

Backlog

Mr Harry Touzel of the Division of Building Technology at the CSIR stated in October 1994 that housing shortages in South Africa could be estimated in two ways: either as the number of households less the number of 'acceptable' houses; or as the number of informal housing units, which are an indication of the need for acceptable housing. Estimates of existing housing stock and stock shortages (backlogs) varied during the period under review because of differing views on what could be considered 'acceptable' housing. The Department of Housing said in December 1994 that the physical consequences of the backlog in housing were reflected in overcrowding, informal settlements and increased land invasions in the urban areas, and in poor servicing in the rural areas.[8] [8 *Department of Housing, White Paper: A new Housing Policy and Strategy for South Africa, p11*]

Urban housing shortage figures compiled by the CSIR in September 1994 interpreted 'acceptable' housing as formal housing and calculated the housing backlog as the difference between the number of households living in urban areas, and the number of formal houses which existed in those areas. Using this method the CSIR estimated the total housing backlog among all race groups in urban areas in South Africa to be more than 1,4m units in October 1994. Housing shortages in the African sector of the population accounted for 93% of the estimated backlog.[9] [9 *BER, Building and Construction*, October 1994]

Using the alternative method of calculating backlog figures (quantifying the number of informal shacks) the Division of Building Technology at the CSIR estimated that there was a shortage of nearly 1,6m formal houses in urban areas in South Africa in 1994. Although these two methods do not provide

greatly different figures (1,4m against 1,6m), estimates of each province's backlog varied more significantly, depending on the method of calculation. The following table gives the backlog calculated by province according to the two methods:[10] [10 Ibid]

Comparative estimates of urban housing backlog in South Africa (formal housing shortage): 1994

MetMethEastern Cape

149 398

284 281

Eastern Transvaal

24 286

125 929

KwaZulu/Natal

300 423

260 665

North-West

85 912

113 508

Northern Cape

23 533

25 857

Northern Transvaal

54 326

41 593

Orange Free State

77 221

132 612

PWV[a]

561 873

444 983

Western Cape

171 506

145 290

Total

1 448 478

1 574 718

a

Pretoria-Witwatersrand-Vereeniging.

Mr Touzel said in October 1994 that there was insufficient quantitative information to estimate the housing backlog in rural areas, adding that much of the traditional housing in such areas may not be regarded as 'acceptable' by some groups.[11] [11 Ibid] Mr Touzel's view was supported in the same month by Dr de Vos and Mr Mayekiso, who said that it was impossible to estimate the housing backlog in the rural areas with a 'reasonable degree of confidence'. They said that very conservative estimates would be about 750 000 units in 1994.[12] [12 De Vos and Mayekiso, *Housing: A Key Factor in the Success of the RDP*]

According to Dr de Vos and Mr Mayekiso, in 1994 the estimated housing backlog of 1,5m units would be greater by about 1,5m units if hostels and the need in rural areas were included. This represented a total housing backlog of more than 3m units, which was expected to increase by 200 000 units a year because of natural population growth. The authors said that their calculation of the total backlog was

based on a conservative estimate of 750 000 for rural areas. However, because most of the 2,91m informal houses in rural areas were not serviced and, therefore, could be regarded as constituting part of the total shortfall, the national urban and rural housing backlog could be approximately 5,16m units (ie 1,5m urban, 750 000 hostel and 2,91m rural).[13] [13 Ibid]

The Department of Housing's white paper estimated that 450 000 people in public, private and 'grey-sector' hostels needed their accommodation upgraded. (This figure included the 181 public-sector hostels which house 40% of the total number of people in hostels. Many privately owned hostels were of a higher standard than public hostels.) The department added that the 720 000 serviced sites in urban areas which needed upgrading to minimum standards could also be added to the 1,5m urban housing backlog.

Dr de Vos and Mr Mayekiso said in October 1994 that if the government's target of providing 1m houses over five years was reached, the housing backlog would have been merely frozen at 1994 levels. For the government to eliminate the housing backlog within five years, it would have to provide a minimum of 4m homes within that period.[14] [14 Ibid]

According to the Development Action Group, an urban development service organisation based in Cape Town, 7m people in South Africa lived in informal housing in 1993. At an average household size of four people, this estimate indicated a possible backlog in adequate housing of 1,75m units in 1993.[15] [15 Development Action Group (Dag), annual report 1993, p14]

The Department of Housing used the official backlog figure of 1,5m and an annual increase in the backlog of 200 000 to calculate its target of building 350 000 houses annually within five years.[16] [16 Department of Housing, *Proposed National Housing Strategy*, October 1994] The executive director of the Building Industries Federation South Africa (Bifsa), Mr Ian Robinson, said in May 1994 that he expected some 100 000 houses to be built in 1995, increasing to 200 000 in 1996 and 300 000 in 1997. Delivery of housing would then continue at this rate for a 'number of years'.[17] [17 *The Leader* 6 May 1994]

Supply

In its white paper on housing published in December 1994, the Department of Housing estimated that provision of low-income formal housing costing less than R45 000 had fallen from 45 000 units during 1989/90 to 20 000 units in 1993/94.[18] [18 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p9]

Bifsa said that 25 823 formal houses were completed by the private sector in 1993, compared with 27 234 units in 1992. Bifsa noted that 4 079 housing units were built for Africans, at an average price of R46 576; 5 106 units for coloured people, at an average price of R39 277; 1 983 units for Indians, at an average price of R111 101; and 14 655 units for whites, at an average price of R138 566. Bifsa said that private sector gross domestic fixed investment (GDFI) in residential buildings had fallen by 1% in 1993

over 1992 and that public sector GDFI in residential buildings had declined by 9,3% over the same period.[19] [19 Building Industries Federation South Africa (Bifsa), *Statistical Yearbook 1993*, pp28, 38–39]

Mr J MKahn, acting chairman of the South African Housing Trust (SAHT), said in 1994 that while demand for housing was on the increase, delivery of acceptable housing was declining.[20] [20 South African Housing Trust (SAHT), annual report 1993, p5] This view was supported by the chairman of The New Housing Company Group (NewHco), Mr Mike Rosholt, who said in June 1994 that there had been a 'declining trend in affordable housing' in South Africa because of the lack of a viable policy and the impasse in negotiations to provide mortgage finance.[21] [21 The New Housing Company Group (NewHco), annual report 1993, p5]

The table below shows the number of formal houses completed in the largest urban areas of the country in 1992 and 1993:[22] [22 Bifsa, *Statistical Yearbook 1993*, p38]

Formal houses built in 1992 and 1993

Number

Average price

Area

1992

1993

199199Bloemfontein

1 157

1 345

71 070

91 805

Cape Town

5 879

5 765

83 178

81 197

Durban

2 413

3 147

112 091

128 015

East London

227

246

92 705

83 102

Kimberley

217

529

46 101

51 849

OFS [a] Goldfields

14

11

23 286

67 182

Pietermaritzburg

601

687

90 203

100 223

Port Elizabeth

1 527

1 983

42 078

41 969

Pretoria

3 093

3 167

135 558

136 784

Vaal Triangle

715

219

65 241

98 986

Witwatersrand

9 134

8 686

116 950

123 109

Total

24 977

25 785

101 121

105 462

a

Orange Free Sta

Independent Development Trust

The IDT was established in 1990 with public funds. It aimed to help poor communities to ‘break the cycle of their poverty’ by promoting largescale development programmes. The capital subsidy scheme of the IDT was initiated in March 1991 to deliver serviced sites to low-income urban residents by making available a capital subsidy of R7 500 to households with an income of less than R1 000 a month. An amount of R845m was set aside for this scheme. The IDT expected the capital subsidy scheme to provide about 113 000 subsidies by the third quarter of 1995, making available serviced sites and secure tenure for about 600 000 people at 103 different locations nationwide. In the first two years of operation (1991–1993) the scheme transferred 57 000 serviced sites at a cost of R440m, benefiting about 300 000 people.[23] [23 Independent Development Trust (IDT), annual report 1993, p23] At the end of July 1994 the capital subsidy scheme had approved 112 834 serviced sites and had paid out R548m on 74 062 subsidies. Of the 91 463 serviced stands ready for transfer to beneficiaries in July 1994, 70 266 were already occupied, representing about 62% of the final number to be provided.[24] [24 Information supplied by the director

of communications at the IDT, Mr Jolyon Nuttall, 3 October 1994; *Cape Times* 30 June 1994; *The Argus* July 1994]

An independent steering committee established to assess the IDT's capital subsidy scheme published its findings in June 1994. The committee found that:

• the scheme had been 'largely successful' in achieving its 'primary objectives' of providing low-income urban residents with serviced sites and secure tenure;

• the scheme was the 'most appropriate intervention' for South Africa at that time;

• the scheme provided 'very low' levels of services especially on difficult terrain because the capital subsidy was fixed at R7 500;

• the scheme's mechanisms to ensure that the services were maintained after being installed were inadequate;

• the scheme's freehold tenure system could probably not be sustained in future site transfers;

• the scheme had 'disadvantaged' community-based developers who were not in a position to secure bridging finance because of the urgency with which it was implemented;

• the scheme had built capacity among developers and communities;

• the scheme allowed far more consultation and community participation to take place than had occurred in any low-income housing project in South Africa before; and

• the scheme's emphasis on labour-based construction resulted in substantial local economic development.

The chairman of the independent steering committee, Professor Alan Mabin, said in June 1994 that although the capital subsidy scheme had been successful the beneficiaries had demanded 'houses, not just serviced sites', and its limitations were not widely understood or accepted.[25] [[25] *Cape Times 30 June 1994; The Argus* 8 July 1994; IDT, annual report 1994, p11]

The IDT increased the funds committed to housing projects by 5% from R1 133m in 1992 to R1 193m in 1993. The number of projects approved by the IDT increased from 12 in 1992 to 20 in 1993. Those approved between July 1992 and June 1993 included:

• housing finance for the poor through the Group Credit Company, the IDT Finance Corporation and the Urban Foundation Land Investment Trust;

• funding for consumer protection against malpractice through the Land Investment Trust and the Legal Aid Bureau;

• grants to the Urban Foundation for housing finance, site and service development, and housing research; and

• funds for a range of other upgrading and bulk infrastructure projects in different parts of South Africa.[26] [26 IDT, annual report 1993, p36]

In 1994 the IDT committed R1 229m to 27 projects, an increase in funding of 3% over the previous year.[27] [27 Ibid]

South African Housing Trust

The volume of new houses facilitated and the amount of end-user finance provided by the SAHT declined between 1991 and 1993. During 1993 the SAHT, through its subsidiary Khayalethu Home Loans (KHL), granted 500 new home loans, a drop of 95% on the 9 500 loans granted in 1992. Since its inception in 1988 KHL had provided 34 554 home loans. At the end of June 1993 the SAHT held loans and investments in KHL and other retail institutions involved with end-user finance to a value of R625m, a decrease of R7m on the same period in 1992.[28] [28 SAHT, annual report 1993, pp9–10]

During 1993 the SAHT facilitated the provision of 1 111 houses, a decrease of almost 87% on the 9 812 provided in 1992. It facilitated the delivery of 7 772 serviced stands, which represented a decrease of 6% on 1992. Since its inception in 1987, the SAHT had provided 39 923 houses and 58 060 serviced stands. The following table shows the number of stands, houses and bonds provided by the SAHT from 1988 to 1993:[29] [29 Information supplied by a marketing analyst for the SAHT, Mr Gideon van der Westhuizen, 30 August 1994]

South African Housing Trust stands and houses facilitated and Khayalethu Home Loans bonds granted: 1988–1993

Stands

Houses

Bonds

1988

4 500

2 500

a

1989

15 000

5 500

5 714

1990

12 500

9 000

6 840

1991

10 000

12 000

12 000

1992

8 288

9 812

9 500

1993

7 772

1 111

500

Total

58 060

39 923

34 554

a

Not gr

Urban Foundation

During 1993 work continued on four informal settlement upgrading projects in the Eastern Cape, KwaZulu/Natal and the Orange Free State, involving 23 900 sites at a cost of R188m. In these projects the Urban Foundation (UF) acted as project manager, assisting residents of informal settlements to upgrade and consolidate their housing environments over time.

The UF's informal settlement support programme (see 1993/94 Survey, p340) was set up during 1993 by its Western Cape and Eastern Cape regional offices. The UF served as a member of the Walmer Technical Committee in the Eastern Cape in a venture aimed at co-ordinating development in the area and assisted the Kleinskool informal settlement in discussions about development with the Port Elizabeth Municipality. In the Western Cape the UF helped provide technical support and skills training in aspects of housing construction through the Philippi Technical Training Project, which operated mainly in Crossroads, Khayelitsha and Nyanga East.[30] [30 Urban Foundation (UF), annual review 1993, p16]

The New Housing Company Group

NewHco, a nonprofit development agency involved in low-income housing delivery and established in July 1991, comprised two subsidiary companies:

• the New Housing Company, which implemented development projects through FHA Homes (in the former Transvaal), NewHco Central (Orange Free State and Northern Cape), NewHco Natal (KwaZulu/ Natal) and Unifound (Eastern Cape); and

• the Land Investment Trust (LIT), which provided development finance through debentures raised

against security created by an IDT loan granted to it.

During 1994 NewHco provided approximately 3 484 homes (64% fewer than in 1993, when it provided 9 546 homes), creating shelter for some 60000 people. During 1993 NewHco provided 8 030 serviced sites financed by the IDT's capital subsidy scheme and 1 187 formal houses financed by conventional bank and building society mortgage bonds. The value of NewHco's developments in 1993 was R119,7m.[31] [31 NewHco, annual report 1993, p11; *Business Day* 25 October 1994]

During 1993 the LIT was responsible for financing 91 housing projects worth some R90,6m, an increase of 10% on loans of R82m provided in 1992. In 1994 the LIT advanced loans worth R100m, an increase of 10% over the previous year. In 1993 some 44% of the trust's loans were for starter-house projects, 37% for site-and-service projects, 18% for the purchase of undeveloped parcels of land, and 1% for the development of six conventional housing projects and two commercial sites. From its inception in 1991 to June 1993 the LIT had financed the delivery of 19 803 greenfield (development on previously undeveloped land) and upgraded serviced sites.[32] [32 NewHco, annual report 1993, pp13–14; *Business Day* 25 October 1994]

NewHco reported in June 1993 that FHA Homes would upgrade the 18-storey Anstey's Building in inner Johannesburg and that studies were being conducted in other cities for the implementation of similar upgrading projects. FHA was also involved in a joint venture with the Johannesburg City Council to provide 120 high-density housing units on 20 vacant sites in Jeppestown, close to the Johannesburg central business district, while Unifound had completed an infill development of 55 cluster housing units in Port Elizabeth.[33] [33 NewHco, annual report 1993, pp16, 19]

The chief executive officer of NewHco, Mr Rod MacGillivray, said in June 1994 that NewHco had the capacity to deliver 250 000 houses over the five-year period to June 1999, representing 25% of the government's national target. Mr MacGillivray noted that NewHco had delivered almost 25% of all houses built in South Africa since the company's creation in 1991.[34] [34 NewHco, *Staff News Flash*, June 1994]

Central Johannesburg Partnership

The Central Johannesburg Partnership (CJP) was registered in terms of the Companies Act of 1973 in July 1992. The three partners (the Johannesburg City Council, civic organisations and the business community in Johannesburg) aimed to create affordable inner-city housing as a way to 'restore confidence in the city centre'. Through the establishment of the newspaper *Homeless Talk*, the Inner City Housing Task Group of the CJP created employment opportunities for the homeless, who were paid a percentage of the price of each newspaper which they sold. The CJP estimated in June 1994 that there were some 6 000 homeless people in Johannesburg's inner city. The CJP was also part of a focus group which was trying to establish a community-based development organisation to deal with urban decay and the provision of housing in the eastern areas of Johannesburg.[35] [35 *Central Johannesburg Partnership,*

annual report 1993/94]

The Kagiso Trust, a nongovernmental development finance organisation launched in 1986 to contribute to strategies, programmes and projects to 'overcome the legacies of apartheid', announced in 1993 that it had secured R50m for an inner-city housing development association to provide rental accommodation for low-income groups.[36] [36 Kagiso Trust, annual report 1992/93]

Service Organisations

During 1993 Planact, a nonprofit urban development company based in Johannesburg, was involved in programmes in the east, central and west Rand, the Eastern Transvaal, Pretoria and the Vaal Triangle. Planact's regional programmes concentrated on four areas during 1992 and 1993. These were:

• a community finance programme, which sought to assist Planact clients in their 'relations with the financial system';

• a local government programme, which worked with Planact clients in the Local Government Negotiating Forum;

• an urban land and housing programme, which sought to provide advice to Planact clients and to facilitate the development of urban land and housing policies; and

• a gender working group which aimed to research gender and development in Planact's projects.

Planact's objective was to 'promote integrated, community-driven development to ensure an equitable distribution of resources and a democratic and sustainable urban environment'.[37] [37 Planact, annual report 1992/93]

The Built Environment Support Group (BESG), a nonprofit development organisation based at the University of Natal (Durban), provided development advice and support to those who could not afford to pay commercial fees for those services. During 1993 BESG was involved in ten projects to acquire land and upgrade services (benefiting 6 500 families) and three to develop housing delivery systems (benefiting more than 2 000 families) in the Durban and Pietermaritzburg metropolitan regions.[38] [38 Built Environment Support Group, annual report 1992/93, p12]

The Kwazulu Finance and Investment Corporation

The KwaZulu Finance and Investment Corporation (KFC), a statutory development corporation established in 1978 to facilitate development in KwaZulu/Natal (including the provision of housing and the development of residential infrastructure), granted housing loans totalling R82,6m in 1994, compared with R85,2m in 1993. It held an accumulated outstanding home loan balance of R423,5m over

five years, from 1990. In 1994 the KFC provided bridging finance to two developers totalling R307 000, compared with R2m in 1993. At the time of writing the KFC had 13 868 current home loan accounts on its books.[39] [39 The KwaZulu Finance and Investment Corporation, annual report 1994, p11]

Finance

Government Spending

According to the *Budget Review*, published in June 1994, some R1,8bn was allocated for housing and related services during the 1994/95 financial year. This represented 1,3% of the national budget and 0,4% of gross domestic product (GDP). In comparison the Department of Defence was allocated some R10,5bn (more than 8,7% of the budget and 2,7% of GDP) in the 1994/95 financial year.[40] [40 *The Star* 26 July 1994; *Business Day* 9 August 1994; *Budget Review* 22 June 1994] The Department of Housing also had some R1bn available from the 1993/94 budget, bringing to R2,7bn the amount available for housing in the 1994/95 financial year. During the Department of Housing budget vote in October 1994, however, it was indicated that R1,4bn of the money available to the department for the 1994/95 financial year had already been committed to housing projects by the previous government.[41] [41 *Budget Review* 22 June 1994; *Weekend Star* 22 October 1994]

Previously, in August 1994, the minister of housing, Mr Joe Slovo, had said during a parliamentary debate that the R4,6bn the Department of Defence had planned to spend on the purchase of corvettes could provide housing subsidies for 368 000 families or about 1,5m people and that he could not see the justification in the department's decision to spend the money when people were living in shacks.[42] [42 *The Citizen* 5 August 1994]

In October 1994 Dr Tobie de Vos of the CSIR and Mr Moses Mayekiso MP (ANC) stated that R2,2bn had been allocated from the 1994/95 budget to the nine provinces for the granting of subsidies (see *Provincial breakdowns* below), including R733m transferred from the 1993/94 budget but already committed to housing projects. In view of the fact that 78,5% of households eligible for housing subsidies in South Africa had been entitled to the maximum subsidy of R12 500 at the time, compared with 14,6% entitled to the intermediate subsidy (R9 500) and 6,9% entitled to the lowest subsidy (R5 000), the two estimated that the government's plans to build 1m low-cost houses within five years would cost R11,5bn in housing subsidies at 1994 prices. The Department of Housing white paper entitled *A new Housing Policy and Strategy for South Africa* and published in December 1994, subsequently created a fourth subsidy category of R15 000 for households which earned less than R800 per month (see *Government subsidy scheme* below).[43] [43 De Vos and Mayekiso, *Housing: A Key in the Success of the RDP*, p11]

According to the white paper, greater spending on housing was required than allowed for in the 1994/95 budget if the government was to meet its target of 1m houses in five years. The department said that greater spending would only be possible by expanding the tax base or by reallocating funds among

national budget categories, adding that there was little scope for reallocating funds within the national budget and that therefore there were limitations on the amount available for government housing subsidies.[44] [44 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p6]

The deputy director general of the Department of Housing, Mr Neville Karsten, told the parliamentary joint committee on finance in July 1994 that finances available for housing would have to be increased to R80bn in the next ten years to meet South Africa's housing needs. Mr Karsten said the government would have to contribute R46bn (58%) of this, with the remainder coming from the private sector. Mr Karsten said that R80bn would represent 5% of gross national product.[45] [45 *Business Day* 4 July 1994]

Foreign Aid

The white paper on housing acknowledged the 'high likelihood' that international aid would be used for housing as well as related infrastructural development. By August 1994 a total of R1,9bn had been pledged by foreign donors for development assistance in 1994/95, increasing to R4,4bn over three years, according to the Development Bank of Southern Africa.

In August 1994, however, the Institute for Futures Research at the University of Stellenbosch expressed 'serious doubts' about the development implications of some of the aid announcements, because of the likelihood that they would benefit companies in donor countries more than in South Africa and because they were minimal when compared with the actual need for development financing.[46] [46 Institute for Futures Research, *The Foreign Sector: Constraints on its Role in the Development of South Africa*, August 1994]

In December 1994 a report compiled by the International Development Co-operation Committee (established by the cabinet in September 1994 to manage and co-ordinate activities of foreign official development associations) stated that by the beginning of November 1994 a total of R4,7bn had been pledged by foreign donors in grant aid alone (excluding concessional loans) for development in South Africa (not all to be spent during 1994/95 but over various periods). Previously, in October 1994, the deputy minister of finance, Mr Alec Erwin, had said that South Africa had been offered foreign aid valued at R10bn since the general election in April 1994. Later the same month a government source said that about R4bn had been pledged in the form of grant aid, while the remaining R6bn consisted of concessionary loans and trade guarantees. While final arrangements on the allocation of the grant aid had not been made at the time of writing, it was certain that some of the money would be spent in the housing sector. The following table shows a breakdown of grant aid pledged by 16 donors as at 1 November 1994: [47] [47 *Business Day* 27 October 1994; International Development Co-operation Committee, *The Status of International Development Co-operation in South Africa as at 1 December 1994*, December 1994; telephonic interview with a spokesman for the International Development Co-operation Committee, Mr Adriaan Woudstra, 14 December 1994; telephonic interview with a spokesman for the International Relations Department of the Development Bank of Southern Africa (DBSA), Mr van Loggerenberg, 14 December 1994]

Foreign development grant aid as at 1 November 1994

Country/multilateral organisation

AmoDelAustralia

80,0

1994–96

Canada

156,0

1994–96

Commonwealth

5,0

1994–95

Denmark

385,0

1994–98

European Union

989,0

1994–95

Finland

40,0

1995–97

Germany

190,0

1994–95

Ireland

6,6

1994–95

Italy

69,8

1990–95

Japan

165,0

1994–95

Netherlands

98,0

1994–95

Norway

250,0

1995–2000

Sweden

110,0

1994–95

Taiwan

132,0

1994–[c]

UNDP[a]

59,4

1994–96

United Kingdom

330,0

1994–97

United States

1 742,0

1994–96

Total[b]

4 700,0

–

a

United Nations Development Programme.

b

Figures do not add up owing to currency rate fluctuations and rounding.

c

Unspecified.

Some foreign donors specified how their aid finance should be utilised to assist in the resolution of South Africa's housing crisis. Included among the housing related packages were:

• US$150m (about R533m) in guarantees for new housing loans and US$50m (about R178m) in guarantees for electrification loans pledged by the United States government; [48] [48 *Business Day* 6 October 1994]

• R162m for housing pledged by the United States Agency for International Development including US $1m to be spent on the Johannesburg inner city, R3,2m for the New Housing Company Group and other larger amounts for the home lending pool;[49] [49 *The Star* 28 September 1994; *Housing in Southern Africa* October 1994; *Business Day* 7 October 1994; *Sunday Times* 10 October 1994] and

• R115m for rural housing pledged by the German government.[50] [50 *Business Day* 17 November 1994]

The Reconstruction and Development Programme Fund

The white paper on housing did not refer to the reconstruction and development programme (RDP) budget as a potential resource for housing. However, part of the RDP budget was allocated to housing projects. The minister without portfolio, Mr Jay Naidoo, said in September 1994 that R304,6m from the special R2,5bn RDP budget would be spent on urban renewal, R220m on urban reconstruction and housing, and R20m on promoting smallscale housing enterprises. Mr Naidoo also said that R500m would be spent on the extension of municipal services and R1,5m on developing a methodology for urban infrastructure investment planning.[51] [51 *The Citizen, Sowetan* 7 September 1994]

Private-Sector Resources

The white paper on housing stated that private-sector resources could be used for development provided that the correct policy framework existed. The *Record of Understanding between the Department of Housing and Association of Mortgage Lenders for a Resumption at Scale of Lending to Lower Income Borrowers* signed in October 1994 made it possible for the private sector to invest money in housing (see *Conventional banking* below).

In November 1994 First National Bank (FNB) pledged R14bn to the RDP over five years from 1995 for the construction of low-cost housing (R10bn), basic infrastructure, education, health and privatisation. It was reported in the same month, however, that other banks believed that FNB had merely given existing expenditure projections an RDP tag. A general manager of the FNB, Mr John Meiring, responded that the allocation of R14bn was not relabelling of existing activities but an additional allocation (see *Conventional banking* below).[52] [52 *The Citizen* 10 November 1994, *Business Day* 14 November 1994]

Private Individuals' Resources

Department of Housing policy, as set out in the white paper on housing, aimed at mobilising housing credit in the long term by recognising the importance of individual personal savings, which could be used as leverage for housing credit. According to the white paper, individual savings could be used as security on properties purchased and a savings-linked credit scheme (SCS) would be implemented in co-operation with mortgage lenders, which would permit individuals with satisfactory savings records to acquire housing credit through commercial lending institutions.

The SCS aimed to establish a savings/subsidy/credit link and was outlined in the record of understanding between the Department of Housing and the Association of Mortgage Lenders signed in October 1994. The understanding stipulated that individuals who had applied for a government housing subsidy and who wanted to borrow further had to have demonstrated a monthly savings pattern over a defined consistent period (probably nine months) and had to have a good record of paying other rentals (rates and service charges, etc) over the same period. Savings accumulated by the individual over the nine-month period would be regarded as sufficient for a deposit.[53] [[53] *Record of Understanding between the Department of Housing and Association of Mortgage Lenders for a Resumption at Scale of Lending to Lower Income Borrowers*, 20 October 1994, pp18–19; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p30]

Government Housing Subsidy Policy

The government's new housing subsidy scheme, which was introduced in March 1994 replaced all subsidy formulas with a single integrated subsidy scheme based on a cash grant.[54] [[54] *National Housing Forum (NHF), Housing Subsidy Scheme: Introduction in Terms of the Interim Arrangements for Housing Agreed between the Department of National Housing and the National Housing Forum, 11 March 1994*]

The project-based subsidy scheme was the first of the government's new subsidy arrangements to be implemented. Under its terms a developer could apply to the provincial housing board for housing subsidies on behalf of the individual beneficiaries of the project. The subsidies would be paid over to the developer only after properties had been transferred to the beneficiaries. Beneficiaries were bound to a particular project whereas people applying for an individual subsidy could use the subsidy to acquire property in any location.[55] [[55] *Ibid; Business Day* 18 August 1994]

In September 1994 the chairman of the National Housing Board, Dr Joop de Loor, announced that the board had approved in principle a range of new housing subsidies (in addition to the project-based subsidy) including an individual subsidy, a social subsidy and a consolidation (or 'top up' subsidy)—see *Government subsidy scheme* below.[56] [[56] *Business Day* 20 September 1994]

In instances where applicants had additional available credit (over and above the subsidy itself), the banks would facilitate the processing and forward the application to the provincial housing board for approval. An applicant without additional credit would have to apply directly to the provincial housing

board for assistance.[57] [[57] *Sunday Times* 2 October 1994]

Legislation

The Housing Arrangements Act passed by Parliament in September 1993 aimed to ensure that housing could be delivered during the 'interim phase' while detailed long-term housing policy was still being developed. The three main points of the act were:

• the formation of a national housing board (NHB) to advise government on national housing policy;

• the formation of regional housing boards in the (former) four provinces to approve the allocation of housing subsidies at provincial level; and

• the amalgamation of some housing funds and housing institutions of the previous 'own affairs' administration.

The NHB replaced five structures of the previous housing bureaucracy. The deputy chairman of the National Housing Forum (NHF) co-ordinating committee, Mr Khehla Shubane, and the co-ordinator of the co-ordinating committee and plenary at the NHF, Ms Kecia Rust, said in September 1994 that the Housing Arrangements Act of 1993 was the first attempt by the government to make the allocation of government resources more efficient and to create a 'less confusing' government approach to housing delivery.[58] [[58] *Housing in Southern Africa* September 1994]

The Housing Amendment Act passed in July 1994 revised the Housing Arrangements Act of 1993, making provision for the establishment of nine provincial housing boards to replace the four regional housing boards. According to the NHF, the new boards were, however, to be more representative than the old regional housing boards (board members would represent their interest groups rather than act in their individual capacity) and would have the power to advise the provincial housing MEC on policy matters affecting the province. The Housing Amendment Act also extended subsidies to the former non-independent and 'independent' homelands.[59] [[59] Housing Amendment Act of 1994, *Government Gazette* 15849, 13 July 1994; *Housing in Southern Africa* September 1994]

In terms of the Housing Amendment Act, NHB membership would comprise representatives of consumer organisations and community-based groups, suppliers and financiers, and government, respectively making up one third of the board. The Department of Housing described the functions of the NHB as follows:

• to advise the minister of housing on policy, strategy and related matters;

• to recommend budget allocations to national housing institutions, parastatal housing bodies and the provinces;

• to oversee the execution of national housing policy; and

• to evaluate and monitor the performance of the housing sector and review policies and strategies accordingly.

The provincial housing boards, membership of which would be constituted in the same way as the NHB, were to be established by the provincial legislatures to which they would be accountable. The boards would have two main functions. These were:

• to advise the provincial government on provincial housing policy; and

• to approve housing projects in terms of the national housing subsidy scheme as well as provincial housing programmes, where appropriate.[60] [60 Department of Housing , *White Paper: A new Housing Policy and Strategy for South Africa*, p37]

The Housing Second Amendment Act gazetted in November 1994 authorised payment of individual housing subsidies to end-beneficiaries, whereas existing legislation (ie the Housing Arrangements Act) permitted project-based subsidies to be paid out only to third parties such as housing developers. Responding to concerns raised by the standing committee on housing in the National Assembly that the subsidy payments could be abused, the director general of housing, Mr Billy Cobbett, said that 'no one would ever be given cash'.[61] [61 *The Citizen* 10 November 1994] The department was in the process of drawing up a policy which would ensure that individual subsidies were used to satisfy housing needs.

Other legislation either enacted or still pending at the time of writing included:

• the Local Government Transition Act which was assented to by the state president in January 1994 (see *Rent, services and bond boycotts* below);

• the Restitution of Land Rights Act enacted in November 1994 (see *Land* below and the chapter on *Land, Agriculture and Rural Areas*); and

• the Development Facilitation Bill circulated for discussion and comment by interested parties in October 1994 (see *Development Facilitation Bill* below).

Provincial Breakdowns

The Department of Housing allocated some R2,2bn to the nine provinces for housing subsidies during 1994. The funds were divided among the provinces according to five criteria identified by the

department and the National Housing Forum. These were:

• total number of households in each province;

• income profiles across the subsidy range of people living in each province;

• size of the housing backlog in each province;

• overall level of development in each province; and

• past performance of each region in the delivery of housing.[62] [62 *Business Day* 13 July 1994, 18 August 1994]

The table below shows comparative provincial figures on income profiles, the unemployment rate, personal income per head, the housing backlog (and housing targets over one and five years) as well as central government budgetary allocations for housing subsidies in the 1994/95 financial year:[63] [63 *Housing in Southern Africa* October 1994]

Provincial comparisons

Income profiles

Eastern Cape

Eastern Transvaal

KwaZulu/ Natal

North-West

Northern Cape

R0–R1 499

79,6%

74,0%

67,0%

75,7%

55,6%

R1 500–R2 499

8,0%

11,6%

12,4%

11,1%

15,0%

R2 500–R3 499

3,4%

3,2%

5,6%

4,3%

10,6%

R3 500+

8,9%

11,3%

14,9%

8,9%

18,7%

Total[a]

100,0%

100,0%

100,0%

100,0%

100,0%

Unemployment rate

23,6%

16,3%

25,2%

22,3%

16,7%

Personal income/ capita (R) (1985)

1 360

2 341

971

2 000

2 817

Population (1993)

6,7m

2,8m

8,5m

3,5m

0,8m

Housing backlog (000)

300

126

1 000

160

26

Housing target (1st year)

61 000

N/A

20 000

25 000

N/A

Housing target (5 years)

N/A

N/A

250 000

150 000

N/A

Central government funding allocations (Rm)

First round

173,3

89,8

291,3

88,9

39,4

Second round

113,3

60,3

199,7

57,2

29,1

Total

286,6

150,1

491,0

146,1

68,5

Provincial comparisons (continued)

Income profiles[64]

Northern Transvaal

OFS[c]

PWV[d]

Western Cape

Total

R0-R1499

81,5%

72,2%

48,2%

42,7%

66,2%[b]

R1500-R2499

8,3%

9,5%

14,3%

18,7%

12,l%[b]

R2500-R3499

3,6%

5.6%

7,1%

9,6%

5,8%[b]

R3500+

6,7%

12,7%

30,3%

29,0%

15,7%'[b]

Total[a]

100,0%

100,0%

100,0%

100,0%

100,0%

Unemployment rate[65]

24,8%

15,3%

16,6%

13,3%

19,4%[b]

Personal income/ capita (R) (1985)[66]

725

2 184

4 575

4 373

1 813[b]

Population (1993)[65]

5,1m

2,8m

6,8m

3,6m

40,7m[a]

Housing backlog (000)

42[64]

300[71]

600[72]

181[73]

2 735

Housing target (Ist year)

N/A

40 000[76]

150000

40 000

N/A

Housing target (5 years)

N/A

321 000[76]

N/A

N/A

N/A

Central government funding allocations (Rm)

Firstround[67]

129,5

80,8

271,9

164,0

1 328,9

Second round

80,6

52,3

192,11

19,0

903,6

Total

210,1

133,1

464,0

283,0

2 232,5

a

Figures may not add up owing to rounding.

b

Average.

c

Orange Free State.

d

Pretoria-Witwatersrand-Vereeniging.

N/A — Not available.

64 [64 BER, *Building and Construction*, October 1994] 65 [65 Fast Facts No 7 1994] 66 [66 *Business* May 1994—Nafcoc Supplement] 67 [67 *Housing in Southern Africa* October 1994] 68 [68 *Eastern Province Herald* 14 September 1994] 69 [69 *The Natal Witness* 9 March 1994] 70 [70 Information supplied by the MEC for housing and local government in the North-West, Mr Darkey Afrika, 16 August 1994] 71 [71 Telephonic interview with the chairman of the Orange Free State (OFS) Regional Housing Board, Mr Job Pretorius, July 1994; information supplied by the MEC for housing and local government in the OFS, Mr Vax Mayekiso, 8 August 1994; *Commentum* September 1994]

Eastern Cape

The Eastern Cape received R286,6m (12,8%) of the amount allocated to the provinces in 1994/95 for government housing subsidies. (The province is the second poorest of the nine new provinces—personal income per head was R1 358 in 1985-and has 16% of the population.)80 [80 Fast Facts No 7 1994; *Enterprise* July 1994]

The Eastern Cape provincial legislature estimated in September 1994 that there was a housing backlog in the province of 300 000 units. This figure was close to CSIR estimates published by the Bureau for Economic Research (BER) at the University of Stellenbosch in October 1994. (The CSIR estimated that there were 284 281 informal structures in the province.) In order to eliminate the existing housing backlog by 1999 housing for 61 000 families would have to be provided each year, according to the MEC for housing and local government in the Eastern Cape, Mr Max Mamase. In June 1994 Mr Mamase said that he expected the annual supply of housing in the province to increase to 250 000 in the tenth year. In September 1994 it was reported that no provincial housing board had yet been established in the province.81 [81 *Eastern Province Herald* 3 June 1994, 14 September 1994]

The director of housing for Port Elizabeth, Mr Andrew Gibbon, said in September 1994 that 181 101 housing opportunities had to be created in the Port Elizabeth area before 2005 to prevent the housing problem in the city from worsening, Mr Gibbon said that this would cost R2,26bn (R226m per year) in government subsidies—in the 1994/95 financial year, the Eastern Cape was granted R286,6m by the central government.82 [82 Ibid 7 September 1994]

Mr Gibbon added that the government's maximum subsidy of R12 500 (later increased to R15 000) would not be enough to provide families with completed houses in the Port Elizabeth area. The subsidy allowed for provision of a 300m^2 site with basic services such as electricity, water points, waterborne sewerage, high mast township lighting and gravel roads. Any money remaining after the serviced site had been paid for could be used to pay for a 50m^2 reinforced concrete slab with a lavatory, Mr Gibbon said.83 [83 Ibid 7, 14 September 1994; BER, *Building and Construction*, October 1994]

Mr Mamase said in September 1994 that most people in the province could not afford to pay for their homes. The BER reported in October 1994 that almost 80% of households in the Eastern Cape earned

less than Rl 500 a month, while about 64% of the province's population earned less than R 1 000 a month.[84] [84 Ibid]

Eastern Transvaal

The Eastern Transvaal was allocated R150,lm (6,7% of the total) for low-income housing subsidies in 1994 by the Department of Housing. The Transvaal Regional Housing Board approved 6 845 subsidy applications in the first tranche of approvals in August 1994. This would cost R86m in subsidies. By October 1994 the board had approved seven more projects for the construction of some 12 347 residential units in the province.[85] [85 *The Citizen* 19 August 1994; information supplied by the Transvaal Regional Housing Board, 13 October 1994]

The BER estimated in October 1994 that there were 125 929 informal housing units around the urban areas in the Eastern Transvaal. The existence of informal housing was regarded by the CSIR as a manifestation of housing need (see *Backlog* above) and therefore gave an indication of the size of the housing backlog in the province.[86] [86 BER, *Building and Construction*, October 1994]

KwaZulu/Natal

KwaZulu/Natal was allocated R491m for low-income housing subsidies during the 1994/95 financial year. This constituted 22% of the total funds allocated, a greater proportion than any other province (KwaZulu/Natal had 21% of the country's population).

The premier of KwaZulu/Natal, Dr Frank Mdlalose, said in August 1994 that housing would receive priority in the provincial legislature and that once the provincial infrastructure was functioning, 100 000 new homes would be provided each year. It was reported in October 1994 that the MEC for housing and local government in KwaZulu/Natal, Mr Peter Miller, aimed to have 1m houses built in the province over a ten-year period, 250 000 of them (at a cost of R8bn) in the first five years. Some 20 000 houses would be built during the first year of the new government. Mr Miller had said in August 1994 that the KwaZulu/Natal government would finance the construction of 250 000 houses while the remaining 750 000 would be financed by the reconstruction and development programme fund.[87] [87 Fast Facts No 7 1994; *Weekly Mail and Guardian* 5 August 1994; *Business Day* 18 August 1994; *Developer* August 1994; *Financial Mail* 7 October 1994]

In March 1994 the administrator of Natal, Mr Con Botha, had said that some 1,2m people in the Durban Functional Region, 200 000 in the Pietermaritzburg area and 500 000 in other parts of the province lived in informal settlements.[88] [88 *The Natal Witness* 9 March 1994]

The KwaZulu/Natal Provincial Housing Board reported in September 1994 that during its first tranche of subsidy applications, which closed at the end of June 1994, its predecessor (the Natal Regional Housing Board) had approved 46 housing projects for the creation of 22 825 housing opportunities

involving R173,3m in subsidy payments. This represented a 62% success rate among applicants. The board had received applications for the construction of 36 575 units in the province as a whole, 27 540 of which were in the Durban Functional Region. Of the 22 825 erven approved, 17 405 (76%) were in the Durban Functional Region, while 2 239 (10%) were in the Pietermaritzburg metropolitan area and 3181(14%) in nine other predominantly urban settlements. The subsidies would be spread over three years until the 1997/98 financial year. The bulk (70%) of the subsidies would be met from the 1995/96 provincial housing budget and only 24% of the approvals would be from the 1994/95 budget, while the remainder (6%) would be paid from the 1997/98 budget. Although all subsidy approvals made by the board at the time of writing were for project-based subsidies as the central government's policy for individual subsidies had not been finalised at that time, the Natal Regional Housing Board had accepted subsidy applications from individuals before the end of June.89 [89 *Financial Mail* 17 June 1994; Natal Regional Housing Board, *Projects Approved Information Pack,* September 1994; *The Citizen* 27 September 1994]

The KwaZulu Finance and Investment Corporation announced in April 1994 that R87m (35%) of its R250m capital investment budget for 1994/95 would be invested in housing.90 [90 *Developer* April 1994]

North-West

The North-West was allocated R146,lm (6,5%) for low-income housing subsidies during the 1994/95 financial year. In August 1994 the MEC for housing and local government in the North-West, Mr Darkey Afrika, estimated that there was a backlog of some 160 000 houses in the province. Mr Afrika said that the provincial government's housing target was 25 000 houses in the first year and 150000 units over five years.91 [91 Information supplied by Mr D Africa, 16 August 1994]

The Transvaal Regional Housing Board had approved subsidy applications for the construction of 4 000 residential units in the North-West as part of the first tranche of subsidy applications in August 1994. The board approved applications for construction of a further 15 015 units as part of 14 different projects in the province in October 1994.92 [92 Information supplied by the Transvaal Regional Housing Board, 13 October 1994]

Northern Cape

The Northern Cape received R68,5m (3%) from the Department of Housing in 1994 for the allocation of low-income housing subsidies during the 1994/95 financial year. Information on the provincial estimate of housing backlogs and provincial housing targets was not available at the time of writing. However, the BER estimated in October 1994 that there were about 25 857 informal dwellings in the urban areas of the province.93 [93 BER, *Building and Construction*, October 1994]

Northern Transvaal

The Northern Transvaal received a total of R210,lm (9,4%) from the Department of Housing for government housing subsidies during 1994/95.

One project application for the construction of 518 residential units in the Northern Transvaal was approved by the Transvaal Regional Housing Board in the first tranche of approvals announced in August 1994. The development would take place at a total subsidy cost of R2,9m. A spokeswoman for the Transvaal Regional Housing Board, Ms Hanlie Botha, said in August 1994 that although the number of approvals was minimal compared with the housing need in the province (there were 41 593 informal dwellings in the urban areas in the province), the board had received only one project application.[94] [94 *Telephonic interview with a spokeswoman of the Transvaal Regional Housing Board, Ms Hanlie Botha, 3 August 1994; The Citizen 19 August 1994*]

Orange Free State

The Orange Free State (OFS) was allocated R133,lm (5,9%) for low-income housing subsidies during the 1994/95 financial year. The MEC for housing and local government in the OFS, Mr Vax Mayekiso, said in August 1994 that housing was the most important social need facing people in the province. Mr Mayekiso estimated the backlog in 'acceptable' housing in the province at between 250 000 and 320 000 units in August 1994. The provincial government aimed to eliminate this over five years, starting with the construction of 40 000 units in its first year of government.[95] [95 *Information supplied by Mr V Mayekiso, 8 August 1994; Commentum* September 1994; telephonic interview with Mr J Pretorius, July 1994]

Mr Mayekiso said that 'acceptable' housing was defined by the OFS government according to 11 factors, which included the following:

• the dwelling should be at least 40m^2

• it should include a shower, lavatory, wash basin and sink;

• foundations should be designed to suit local conditions;

• external walls should be 75mm thick and coated in a cement wash;

• external door(s) should be made from hardwood while the lavatory door should be hollow core;

• windows should be of the clisco type (metal frame not requiring concrete support) and of minimum size;

• the roof should either be constructed of corrugated iron with a ceiling or of asbestos without a ceiling;

• the type of construction should be accepted by residents; and

• the houses should be built on vacant land.[96] [96 Information supplied by Mr V Mayekiso, 8 August 1994]

Mr Mayekiso said that the average unit would cost R25 000 (R7 500 for the serviced site and R17 500 for the top structure) and that monthly loan repayments should not exceed R150.[97] [97 *The Citizen* 30 August 1994; information supplied by Mr V Mayekiso, 8 August 1994]

It was reported in November 1994 that a project to build 600 houses at Bohlokong, made possible by the government's new subsidy scheme, was the first project to be implemented in South Africa in terms of the new policy.[98] [98 *Commentum* November 1994]

The OFS Regional Housing Board received applications for subsidies for 26 housing projects involving the construction of some 45 008 residential units in the first tranche. In the second tranche the board received applications for subsidies for 33 housing projects involving the construction of 37 699 residential units. Approval was granted in the first tranche to seven projects for the construction of some 2 747 units (6% of subsidy applications) involving project-based subsidies valued at over R33m. According to Mr Mayekiso, the cost of units to be built as part of approved projects varied between R13 000 and R23 000. The chairman of the OFS Regional Housing Board, Mr Job Pretorius, said that all houses which were approved in the first tranche were not less than 30m^2 in size and included potable water connections, waterborne sewerage and electricity, Mr Pretorius also said that all approvals made in the first tranche were for urban-based projects.[99] [99 *Financial Mail* 17 June 1994; information supplied by Mr V Mayekiso, 8 August 1994; information supplied by Mr J Pretorius, 22 August 1994; *Commentum* August, September 1994]

In September 1994 Mr Mayekiso said that arrangements for the establishment of an OFS provincial housing bank were at an 'advanced stage' and that the bank could be operational by November 1994. The bank had not, however, been established by January 1995.[100] [100 *Commentum* September 1994]

Pretoria-Witwatersrand-Vereeniging

The Pretoria-Witwatersrand-Vereeniging (PWV) province was allocated R464m (20,7% of total) by the Department of Housing for low-income housing subsidies in the 1994/95 financial year. The MEC for housing and local government in the province, Mr Dan Mofokeng, estimated in August 1994 that a need existed for about 600 000 housing units.[101] [101 *Housing in Southern Africa* August 1994]

The Transvaal Regional Housing Board was the first of the four regional housing boards to approve subsidy applications. It revealed in August 1994 that project subsidy applications for building 64 500 residential units had been approved, including 37 projects, comprising 52 248 units, in the PWV. The 52 248 units would take four years to complete and would require R526m in government subsidies (R185m in the first year), according to the Transvaal Regional Housing Board. No approvals were granted for projects in the former homelands. Applications approved by the board in the first tranche (which closed at the end of May 1994) were as follows: 45% were for one-roomed units of between 13m^2 and 20,5m^2 in size; 20% were for two-roomed units between 16,6m^2 and 51m^2, 12,4% were for four-roomed units

measuring between 33m^2 and 70m^2; and 4,5% were for floor slabs and roofs of 26,5m^2. The remainder were for combinations measuring between 33m^2 and 70m^2. Fifty-eight project applications in the PWV province involving 110 227 potential residential units were declined in the first tranche of subsidy approvals, 27 % of them for lack of funds.[102] [[102] Information supplied by Transvaal Regional Housing Board, August 1994; *The Star* 26 August 1994; *Housing in Southern Africa* August 1994]

Information provided by the Transvaal Regional Housing Board in August 1994 showed that in the PWV, 65% of the residential housing developments approved in the first tranche were for greenfield developments (ie on completely undeveloped land), while 27% would be on already serviced stands and only 8% would involve upgrading of existing informal settlements. In 61% of cases where subsidies were approved, the recipient earned less than Rl 500 per month and therefore qualified for the maximum subsidy available at that time (R12 500). In 18% of cases the recipient earned between Rl 500 and R2 500 and would therefore receive a subsidy of R9 500, while in 21% of cases the recipient earned between R2 500 and R3 500 and would receive R5 000. According to the BER in October 1994, only 7,1 % of households in the PWV earned between R2 500 and R3 500; 14,3% earned between Rl 500 and R2 500 and 48,2% earned less than R1 500.[103] [[103] Information supplied by Ms H Botha, August 1994; BER, *Building and Construction*, October 1994]

In October 1994 Mr Mofokeng announced the names of the 18 members of the new PWV Provincial Housing Board which would take over the duties originally performed by the Transvaal Regional Housing Board. The Housing Amendment Act of 1994 made provision for the nine provincial governments to appoint provincial housing boards to replace the four regional housing boards (see *Legislation* above).[104] [[104] *The Star* 26 October 1994]

In July 1994 the premier of the PWV, Mr Tokyo Sexwale, announced that his administration intended establishing a PWV regional community bank to fund the construction of 150 000 low-income houses. The proposal envisaged that the central government would contribute R750m and the contractual savings industry (Life Offices Association of South Africa members) R3,7bn a year. There would be further direct contributions from construction companies such as LTA, Stocks & Stocks and Murray & Roberts in the form of a percentage of their turnover. These contributions were to provide the R4,5bn needed to build 150 000 houses a year at a cost of R30 000 each. Mr Sexwale's spokesman, Mr Ronnie Mamoepa, said in October 1994 that the PWV government's housing scheme would use subsidies provided under the central government housing subsidy scheme to attract the private sector into investing in the provincial scheme. In terms of the scheme, only R5 000 of the R12 500 subsidy available to people earning less than Rl 500 would be used as a subsidy, while the remaining R7 500 would be used as a government guarantee to leverage private sector investment.[105] [[105] *Financial Mail* 15 July 1994; *Business Day* 21 October 1994]

The purpose of the PWV regional community bank would be to provide housing loans to people who earned less than Rl 500 per month or who were unemployed. The deputy chairman and group managing director of Stocks & Stocks, Mr Bart Dorrenstein, said in September 1994 that the construction of 150

000 houses a year in the PWV would create 928 000 temporary and 160 000 permanent jobs each year. Mr Mofokeng said in the same month that each house would cost R30 000 on average and buyers would make mortgage repayments of about R200 a month. In October 1994 Mr Mofokeng said that the houses envisaged would consist of four rooms (two bedrooms), would be $50m^2$ and would be situated on plots of at least $500m^2$. Mr Mofokeng later added that although he accepted the incremental approach set out in national policy, the PWV province would concentrate on the provision of four-roomed formal housing.[106] [[106] *Business Day* 21 July 1994, 14, 17 October 1994; *Engineering News* 2 September 1994]

In response to a question in the provincial legislature from Mr Oliver Powell of the National Party, Mr Sexwale said in September 1994 that the PWV government had set its annual housing target at 150 000 because the National Housing Forum had estimated that 300 000 houses were needed annually in South Africa—half of the country's housing need was in the PWV province.[107] [[107] *The Citizen* 7 September 1994]

It was reported in September 1994 that the joint technical committee (JTC) appointed by the minister of housing, Mr Joe Slovo, and Mr Sexwale, had approved the PWV government's plan to build 150 000 houses. The report by the JTC conceded that the PWV government's scheme included innovative ideas on housing finance for the poor as well as linking job creation to housing delivery and making loan repayments affordable. The JTC had also recommended, however, that central government should avoid issuing guarantees for institutions which provided funding for the scheme. The report also said that a national housing finance organisation was required rather than the regional bank proposed in the PWV scheme.[108] [[108] *Business Day* 5, 6 September 1994;]

Later in September 1994, however, Mr Sexwale said that although it was feasible to build 150 000 houses within a year, this could not be achieved before April 1995 because the plan had not yet been implemented. Mr Sexwale said that the first year of the PWV government housing plan would begin when a community housing bank had been established.[109] [[109] Ibid 5, 7 September 1994; *The Citizen* 5, 7 September 1994]

Western Cape

The Western Cape was allocated R283m (12,6%) for low-income housing subsidies by the Department of Housing in the 1994/95 financial year.

The MEC for housing in the Western Cape, Mr Gerald Morkel, said in August 1994 that there was a housing backlog in the province of 181 000 units, calculated according to the housing waiting list. Mr Morkel said in the same month that 40 000 housing units would have to be provided each year until 1999 to eliminate the housing backlog completely. According to reports in September 1994, 120 000 families in the Cape Town area needed housing. The mayor of Cape Town, Ms Patricia Kreiner, said in the same month that there were 43 000 families on the official waiting list for housing and that this number increased by an average of 3 70 families a month.[110] [[110] *The Argus* 10 September 1994]

It was reported in June 1994 that the Cape Regional Housing Board had decided not to process housing subsidy applications in cycles, as the Transvaal Regional Housing Board had done. The chairman of the Cape Regional Housing Board, Mr Johan Nel, said that the board wished to assess the flow of applications before setting a cut-offdate, in order to allow small applicants (usually community groupings) time to make submissions so that they could compete on equal terms with larger developers.[111] [111 *Financial Mail* 17 June 1994; *Business Day* 1 August 1994, *Cape Times* 31 August 1994]

Mr Morkel announced in July 1994 that the Serviced Land Project, initiated in 1991 and aiming to house 36 000 Cape Flats families at a cost of Rl,8bn, would proceed. Mr Morkel said that the project was scheduled for completion in March 1999 and that the development of infrastructure would absorb much of the project cost. Mr Morkel said that construction of community facilities such as halls and libraries, as well as education and health facilities, would cost R592m. Land, planning and infrastructure co-ordination would cost R601m, according to the project manager, Mr Colin Appleton. The project would include the provision of a variety of housing products including starter houses, serviced sites and completed houses. Beneficiaries would include people who lived in informal structures and people who were not catered for by hostel upgrading programmes in the area.[112] [112 Province of the Western Cape, *Media Statement by Mr G N Morkel, Minister of Housing, regarding the Implementation of the Serviced Land Project*, 29 July 1994; *The Argus* 29 July 1994, *Business Day* 29 July 1994, 1 August 1994]

HOUSING: THE PROBLEM

Institutional Structures

In its white paper, entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, the Department of Housing asserted that substantial overlapping, duplication and confusion between housing institutions had arisen because of the racial and geographical fragmentation of housing functions. Apart from the Department of Housing, there were three ‘own affairs’ administrations and ‘independent’ and non-independent homelands with jurisdiction over housing in their areas. The department said that the institutional framework for housing (government, statutory and parastatal) would be rationalised in order to create a sound basis for a long-term housing strategy.[113] [113 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p30]

Government institutional reform (outlined in the white paper) would focus on four main areas. These were:

• restructuring the statutory national and provincial housing boards to establish broader representation in the process of policy development and fund allocation (provided for by the Housing Amendment Act of 1994);

• rationalising parastatal housing bodies such as the South African Housing Trust and the Independent Development Trust (IDT) at national and provincial level, so that their activities focused on specific

mandates in the housing process;

• creating linkages between national, provincial and local governments, and statutory and parastatal corporate institutions; and

• rationalising the assets and liabilities of the different statutory housing funds. This last process was started when the Housing Arrangements Act of 1993 brought the five statutory funds under central control.[114] [[114] Ibid, pp31, 38]

The Commission on Development Finance (CDF) was established in January 1994 by the South African National Civic Organisation at the request of the then convenor of the reconstruction and development programme (RDP) of the African National Congress/Congress of South African Trade Unions/South African Communist Party alliance, Mr Jay Naidoo. Its task was to investigate and make recommendations on restructuring development finance institutions. The recommendations in the final report published in April 1994, included:

• a single reconstruction and development office should be established at national, provincial and local levels to deal with development policy, planning and analysis, as well as a single reconstruction bank to deal with normal banking functions;

• existing parastatals should be used but their boards and management structures should be radically overhauled;

• the Local Authorities Loans Fund Board should be transformed into the proposed reconstruction fund as it was the most efficient development finance institution, dispensing R45,3m of loan finance per staff member in the 1991/92 financial year compared with only R102 000 per staff member at the Land and Agricultural Bank of South Africa (Land Bank). (The Local Authorities Loans Fund dispensed R136m of loan and grant finance with a staff complement of three while the Land Bank dispensed R128m, with a staff of 1 258.);

• the Development Bank of Southern Africa should be broken up and staff transferred to the RDP office, provincial and local government and the proposed reconstruction bank because it did not function cost-effectively and was overstaffed. The remaining project evaluation staff should then sell their services privately to local government bodies and public utilities;

• the IDT and the Kagiso Trust should be merged and money channelled into areas where the government was not active;

• a retail housing bank should be established to provide bridging finance and blanket mortgage bonds to projects through community-based development organisations;

• nongovernmental development organisations should not have a right to state funding and should sell their services to communities, which would make them more accountable to those clients they served; and

• housing should remain the largest single component of development finance.[115] [[115] *Bilateralism Review*, 'Summary of the Report of Sanco's Commission on Development Finance', vol 3 no 1 1994, pp68–74]

In August 1994 the Kagiso Trust and the IDT stated that they had begun talks about rationalising overlapping functions and activities. The chief executive of the IDT, Professor Wiseman Nkuhlu, said in the same month that the government had asked the two organisations to explore the possibility of creating a single wholesale grant-making institution. Professor Nkuhlu also said that although increased co-operation between the two would be beneficial, a complete merger was not possible at that stage.[116] [[116] *Business Day* 2 August 1994]

Rural Subsidies

The Department of Housing said in the housing white paper, entitled *A new Housing Policy and Strategy for South Africa,* published in December 1994, that areas with traditional tenure systems were 'effectively excluded' from subsidy policy. This covered urban freehold or leasehold tenure arrangements, and formal towns in rural areas where freehold and leasehold tenure could be achieved. In addition, the department said that end-user finance was 'virtually impossible' for borrowers to access outside formal towns in rural areas.[117] [[117] Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, pp44, 50]

According to the white paper, the department proposed testing the viability of agri-villages (where secure tenure could be achieved) through a pilot programme under which farmworker housing could be 'de-linked' from specific farms or employers (where they did not enjoy secure tenure)—see also chapter on *Land, Agriculture and Rural Areas*. The department also proposed that farmworker housing subsidies which were available to farmowners through the Department of Agriculture should be replaced by subsidies made available to the end user through the Department of Housing. In order to improve availability of end-user finance to borrowers in rural areas, the department said that the National Housing Finance Corporation (see *National Housing Finance Corporation* below) would investigate, design and promote mechanisms to 'broaden' access to housing credit in rural areas. The department added that a presidential rural finance inquiry (to be established at some future date) would also investigate the issue.[118] [[118] Ibid]

Affordability

The Department of Housing stated in its white paper, entitled *A new Housing Policy and Strategy for South Africa,* published in December 1994, that the low incomes of many South Africans meant that

they could not afford adequate housing, adding that increasing the incomes of those groups could have a 'major impact' on the housing sector by changing latent demand for housing into effective demand. The white paper said that affordability was the 'single most significant constraint' on the delivery of housing on a large scale, adding that although the state fiscus had limitations, the most important constraint was the inability of poor people (who comprised a large proportion of the population) to afford housing.[119] [[119] Ibid, pp5, 12]

Mr Harry Touzel of the Division of Building Technology at the CSIR said in September 1994 that housing options increased significantly only at household income levels above R1 500 per month, adding that 81% of African households, 45% of coloured, 29% of Indian and 10% of white households earned less than R1 500 per month in 1994.[120] [[120] BER, *Building and Construction*, October 1994]

Research by the Division of Building Technology at the CSIR during 1994 examined the ability of households with different incomes to afford housing with assistance from the national housing subsidy scheme. The average cost of providing a single fully serviced residential site in 1994 would have been about R7 500. However, fully serviced residential stands developed by the South African Housing Trust in 1994, cost about R8 500 each. These sites ranged in size from 250m*2* to 300m*2* and were connected to water, sewerage, electricity and stormwater drainage, with single-layer tarred sealing on all roads.[121] [[121] De Vos and Mayekiso, *Housing: A Key Factor in the Success of the RDP*, p15]

Households with Income Below R1 000 a Month

The CSIR stated that households earning less than R1 000 a month were unable to afford housing of any type and would therefore be totally reliant on the R12 500 maximum subsidy provided in terms of the government subsidy policy applying prior to the release of the white paper in December 1994. Households within this income group would have to be accommodated in housing products costing no more than R12 500 to construct, unless the government decided to increase the maximum subsidy (which it subsequently did—see *Government subsidy scheme* below). The CSIR found that 61% of African, 26% of coloured, 14% of Indian and 6% of white households earned less than R1 000 per month.[122] [[122] BER, *Building and Construction*, October 1994]

The CSIR calculated that a basic 28m^2 house with two utility rooms, one water point, a bucket latrine, a single electricity point, unfinished block walls, a fibre cement roof with rafters but no ceiling and a kitchen sink, would cost some R16 933 to construct in the Pretoria-Witwatersrand-Vereeniging province (including the cost of the serviced land). This was almost R4 500 more than the maximum housing subsidy (until December 1994, when the government created a R15 000 subsidy for households earning less than R800). The CSIR based its estimate on an overhead and profit recovery of 15% plus R6 000 for the cost of the land and services.[123] [[123] Ibid]

Households with Income from R1 000 to R1 499 a Month

The CSIR found that provided households earning from R1 000 to R1 499 a month spent between 10% and 19,7% of their income on housing, and were able to get the maximum state subsidy of R12 500, they could afford to purchase a house with a maximum value of R26 195. The CSIR's estimate assumed a mortgage loan at 15,5% interest repaid over 20 years.

Figures provided by the CSIR in the same study estimated that 81% of African, 45% of coloured, 29% of Indian and 10% of white households earned less than R1 500 a month. However, only 25% of African households which earned less than R1 500 a month also earned more than R999 a month (20,4% of the total African population) and could therefore afford a house costing R26195, compared with 42% of coloured households within the category (18,6% of all coloured households), 51% of Indian households (14,9% of all Indian households) and 47% of white households (4,9% of all white households).

According to estimates produced by the CSIR in September 1994, a 28m^2 housing unit with two rooms (not bedrooms), reticulated water, waterborne sewerage, one electricity point, block walls with no external or internal finishing, fibre cement roof with rafters and no ceiling, kitchen sink, bath, lavatory and hand basin would cost some R23 339 to construct in the PWV (including the cost of serviced land). Building costs on the Cape Flats and in areas of KwaZulu/Natal were higher, due to topographical and land type considerations. This estimate was based on an overhead and profit recovery of 15% plus R7 500 for the land and the provision of services.[124] [[124] Ibid]

Households with Income from R1 500 to R2 499 a Month

The CSIR found that provided households which earned from R1 500 to R2499 a month spent between 19,7% and 25% of their income on housing, and obtained the intermediate state subsidy of R9 500, they could afford a house with a value of between R26 195 and R47 855. The estimate assumed a mortgage loan at 15,5% interest repaid over 20 years. According to the CSIR, 11% of the total number of African households fell into this category, compared with 22,6% of coloured, 21,2% of Indian and 10% of white households.

The CSIR estimated in September 1994 that a 40m*2* house with four utility rooms, reticulated water, waterborne sewerage, reticulated electricity, blocked walls with bagged finish on the outside, a geyser, fibre cement roof with rafters and no ceiling, a kitchen sink, a bath, a lavatory and a hand basin would cost R31 356 to construct in the PWV province. This estimate was based on an overhead and profit recovery of 15% plus R7 500 for the land and the services.[125] [[125] Ibid]

Households with Income from R2 500 to R3 499 a Month

Households earning from R2 500 to R3 499 a month were able to pay for a house costing between R47 856 and R62 078 provided they spent 25% of their income on housing and made use of the minimum state housing subsidy of R5 000. The CSIR's estimate assumed a mortgage loan at 15,5% interest repaid over 20 years.

The CSIR estimated that only 3,3% of the total number of African households in South Africa fell into this category, compared with 12,2% of coloured, 13% of Indian and 11,6% of white households.[126] [126 Ibid]

Households with Income Greater Than R3 500 a Month

Households earning more than R3 500 a month did not qualify for a state housing subsidy. Assuming a mortgage loan at 15,5% interest repaid over 20 years, the CSIR estimated that households in this category could afford to purchase a house costing R57 079 or more. The CSIR estimated that only 4,6% of African households in South Africa in 1994 had a monthly income of more than R3 500, compared with 20,4% of coloured, 36,7% of Indian and 68,1% of white households.[127] [127 Ibid]

The Department of Housing said in its white paper on housing in December 1994 that between 45% and 55% of households in South Africa were likely to be 'entirely dependent' for housing on their own resources and state housing subsidies, because of their inability to access housing credit. However, the white paper pointed out that the state would not be able to provide large enough subsidies to poor people to subsidise the cost of formal housing for all South Africans.[128] [128 Department of Housing , *White Paper: A new Housing Policy and Strategy for South Africa*, pp20, 41]

The Development Action Group (Dag), an urban development services organisation based in Cape Town, said in its 1993 annual report that estimates of unemployment in South Africa in 1993 ranged between 36% and 45%. Dag noted that the unemployed and those households with a monthly income of less than R1 000 were unable to enter the formal housing market.[129] [129 Dag, annual report 1993, p14]

End-User Finance

The Department of Housing stated in December 1994 that high unemloyment coupled with declining gross domestic product per head reduced demand for, and investment in, housing and also diminished the government's ability to assist the poor and the unemployed.[130] [130 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p5]

Khayalethu Home Loans (KHL), a subsidiary of the South African Housing Trust (SAHT), said in its 1993 annual report that during 1993 KHL had granted 500 loans, compared to some 9 500 in 1992. The company cited bond boycotts, high interest rates, recessionary economic conditions, stricter credit criteria and violence as reasons for the decline.[131] [131 SAHT, annual report 1993]

KHL said that problems regarding affordable funding for end-user finance retailers had to be resolved because of the high cost of administration and the increased risks associated with the low-income market. The SAHT recorded a loss of R53,7m in 1993 due to its need for an increase in provision against home loan debtors from R7,6m in 1992 to R70m in 1993 (an increase of 821%).[132] [132 Ibid, pp6, 10–11]

The Urban Foundation (UF) blamed non-availability of end-user finance (both mortgage loans and short-term credit) for the continued 'downward trend' in the low-income housing sector in 1993. The Home Loan Guarantee Company (HLG) (see 1993/94 Survey, p340), a joint venture by the UF and the Association of Mortgage Lenders, insured 2 157 bank and building society loans for 'starter' housing during 1994. The HLG had insured 3 737 loans during 1993 and 10 898 during 1992. In total, the company had insured 18 359 loans by the end of June 1994.[133] [[133] UF, annual review 1993, pp14, 17; information supplied by the Home Loan Guarantee Company, August 1994]

The chairman of the New Housing Company Group, Mr Mike Rosholt, said in June 1993 that unavailability of end-user finance was the 'largest constraint' on sustainable housing delivery. He added that the government, the private-sector insurance industry, and international aid agencies with housing guarantee experience should co-ordinate a guarantee programme to protect financial institutions against the risk of low-income borrowers defaulting on repayments (see *Conventional banking* below).[134] [[134] NewHco, annual report 1993, p6]

Rent, Services and Bond Boycotts

At the national summit on local government held in January 1994, the finance and service agreement (reached initially by the Local Government Negotiating Forum) was signed by the president of the African National Congress (ANC), Mr Nelson Mandela, the then state president, Mr F W de Klerk, and the South African National Civic Organisation (Sanco). It marked the official end of the rent boycott and made provision for writing off arrears accumulated by black local authorities up to 31 January 1994. In November 1994 a spokesman for the Department of Housing, Mr Stephen Laufer, said that this agreement had been extended to all communities (not only African townships). At the signing, Mr Mandela said the ANC supported the principle that people should pay for the services they received (see also chapter on *Political Developments*).[135] [[135] *Business Day* 21 January 1994, *The Citizen* 22 November 1994, *Sowetan* 30 November 1994]

Also at the national summit on local government in January 1994, the Local Government Transition Act was assented to by Mr de Klerk. The act made provision for the establishment of negotiated local government structures which would comprise representatives from statutory and nonstatutory local groups, and which had to come into operation by 1 December 1994 (see also chapter on *Government and Constitution*).[136] [[136] *Business Day* 21 January 1994, *The Citizen* 22 November 1994]

The rent and services payment boycott began in African townships in 1984 when residents accused the former black local authorities of corruption and maladministration. Although the ANC and Sanco formally agreed to suspend the boycott in January 1994, the deputy minister for provincial affairs and constitutional development, Mr Mohammed Valli Moosa, said in October 1994 that the number of people paying their rent and service charges had decreased from 33,5% in November 1993 to 19,7% in June 1994, although much had been done to establish nonracial local government and a unified tax base. The minister of housing, Mr Joe Slovo, said in November 1994 that South Africa could not afford the

boycotts 'for one day longer' and that 'every rand that [was] withheld for rent or bond payments [was] one rand less for building houses'. Mr Slovo had said at the *National Housing Summit* held in October 1994 that defaulters were not paying their bills 'for the sake of some private strategy of convenience'.[137] [137 *Weekly Mail and Guardian* 7 October 1994]

Payment arrears from the start of the boycott in 1984 until the end of January 1994 amounted to R1,84bn nationally, of which R1,5bn was in the Pretoria-Witwatersrand-Vereeniging (PWV) region. Between the end of January 1994 and the end of October 1994, a further R325m in arrears had accumulated. During 1992/93, the old Transvaal black local authorities had a budgeted expenditure of R1,5bn, of which they (the local authorities) only contributed R6m (the remainder coming from the central government). The chairman of the Durban Metropolitan Council subcommittee on finance, Mr Peter Corbett, said in October 1994 that the central government had to continue spending more than R500m a year for another two years on black local authorities to cover ongoing losses. The deputy secretary general of the ANC in the PWV and member of the PWV provincial legislature, Mr Obed Bapela, said in October 1994 that the number of people paying for rates and services in Soweto had decreased from 40% before the general election in April 1994 to 23% in October 1994.[138] [138 Ibid; *Sunday Tribune* 16 October 1994; *The Star* 18, 31 October 1994, 30 November 1994; *Business Day* 24 November 1994; *The Citizen* 16, 28 November 1994] It was reported in October 1994 that a confidential government investigation by a technical committee established after talks between the minister for provincial affairs and constitutional development, Mr Roelf Meyer, and the deputy minister of finance, Mr Alec Erwin, had found that it would cost some R10bn to write off service and rental backlogs and provide services to African townships in the 1995/96 financial year.[139] [139 *Sunday Tribune 16 October 1994*]

According to figures released by the Northern Areas Group (Nag) in July 1994, Johannesburg homeowners and businesses (excluding African townships) owed R210m (R86m domestic and the remainder non-domestic) in outstanding service charges in that month. The chairwoman of Nag, Ms Margrit Wolff, said in the same month that charges had increased in some areas and some residents could not afford to pay them. The director of Water Electricity Bill Buster South Africa, Mr Kobus Lotz, said in July 1994 that about 2,5m domestic electricity users, predominantly white, were carrying the cost burden of 4m users who refused to pay for services. However, Eskom's electrification pricing manager, Mr Hendrik Barnard, said in the same month that domestic electricity users were paying less than they ought because they were being subsidised by commercial clients (mainly industry).[140] [140 *The Citizen* 22 July 1994; *The Star* 25 July 1994; telephonic interview with the electrification pricing manager at Eskom, Mr Hendrik Barnard, 14 February 1994]

The government announced in November 1994 that it would launch a campaign to be known as 'Operation Self-Reliance' (subsequently named Masakhane) in January 1995, which would link provision of services to the payment of levies. The campaign would use a system of business planning and contracts in terms of which service providers would sign contracts with local communities. Under these contracts, areas would receive mortgage indemnity cover and development would take place if communities had a satisfactory record of service payment.[141] [141 *The Citizen, Sowetan* 16 November 1994;

Business Day 24 November 1994]

Mr Meyer said in November 1994 that the government was considering a range of punitive measures to end non-payment of service charges, such as stopping defaulters from standing as candidates in the local government elections in 1995.[142] [[142] *Sowetan* 16 November 1994]

Sanco announced in October 1994 that it would embark on campaigns to end the rent and services boycott, including the formation of trust funds to pay rent arrears in the townships, and the use of teams of civic leaders to persuade residents to start paying rent and services charges. The president of Sanco in the PWV, Mr Ali Maziya, said in the same month that local authorities should negotiate a flat rate or a tariff structure with all communities which were involved in the boycott. He said, however, that flat rates would be a temporary mechanism to help to persuade communities to start paying their charges.[143] [[143] *Business Day* 31 October 1994, *Sowetan* 2 November 1994]

The MEC for housing and local government in the PWV, Mr Dan Mofokeng, advised transitional local councils in November 1994 to scrap arrears accumulated since the finance and service agreement in January 1994 if they could afford to do so. Mr Mofokeng added that the government could not accede to Sanco's call for flat rates because it would result in the poor subsidising the more privileged. Also in November 1994, Mr Mofokeng said that the PWV government had held talks with Eskom and the Rand Water Board about arrears owed to them by local authorities in the province, and that Eskom and the Rand Water Board were considering transferring the arrears into 'suspense accounts' until other arrangements could be made.[144] [[144] *The Star* 25, 30 November 1994]

Eskom announced in October 1994 that it would switch off the electricity supply to about 40 000 of its 127 000 Soweto customers before the end of December 1994. In November 1994 Eskom reported that it had switched off the supply to about 18 000 defaulters in Soweto who had never paid their bills. Between March 1992 and July 1994 Eskom had accumulated a debt of about R874m and faced monthly outstanding accounts of about R45m. In March 1992 Eskom had assumed responsibility from local authorities for the distribution of electricity to townships, when civic associations had agreed to persuade residents to pay their electricity accounts. Eskom had warned residents in October 1994 that it would be cutting off supply to all defaulters, beginning with those who had never paid their bills, followed by those who paid accounts only infrequently and finally those clients whose accounts were in arrears. The manager of Eskom on the west Rand, Mr Paul Maré, said in June 1994 that about 32% of the electricity connections in Soweto were made illegally to backyard shacks.[145] [[145] Ibid 15 June 1994, 26 October 1994; *Sowetan* 26 March 1994, *Business Day* 17 November 1994]

Scrapping of Arrears

Although Mr Slovo had initially rejected Mr Mofokeng's promise to PWV residents in September 1994 to write off arrears payments, saying that 'a nationwide wholesale write-off...would be fiscally unsustainable', the central government confirmed in November 1994 that arrears accumulated by local

authorities up to 31 January 1994 would be scrapped.[146] [146 *The Citizen* 28 November 1994]

In a joint statement released in November 1994, Mr Meyer and the nine provincial MECs for housing and local government announced that service arrears payments up to 31 January 1994 would be scrapped. Mr Laufer announced later the same month that the arrears write-off applied to all communities (not only African townships) and that transitional local councils would be responsible for collecting arrears accumulated after the beginning of February 1994. He also said that central and provincial governments would help transitional local councils to settle external debts. The Local Government Transition Act aimed to ensure that the transitional local councils did not inherit debts and liabilities incurred by the black local authorities, except where those debts were for infrastructure which could generate revenue.[147] [147 *Sowetan* 28 September 1994, 28, 30 November 1994; *The Citizen* 26 November 1994]

Sanco criticised the government's decision to set the cut-off date for the scrapping of arrears at 31 January 1994, saying in November 1994 that further negotiations were needed before a date could be established. The president of Sanco, Mr Lechesa Tsenoli, said in November 1994 that the government should see the non-payment for services in the context of inherited apartheid problems such as the non-delivery of services.[148] [148 *Business Day* 16, 18 November 1994] Mr Laufer said that state-owned houses would be transferred to their owners in line with the 'extended benefit scheme' covering all state housing built before 1983, in terms of which residents could apply for a R7 500 discount on the price of their house. Houses valued at less than R7 500 would be transferred without any further payment, while for those valued at more than R7 500, residents would be required to pay the difference between R7 500 and the purchase price. In November 1994 there were some 140000 council houses in the PWV that had not yet been transferred to the ownership of their long-term tenants. The ministry of housing had initially opposed Mr Mofokeng's promise of September 1994 to hand over government-owned houses to residents, saying that this could cost the country as much as R16bn in total. Rentals from government housing stock were paid into the national housing fund, from which funding for subsidies was dispensed. It was reported in September 1994 that officials of the ministry had said that if government-owned houses were given to residents nationally, the state would loose R9bn in potential revenue from lost rentals alone.[149] [149 *The Star* 26 September 1994, 28 November 1994; *The Citizen* 27 September 1994; *Business Day* 26 September 1994; *Sowetan* 30 November 1994]

Redlining

In February 1994 the chairman of the ANC in the PWV, Mr Tokyo Sexwale, said that lending institutions discriminated against black home buyers, citing areas such as Berea, Dawn Park, Hillbrow and Yeoville in Johannesburg as examples of this. Mr Sexwale said that business-risk analysis viewed black people as less reliable than other borrowers and used their concern about boycotts to refuse credit to Africans. In response, the banks said that lending criteria were determined by sound business principles and not by race. The home loans divisional general manager of the Standard Bank, Mr Duncan Reekie, said in the same month that each loan application received by Standard Bank was considered on its own merits.[150] [150 *Sunday Times* 20 February 1994]

Absa Bank, Standard Bank, First National Bank and the SA Perm had said in January 1994 that no financial institution would grant home loans to residents of Katlehong, Tembisa, Tokoza and Vosloorus (all on the east Rand) because violence made it impossible for banks to service loans in those areas. It had been reported earlier the same month that banks had extended a total of more than R8,5bn in mortgage-based loans to the black community, a third of which was in arrears at that time (see also *Conventional banking* below).[151] [[151] *Business Day* 6, 12 January 1994]

Mr Slovo said in July 1994 that the government would have to consider legislation to compel lending institutions to grant home loans to low-income groups. Later the same month an executive general manager of Nedcor, Mr David Harrison, said that banks did not refuse to lend to bond applicants on the grounds of race but rather did not lend in certain areas on economic grounds. It was unrealistic for the government to expect the majority of South Africa's housing needs to be met by private-sector housing finance. Mr Harrison said that the private sector should concentrate on those borrowers who earned more than R1 500 a month.[152] [[152] *The Star* 25 July 1994, *Business Day* 28 July 1994]

It was reported in August 1994 that banking sources were not prepared to 'jeopardise earnings or risk depositors' savings' until the government ameliorated the commercial risk by providing guarantees against defaulters in cases where lending institutions could not repossess a property (see *Conventional banking* below).[153] [[153] *Business Day* 1 August 1994]

Capacity

The United States government estimated in July 1994 that the South African construction industry would be able to produce only 30% of the South African government's targeted 350 000 housing units a year.[154] [[154] *Engineering News* 22 July 1994]

In a report commissioned by the National Housing Forum (NHF) and published in June 1994, Mr Andrew Merrifield, senior lecturer in the Department of Property Development and Construction Economics at the University of Natal (Durban), investigated the willingness and capability of the construction industry to increase the supply of construction products to satisfy higher demand arising from increased low-cost home building. Mr Merrifield referred to 'capacity constraint' in the industry (ie its eventual inability to increase output without incurring additional costs which would in turn result in 'inflationary pressures and other macro-economic problems').[155] [[155] NHF, *The Performance and Capacity of the Construction Industry in the early 1990s*, June 1994, p6]

It was reported in October 1994 that delays of four months and more existed in the importation of earthmoving and construction equipment. Pressure was being exerted on the government by consumers to reduce tariffs on heavy vehicles in order to cut costs.[156] [[156] *Financial Mail* 21 October 1994]

The executive director of the Building Materials Suppliers Consortium (BMSC), Mr J P Landman, said in October 1994 that there were shortages of certain building materials due to 'demand outstripping supply'. Mr Landman added that the BMSC believed that tariffs should be reduced in order to make imports cheaper, thereby making way for more competition and increased supplies of building materials.[157] [[157] Ibid]

Mr Landman said that the building materials manufacturers would only make 'real investments' in their capacity once there was more certainty that returns would be 'commercial and sustained'.[158] [[158] Ibid]

Building Materials Supply Industry

The Building Industries Federation South Africa (Bifsa) estimated that an annual supply of 645m concrete blocks, 4,5bn bricks, 40m bags of cement, and 2,25m window and door frames would be needed to meet the government's target of 350 000 houses a year.[159] [[159] *SA Builder* June 1994; *Business Day* 5 July 1994]

A survey conducted by the Bureau for Economic Research (BER) at the University of Stellenbosch in August and September 1994 found that although the majority of building contractors and subcontractors reported a satisfactory supply of building materials, 'fewer than usual' were satisfied with the supply. Because demand was expected to increase in the short term, this was a 'danger sign' for the short-term prospects of the building industry, given the low level of building activity at that time, the BER said.[160] [[160] BER, *Building and Construction*, October 1994]

Wood Products

Preliminary findings by a senior consultant at the Centre for Developing Business at the University of the Witwatersrand, Mr Septi Bukula, in a study commissioned by the NHF indicated in October 1994 that suppliers of timber products such as roof trusses and door and window frames, and the sawmilling industry, would have difficulty in coping with increased demand. The reasons for this included a lack of scope for afforestation in South Africa, technological backwardness and low skills in the sawmilling industry, and a trend towards privatisation of state forests, resulting in higher prices for logs. The South African Lumber Millers Association (Salma) reported in October 1994 that sawmills were working at full capacity and that delivery times on sawn pine from some mills were up to six weeks. Salma reported that it was importing cheaper timber from Zimbabwe in order to meet the demand.[161] [[161] *Financial Mail* 21 October 1994] Mr Bukula also stated that because the South African wood door and window frame industry was highly dependent on overseas suppliers, especially for meranti wood, the industry would have difficulty meeting increased demand unless supplies could be assured.[162] [[162] NHF, *Key Findings of the Construction, Building Materials and Distribution Studies*, 29 June 1994, p10]

Bricks

In a report commissioned by the NHF on the capacity of the structural clay industry, a consultant, Mr Moss Ngoasheng, said in June 1994 that unless the industry recommissioned mothballed plants, clay-brick suppliers would experience medium-term supply shortages if called on to increase production. The NHF estimated in June 1994 that the clay-brick industry was operating at between 55% and 60% of its capacity and that construction of 350 000 houses a year would consume more than 64% of the sector's total production capacity.[163] [[163] Ibid, p13]

There were 105 clay-brick manufacturers in South Africa in 1994, down from 405 in 1980, the report said. Total production capacity of the clay-brick industry in 1994 was about 4,2bn bricks a year. Based on figures from the Industrial Development Corporation and the South African Reserve Bank, the BER reported in July 1994 that the value of structural clay-brick output had fallen from R1 443m in 1981 to R1 322m in 1990 (at constant 1990 prices).[164] [[164] BER, *Building and Construction*, July 1994]

The brick manufacturer Corobrik announced in September 1994 that it had brought two of its mothballed factories back on line after they had been out of production for five years. This would increase its production capacity by 155m bricks a year. The executive chairman of Corobrik, Mr Errol Rutherford, said in the same month that the company had increased capacity utilisation of four of its other factories in the five months up to September 1994.[165] [[165] *Business Day* 9 September 1994]

The NHF had found in May 1994 that South African clay-brick manufacturers would have a shortfall of 1,35bn bricks a year if they were required to produce enough bricks for 350 000 houses using current production capacity. The executive director of the Clay Brick Association, Mr Nic Louw, said in October that 'delays' in the supply of clay bricks were the result of increases in demand for certain types of brick and of locational problems which caused delivery delays. Mr Louw added that the clay-brick industry intended increasing the supply of bricks by 50% by the end of 1995, thereby increasing production to more than 6bn bricks per year. Mr Louw said, however, that even with the increased production, the industry would experience supply 'delays' due to delivery problems.[166] [[166] NHF, *Key Findings of the Construction, Building Materials and Distribution Studies*, 29 June 1994; NHF, *The Relationship between the Housing Sector and the Macroeconomy: A Discussion Paper*, May 1994; *Business Day* 17 August 1994, 9 September 1994; *Sunday Times* 6 November 1994]

Reacting to comments from delegates at an NHF conference in July 1994 that clay-brick manufacturers had priced themselves out of the market by concentrating on manufacturing bricks for expensive homes, Mr Louw said that the industry had only concentrated on manufacturing expensive bricks because there had been so little investment in low-income housing in previous years, and that the clay-brick industry could adapt to 'make an input' into the government's housing programme. According to Mr Patrick Kelly, the director of the Concrete Manufacturers' Association (previously the Concrete Masonry Association), concrete had increased its share of the masonry market from less than 5% in 1975 to between 40% and 50% in 1994. Concrete masonry could be used as an alternative to clay bricks in housing construction.[167] [[167] *SA Builder* 8 May 1994]

Mr Rutherford said in September 1994 that the building materials supply industry needed to gear up production in an 'orderly and co-ordinated fashion'. There was no point in increasing production of bricks if more bricklayers were not trained and cement manufacturers did not increase their production, Mr Rutherford said. Mr Rutherford was supported in November 1994 by Mr Louw, who said that planning was made difficult by the 'uncertainty of what [was] required'.[168] [[168] *Business Day* 9 September 1994, *Sunday Times* 6 November 1994]

Other Building Materials

Other preliminary studies commissioned by the NHF to investigate the capacity of the cement, metal products, sand and stone, and electrical hardware industries found in June 1994 that there were no significant obstacles to increased production in these industries.

Cement

The NHF found in May 1994 that the cement industry was using only 57% of its capacity (which stood at 12,37m tonnes a year in 1991) and that 350 000 housing units a year would use only 25% (3,15m tonnes) of the industry's total capacity when in full production. The cement industry had had an excess capacity of 5,34m tonnes a year in 1991. The only possible constraint identified by the NHF was a shortage of managerial and skilled labour.[169] [[169] NHF, *The Relationship between the Housing Sector and the Macro-economy: A Discussion Paper*, May 1994]

The South African Cement Producers Association announced in November 1994 that domestic cement sales had increased by 8,84% in the first nine months of 1994 against the same period in 1993. By the end of October 1994 the cement industry had sold 5,8m tonnes of cement, compared with 5,3m tonnes in the same period in 1993.[170] [[170] *The Citizen* 11 November 1994]

Sand and Stone

In the sand and stone industry, the NHF found in May 1994 that there was enough unused production capacity to supply an anticipated housing boom, and that it did not foresee many production bottlenecks. The NHF said in June 1994, however, that it might be necessary to divert some resources geared towards exports back into the domestic market in order to meet increased demand.[171] [[171] NHF, *The Relationship between the Housing Sector and the Macro-economy: A Discussion Paper*, June 1994]

Metal Products

A study into the capacity of the structural metal products industry (reinforcing steel, rods and mesh, roof products, steel window and door frames, metal tubes, taps and sanitaryware) commissioned by the NHF and published in May 1994 showed that the structural metal products industry was able to meet an increased demand for its products. The study showed that:

• producers of reinforcing steel products could double output by hiring more labour and working extra shifts—it was not possible to determine future demand for steel reinforcing because demand depended on the proportion of multistorey buildings erected;

• producers of metal roofing products might be able to double output by working extra shifts, bringing mothballed plants into production and redirecting exports to the domestic market. Some 80 000 tonnes of metal roofing would be required each year to meet the demand created by building 350 000 new houses yearly. The industry's annual capacity was estimated at about 144 000 tonnes;

• producers of window and door frames could meet the demand created by building 350 000 extra housing units each year by working extra shifts. These housing units would require 2,1m extra windows each year. Production in the steel window industry stood at about 2,4m per year in 1994. The manufacturers of steel for doors and windows had a capacity one-third greater than was needed to build 350 000 houses a year; and

• producers of plumbing equipment would require extra shifts and need to divert capacity from exports to the domestic market in order to meet increased demand. Producers of taps and sanitaryware would not experience problems meeting increased demand.[172] [[172] Ibid May 1994]

Electrical Hardware

The Electrical Hardware Industry Study, commissioned by the NHF, stated in June 1994 that meeting an increased demand for electrical cables and distribution boards for 350 000 houses a year was well within the capacity of the industry. This was also true of manufacturers of electrical switches and accessories. The NHF said in May 1994 that 350 000 additional low-cost houses a year would require the electrical hardware industry to make an additional 450 000–600 000 electrical connections annually. The industry was left with unused capacity to make a further 500 000–650 000 connections even after accounting for increased demand. The domestic electric lighting industry was operating at between 50% and 60% of capacity and could therefore increase output but would first need to gain access to working capital. Because most of the glass used in lighting for the lower end of the market was imported, supply might be constrained by balance of payment considerations, according to the study.[173] [[173] NHF, *The Relationship between the Housing Sector and the Macro-economy: A Discussion Paper,* May 1994, June 1994; NHF, *Key Findings of the Construction, Building Materials and Distribution Studies,* 29 June 1994]

Construction Sector

Figures provided by the South African Reserve Bank showed that the construction sector's share of gross domestic product (GDP) fell from 27,9% in 1982 to 15,9% in 1993. This translated into a gross domestic fixed investment of only 60% of its 1982 level.[174] [[174] *Business Day 28 April 1994*]

The chairman of Absa Bank, Mr David Brink, said in September 1994 that more than 725 companies in the construction sector had been liquidated over the previous five years.[175] [[175] *Ibid 14 September 1994*] Bifsa reported at its annual congress in September 1994 that more than 700 building companies had been liquidated over the previous three years, almost 240 during 1993 alone. Investment in housing fell by 3% during 1993, while overall real investment in buildings (including nonresidential) fell by 13,3% in the same year.[176] [[176] *Ibid 12 September 1994*] Between June 1992 and June 1993 employment in the building industry had fallen by 9,6%, bringing to 200 000 the number of building industry employees in the formal sector, against 300 000 in 1982, Bifsa said.[177] [[177] *The Citizen* 12 September 1994]

In June 1994, in a report commissioned by the NHF, Mr Merrifield identified three primary constraints on the ability of the construction industry to deliver 350 000 housing units per year. They were:

• the inability of the construction industry (formal and informal) to increase building activity by more than 20%–30% before facing constraints chiefly as a result of 'downsizing' of companies and of firms' having left the sector during the recession. Between 40% and 50% of firms had left the sector between 1988 and 1994 and only 20% of the remainder were working at full capacity, while only 55% were at 80% of capacity and 23% at 70% or less of capacity. The construction sector's contribution to GDP had fallen from 5,37% in 1975 to 2,79% in 1994;

• the shortage of key personnel such as site supervisors and skilled artisans; and

• inexperience among formal construction firms in deploying managerial and technological capability in low-income communities.[178] [[178] NHF, *The Performance and Capacity of the Construction Industry in the early 1990s*, June 1994]

The NHF said in June 1994 that housing supply would be constrained by a lack of demand because the construction sector was unable to build formal houses valued at below R30 000, which most low-income consumers required.[179] [[179] NHF, *The Relationship between the Housing Sector and the Macroeconomy: A Discussion Paper,* June 1994, p42]

The Department of Housing's white paper, entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, said that certainty was needed about the government's housing policy and strategy so that sustained capacity growth and mobilisation would take place in the construction sector.[180] [[180] Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p15]

Transport and Distribution

The NHF found in a study published in June 1994 that the cement industry had no adequate distribution and delivery system to low-income consumers to accommodate the increased demand which would be

created by the construction of 350 000 houses annually.[181] [[181] NHF, *The Relationship between the Housing Sector and the Macroeconomy: A Discussion Paper*, May 1994]

A further study commissioned by the NHF in 1994 stated that the success of the programme to build 350 000 houses a year depended on the ability of the South African transport industry to distribute building materials from 'centres of production to centres of construction'. The NHF found that the capacity of the transport sector was difficult to measure (because it was determined by how effectively vehicles were used rather than simply by how many vehicles there were) but that capacity would be diverted from the building materials sector if transport requirements in other sectors increased. In 1991 the construction sector accounted for only 6,6% of all tonnage transported compared with 28% by the manufacturing sector, 26,7% by the agriculture sector and 20,8% by the retail sector, according to the study.

Few transport operators delivered goods into African areas, hampering the growth of building material retailers and wholesalers in those areas, according to the study. Financing facilities to help emerging black hauliers and strategies for developing transport brokers were required in order to avoid possible delivery bottlenecks.[182] [[182] NHF, *Key Findings of the Construction, Building Materials and Distribution Studies*, 29 June 1994, pp14–15]

Skills

Mr Merrifield said in an NHF report published in June 1994 that the construction industry needed to employ and train some 600 000 new entrants between 1994 and 2000 in order to provide between 300 000 and 350 000 houses a year. (According to the BER, the construction industry had shed more than 60 000 jobs since 1986 as a result of the recession. The industry employed 1,25m people in the formal and informal sectors in 1994.)[183] [[183] *The Leader* 6 May 1994; *Business Day* 28 April 1994] Furthermore, some 15% of the new entrants would need to be trained as artisans, 26% as semi-skilled labourers and 5% as supervisors, while the remainder would be employed as unskilled labour. Mr Merrifield said in July 1994 that the construction industry would take between three and five years to develop the capacity to deliver houses on the scale proposed by the Department of Housing.[184] [[184] *Housing in Southern Africa* August 1994; *The Natal Mercury* 13 July 1994]

According to Business and Marketing Intelligence (BMI), up to 1994 the building industry had not trained more than 7 000 artisans a year but the industry would require 210 000 artisans and 540 000 workers between 1994 and 2000. The executive director of Bifsa, Mr Ian Robinson, said in May 1994 that by 1997 the government's housing programme would have created 500 000 new jobs in the building industry and 1m jobs in other sectors as a result of the increase in building activity.[185] [[185] *The Leader* 6 May 1994; *Business Day* 28 April 1994]

Skills Shortage

The BER reported in October 1994 that in the second and third quarters of 1994 building contractors had

reported no 'serious shortage' of skilled labour (artisans and foremen). Surveys conducted by the BER during August and September 1994 revealed that only 14% of building contractors surveyed were experiencing 'serious' shortages of skilled labour (15% during the second quarter). Furthermore, 65% of the contractors said that they had not experienced a shortage of building foremen during the third quarter of 1994. Twelve percent of building contractors reported a serious shortage of skilled foremen during the third quarter of 1994 and 23% reported a slight shortage. However, 14% of the building contractors surveyed reported a decline in the volume of residential building work during the third quarter of 1994 compared with the same period in 1993 and 17% reported a decline in the value of work in the same period.186 [186 BER, *Building and Construction,* October 1994]

Mr Robinson said in June 1994 that Bifsa was investigating the option of hiring supervisors and managers on a contract basis, especially from India and Ireland, in order to cope with the serious shortage of supervisory staff in the construction sector.187 [187 *Housing in Southern Africa* June/July 1994; *The Citizen* 6 August 1994; *Business Day* 15 June 1994, 24 August 1994; *Sunday Times* 7 August 1994]

The managing director of Murray & Roberts Construction, Mr Arthur Coy, said in August 1994 that he thought the construction industry would 'learn to cope' with a low skills base by adapting construction design and method, rather than by replacing the skills lost during the recession.188 [188 *Housing in Southern Africa* August 1994] The managing director of Ovcon Construction, Mr Jan Kaminski, had expressed a similar view in May 1994 when he suggested that houses should be designed in such a way that they could be constructed simply, and the technical division manager of The Tower Group, Mr Alan Watt, said in April 1994 that unless technical staff were imported from overseas on fixed-term contracts in the short term, employers would have to be more 'flexible' with job specifications.189 [189 *Engineering News* 8 April 1994; *The Star* 23 May 1994]

Training

Mr Robinson said in June 1994 that the government could raise additional money for training either by allocating 2% of the 14% value added tax on the sale of new houses as a training levy, or by placing a 1% tax on the annual sales of the building materials sector, particularly on cement. Bifsa proposed in August 1994 that the government should increase annual spending on training in the building industry by 780%, from R25m to R220m, in order to meet the government's housing target. In the same month Mr Robinson stated that the formal building sector could not pay for the additional cost of training because building contractors were already paying a training levy of 1,5% of their wage bill to the Building Industries Training Scheme. Bifsa had announced in May 1994 that it would increase its annual training budget from R20m to R25m to reimburse employers who sent their employees for training.190 [190 *Engineering News* 10 June 1994] According to the National Productivity Institute, organisations in South Africa spent less than 1% of their payroll on training, compared with organisations in industrialised countries which spent at least 4%.191 [191 *Housing in Southern Africa* August 1994; *African Business* June/July 1994; *Cape Times* 6 August 1994; *Business Day* 24 August 1994, 27 May 1994] In August 1994 Bifsa called for legislation to

compel major contractors to ensure that the labour-only subcontractors they used, registered their employees with the industrial council (IC) and that subcontractors paid IC training levies. This would encourage subcontractors to utilise available training facilities, Bifsa said.

Mr Robinson said in the same month that Bifsa would have to increase its number of trainers from 48 to 270 in order to cope with the training needs of the building industry between 1994 and 2000. Furthermore, a BMI survey had shown in April 1994 that the number of trainees per trainer would have to increase from 12 to 20.192 [192 *Business Day* 20 April 1994]

During 1993 Bifsa, which has two accredited training facilities in South Africa, put 2 061 trainees through its training colleges compared with 2 895 during 1992. The decrease of 29% was attributed to the slump in the building industry as well as a change in the method of funding training. Other institutions were responsible for training a total of 398 trainees during 1993, compared with 799 during 1992, reflecting a decline of 50%.193 [193 Bifsa, *Statistical Yearbook 1993*, p2] In November 1994 there was a total of 80 accredited training institutions in South Africa (a training college or company may apply to be accredited to the Building Industries Training Board, a statutory body financed through a 1,5% levy paid by employers).194 [194 Telephonic interview with Mr Uys from the Building Industries Training Board]

The following table shows the number of people trained in each category during 1993 and 1992 by Bifsa and other accredited training institutions:195 [195 Bifsa, *Statistical Yearbook 1993*, p2]

Training conducted by the Building Industries Federation South Africa and other institutions: 1992 and 1993

Bifsa

Other institutions

Total

Category

1993

1992

1993

1992

1993

1992

Apprentices

338

806

206

344

544

1 150

BSc (Building construction management)

0

73

0

29

0

102

Learners

31

85

13

68

44

153

Non-artisan

341

166

107

79

448

245

Private trainees

126

206

0

0

126

206

Trade testing

572

541

0

0

572

541

Trainee technicians

0

136

0

128

0

264

Trainee tradesmen

357

576

20

52

377

628

Specified skills

234

265

52

87

286

352

Other

62

41

0

12

62

53

Total

2 061

2 895

398

799

2 459

3 694

According to Bifsa, building-related apprenticeship contracts registered in South Africa had decreased from some 3 000 in 1984 to 616 in 1993. New contracts registered totalled 215 in 1993 compared with 321 in 1992, a decrease

The table below shows the number of apprenticeship registrations in each building trade during 1993 by

region:[197] [197] Ibid]

Total building apprenticeships registered by region: 1993

Trade

WesEas

NaOFS[a] *an*JHB[c]*and*PTA[e] *an*

To**Bricklayer**

3

0

1

0

0

0

4

Bricklayer/plasterer

1

3

1

1

0

0

6

Carpenter

18

10

8

0

0

1

37

Carpenter/joiner

0

0

0

0

0

0

0

Joiner

0

0

0

0

0

0

0

Joiner/woodmachinist

10

6

3

1

4

2

26

Painter/decorator

4

0

0

0

0

0

4

Plasterer

0

0

0

0

0

0

0

Plasterer/tiler

1

0

1

0

0

0

2

Plumber

28

17

32

1

23

13

114

Roofer

3

0

0

0

0

0

3

Shopfitter

1

10

6

0

1

1

19

Signwriter

0

0

0

0

0

0

0

Stone mason

0

0

0

0

0

0

0

Wall/floor tiler

0

0

0

0

0

0

0

Woodmachinist

0

0

0

0

0

0

0

Total

69

46

52

3

28

17

215

a

Orange Free State.

b

Northern Cape.

c

Johannesburg.

d

Southern Transvaal.

e

Pretoria.

f

Northern Transvaal.

Building Costs

The executive director of the Building Industries Federation South Africa (Bifsa), Mr Ian Robinson, pointed out in April 1994 that certain factors could lead to a building inflation rate of more than 20% within three years. These factors were:

• the tendency of contractors to try to increase profit margins to compensate for losses during the recessionary years;

• pressure from labour unions in the construction industry to increase wages; and

• the fact that the materials supply industry would need to work overtime and double shifts to meet the increased demand for building materials.[198] [198 *Business Day* 20 April 1994]

An economist at the Bureau for Economic Research (BER) at the University of Stellenbosch, Mr Nils de Jager, warned in July 1994 that the increase in building costs was one of the most serious problems facing the government's reconstruction and development programme (RDP). Mr de Jager said that the plan to increase the supply of housing was threatened by price increases which devalued government

housing subsidies and made housing less affordable to low-income households.[199] [[199] *Financial Mail* 8 July 1994, *Sowetan* 21 July 1994, *Business Day* 25 July 1994]

The MEC for housing and local government in the Pretoria-Witwatersrand-Vereeniging province, Mr Dan Mofokeng, threatened in July 1994 that the provincial government would import building materials if local manufacturers raised prices as a result of the increase in demand for materials.[200] [[200] *Business Day* 19 July 1994]

In October 1994 the BER reported a 7,3% increase in the building cost index during the second quarter of 1994, compared with 8,1% in the first quarter of 1994 and 5,1% in the second quarter of 1993, noting that a 'clear uptrend' was evident. Building costs would rise on average by 9,9% during 1994 and move into double figures (about 15%) in 1995, reaching around 17% in 1996. The director of the Medium Term Forecasting Association, Mr Johan Snyman, said in May 1994 that the cost of building materials had risen by 6% during 1993 while the cost of labour had increased by about 11% in the same year.[201] [[201] BER, *Building and Construction*, October 1994; *Business Day* 5 May 1994; *Financial Mail* 21 October 1994]

It was reported in October 1994 that Bifsa predicted that increases during 1994 and 1995, coupled with an increase of one percentage point in the bank rate announced in September 1994, would increase the cost of new houses by 10% in 1995 over 1994 prices, thereby placing houses out of the reach of many people in need of them.[202] [[202] *Financial Mail* 21 October 1994] Previously, in September 1994 major manufacturers of building materials, including Pretoria Portland Cement (PPC), Corobrik and Anglo-Alpha, pledged to keep price increases below inflation, in response to a call from the director general of housing, Mr Billy Cobbett, for them to aid the RDP.[203] [[203] *Business Day* 12 September 1994] Mr de Jager had said in July 1994 that it would be 'wishful thinking' if the government tried to commit building materials suppliers to keeping price increases below the inflation rate—all building materials and labour suppliers would be under the same pressures due to increased demand, unless price controls were introduced for all sectors producing building materials. In the same month Mr Robinson pointed out in response to the government's appeal for cost containment in the building sector that only 60% of the cost of building a house was construction-related, while land, and legal and transfer costs made up the remaining 40%. Mr Robinson added that a large section of the construction-related cost was the cost of labour, which was union-controlled, and that the building industry could therefore only enter a 'social compact' with the government to contain price increases in the cost of building materials.[204] [[204] *Financial Mail* 8 July 1994; *Business Day* 26 July 1994; *The Citizen* 8 August 1994]

As vice president of the for Council for Construction in South Africa, Mr Robinson said in August 1994 that the building industry could not undertake to keep price increases under the rate of inflation unless labour unions committed themselves to the 'compact' between government and industry.[205] [[205] Ibid]

The Department of Housing said in December 1994 that the rate of inflation in the construction and building materials sectors had 'consistently exceeded the consumer price index', which was of 'particular concern' to the government. The department added that the inflationary implications of a

mass housing programme would have to be monitored by the government adding, however, that the existence of spare capacity in segments of the manufacturing sector might diminish the inflationary impact of increased demand for housing. The department noted that while the government recognised that direct government intervention to control price increases was 'undesirable', it would be undertaken if building material suppliers did not impose self-regulation (see also *Capacity* above).[206] [[206] Department of Housing, White Paper: A new Housing Policy and Strategy for South Africa]

The South African Lumber Millers Association said in October 1994 that the price of sawn timber would increase by 7% during 1994, while the executive director of the Clay Brick Association, Mr Nic Louw, said in the same month that increases in the price of clay bricks during 1994 had not exceeded the rate of inflation.[207] [[207] *Financial Mail* 21 October 1994]

Between January and October 1994, bricklayers in South Africa increased their rate from R220 per 1 000 bricks to R250 per 1 000 bricks, representing a rise of 13,6%. Plaster subcontractors increased their rates from R6,50/m^2 to R7,90/m^2, representing an increase of 21,5%.[208] [[208] Ibid]

A study of the clay-brick industry in 1993 by Professor Frederik Fourie of the University of the Orange Free State and Mr Andrew Smith of the University of Stellenbosch found that clay-brick price increases had been greater than both inflation and price increases in building materials in the period 1982–1991. The study, published by the BER in June 1994, found that the annual average price increase of both stock and face bricks was between 1,5 and 2,5 percentage points higher than price increases in the building materials sector and between 2,5 and three percentage points higher than the manufacturing sector as a whole. The BER stated that price increases of this order raised the cost of low-income housing. High price increases in the industry could have resulted from operating at less than full capacity, resulting in higher production costs and the loss of economies of scale, the BER said.[209] [[209] BER, July 1994]

Although the clay-brick industry enjoyed the twelfth highest level of protection from foreign competition out of 72 industries in South Africa in July 1994, imports of structural clay products had increased from 5% of local demand in 1972 to 16% of local demand in 1990, according to the Industrial Development Corporation. These imports included bricks, tiles and refractory bricks. Professor Fourie and Mr Smith suggested that the exposure of the clay-brick industry to foreign competition would ensure lower price increases.[210] [[210] Ibid]

The managing director of Corobrik, Mr Errol Rutherford, said in July 1994 that his organisation had increased the price of clay bricks by between 5% and 8% during April 1994. Mr Louw said in July 1994 that the increase in clay-brick prices was a result of producers' preparing for expansion to cope with increased consumer demand which would require a larger labour force and new machinery.[211] [[211] *Business Day* 18 July 1994]

Mr Merrifield said in October 1994 that increases in marginal building costs caused by capacity

constraints resulted in inflation and other macro-economic problems which usually lasted between two and six years before supply-side constraints were resolved.[212] [[212] *Financial Mail* 21 October 1994] A property economist, Mr Erwin Rode, predicted in the same month that activity in the residential and nonresidential building sectors would increase by 23% between 1995 and 1999.[213] [[213] Ibid]

The Cement Cartel

In November 1994 the minister of trade and industry, Mr Trevor Manuel, announced his acceptance of the Competition Board's recommendation (submitted to him in September 1994 after a two-year investigation) that the cement cartel comprising PPC, Anglo-Alpha and Blue Circle and consisting of 11 plants with capacity of about 11m tonnes of cement a year, should disband over two years.[214] [[214] *Engineering News* 23 September 1994; *Business Day* 22 July 1994]

The cartel, which had existed for over 20 years and which co-ordinated prices, allocated market share and colluded on conditions of supply, was granted exception from the Maintenance and Promotion of Competition Act of 1979 by the Competition Board in September 1988, after the board accepted that the cartel was in the 'public interest' because it acted as an efficient pricing mechanism. The Competition Board believed that because of the industry's need for large operating volumes to supply cement at affordable prices, and because the cartel would ensure that consumers would not be prejudiced because of their location in times of shortage, it would bring stability to the cement industry. The South African Cement Producers Association (Sacpa) had argued at the time that an exception was in order because:

• the manufacture of cement was a capital intensive process involving high investor risk;

• the location of raw materials required for cement manufacture was often far from the plant; and

• the distribution of cement involved high transport costs, especially to rural areas.[215] [[215] Fourie FCvN and Smith A, 'The South African Cement Cartel: an Economic Evaluation', in *The South African Journal of Economics*, vol 62 no 2, 1994, pp123–143; *Engineering News* 22 July 1994, 23 July 1994; *Financial Mail* 26 August 1994; *The Star* 21 September 1994, 25 July 1994]

Although the cement industry was not protected by artificial barriers to entry such as import tariffs, there had been no new entrants to the industry since 1934, even though large deposits of limestone, the most important component in the manufacture of cement, were available. In a paper published in June 1994 Professor Fourie and Mr Smith attributed this fact to the entrenched position of the cartel, which they said also controlled distribution channels.[216] [[216] Fourie and Smith, 'The South African Cement Cartel: an Economic Evaluation', pp123–143; *Financial Mail* 26 August 1994]

The cement industry operated at only about 65% of its total capacity in 1990 and the domestic consumption of cement had decreased by 12% from 8,14m tonnes in 1989 to 7,17m tonnes in 1993. In

spite of these recessionary conditions the cost of labour had increased, Professor Fourie and Mr Smith reported. The average annual price increase of cement over ten years from 1982 to 1991 was 1,1 percentage points higher than the index for the manufacturing sector as a whole. Between 1972 and 1990, average profit levels in the cement industry had been double those of the building industry and four times those of the manufacturing sector as a whole. Professor Fourie and Mr Smith suggested that the cement industry's ability to make such profits during recession may have been due to monopolistic price setting. The Competition Board considered this (as well as the industry's ability to achieve rates of return on assets and equity much higher than those of the building and construction sector) before its recommendation in September 1994 that the cartel be disbanded.[217] [[217] Fourie and Smith, 'The South African Cement Cartel: an Economic Evaluation', pp123–143]

A paper commissioned by Sacpa and written by a senior lecturer in the Department of Business Economics at the University of the Witwatersrand, Mr Dan Leach, stated that the cartel should be judged on whether it was an 'efficient enterprise' insofar as it kept down prices to consumers, and that it should not be assumed to be monopolistic. Mr Leach said that by stabilising prices the cartel was able to reduce uncertainty, permitting greater investment and assurance of supply.[218] [[218] Leach DF, 'The South African Cement Cartel: A Critique of Fourie and Smith', in *The South African Journal of Economics*, vol 62 no 3, 1994, pp254–279; *Financial Mail* 26 August 1994] Arguing that the cement cartel should remain exempt from the Maintenance and Promotion of Competition Act of 1979, Sacpa said in September 1994 that the cartel did ensure the 'efficiency' of the cement industry, but this was dismissed by the Competition Board.[219] [[219] *Engineering News* 23 September 1994]

Reacting to Mr Manuel's announcement that the cement cartel would disband, the managing director of PPC, Mr John Gomersall, said that in the light of anticipated increases in demand because of the RDP, phasing out of the cartel should be 'relatively painless' for the cement manufacturing industry. Mr Gomersall also said that PPC had agreed to keep cement price increases below inflation in response to an appeal from the government.[220] [[220] *Business Day* 4 November 1994]

The chairman of Anglo-Alpha, Mr Peter Byland, said in September 1994 that if the pricing mechanism practised by the cartel were to be abolished, larger customers would be able to negotiate larger discounts and thus better prices at the expense of smaller contractors.[221] [[221] Ibid 12 September 1994]

The Free Market Foundation of Southern Africa had said in July 1994 that the cement cartel was the product of 'free-market forces', that it did not create barriers to entry by other competitors and that dissolution of the cartel would lead to a fall in investment in the industry, lower output and higher prices in the long term. A consultant to the National Housing Forum, Mr Moss Ngoasheng, said in August 1994 that the price of cement could affect the housing programme negatively.[222] [[222] Ibid 27 July 1994, 11 August 1994]

The chairman of Absa Bank, Mr David Brink, said in September 1994 that abolition of the cartel would mean that expensive independent distribution mechanisms would have to be implemented by the three

members of the cartel, who jointly owned a company called Cement Distributors of South Africa (CDSA). The owners of CDSA said that the establishment of this company had permitted cost saving through the industry's subsidisation of transport to rural and distant areas. Mr Brink added that because transport accounted for one third of the cost of cement, the break-up of CDSA would result in increased prices.[223] [[223] Ibid 13, 21 September 1994]

Land

In its white paper entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, the Department of Housing said that delivery of housing was constrained by the absence of clear outlines of responsibilities for the identification, assembly, planning and release of land for low-income housing, and by inconsistencies in approaches to land issues between government departments and tiers of government. The white paper stated that insufficient land had been assembled for low-income housing as a result of legislative controls and because in the past, land had been assembled according to ability to pay, as opposed to need.[224] [[224] Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*]

Upon the approval of the white paper the Department of Housing said in a press statement in December 1994 that the availability and release of land for housing, as well as the preparation of land for development, were critical to South Africa's housing programme and that housing policy could, therefore, not be divorced from land issues. According to the statement, the Development Facilitation Bill published in October 1994 (see *Development Facilitation Bill* below), once enacted, would form the basis for reforming the land delivery process and supporting the government's housing programme.[225] [[225] Department of Housing, *Ministry of Housing Press Release: Housing White Paper Approved by Cabinet*, 7 December 1994]

The Department of Housing explicitly excluded the issue of land restitution from the land delivery policy outlined in the white paper, on the grounds that restitution was not 'necessarily' part of land development policy although it was a 'specific programme' within land reform policy (see chapter on *Land, Agriculture and Rural Areas*). The department added that policies governing servicing of land for residential settlement would apply after individuals and communities had been allocated land through the restitution process.[226] [[226] Ibid, p51]

In November 1994 the Restitution of Land Rights Bill which provided for the establishment of a land claims court to settle land disputes, and a commission on restitution of land rights to hear and settle land claims, was enacted. In terms of the act, land claims had to be lodged within three years of the bill's enactment. The South African Properties Owners Association (Sapoa) requested in October 1994 that a limit of one year, rather than three, be placed on the processing of claims. Sapoa said that the registration of a claim on a piece of land could prevent a developer from proceeding with a development and increase the holding costs of the land for the developer. The act also made provision for the compilation of a register of public land to facilitate the work of the commission and the land claims court (see also chapter on *Land, Agriculture and Rural Areas*).[227] [[227] *Financial Mail* 21 October 1994; *Sowetan* 18 November 1994;

The Citizen 17 September 1994]

The minister of land affairs, Mr Derek Hanekom, said in Parliament in August 1994 that a total of 2 314 land claims had been submitted to the new government, 2 251 from individuals in the urban areas and 63 from individuals and representatives of communities in rural areas. The Department of Land Affairs estimated in the same month, however, that about 700 000 people in the urban areas who had been forced to move under the Group Areas Act of 1966, and about 100 rural communities involving some 700 000 people, could be eligible for land restitution. Mr Hanekom also said that the claims of the 22 communities then negotiating with the Department of Land Affairs involved both state and privately owned land. The land claims court, which would have authority to make formal rulings on land claims, would deal with both rural and urban claimants.[228] [[228] *Weekly Mail and Guardian* 26 August 1994, *Business Day* 19 August 1994, *Sowetan* 11 August 1994]

Location of Suitable Urban Land

The National Housing Forum calculated that the government would have to identify between 16 500ha and 22 000ha of vacant land a year if housing was to be provided for 300 000 households annually.[229] [[229] *Finance Week* 21 July 1994]

The white paper on housing entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, called for the identification of state-owned land which could be used for the establishment of new residential areas. Mr Hanekom had said, on the enactment of the Restitution of Land Rights Bill in November 1994 (see also chapter on *Land, Agriculture and Rural Areas*), that the state owned much land through which restitution for those dispossessed of land through racially based discriminatory laws could be effected.[230] [[230] Department of Housing, *Ministry of Housing Press Release: Housing White Paper Approved by Cabinet*, 7 December 1994; *Sowetan* 18 November 1994]

The minister of housing, Mr Joe Slovo, said in June 1994 that provincial MECs responsible for housing should identify suitable land around urban areas for temporary and permanent housing. Later the same month the MEC for housing and local government in the Pretoria-Witwatersrand-Vereeniging (PWV) province, Mr Dan Mofokeng, said that there was some 80 000ha of serviced and undeveloped land around greater Johannesburg which could be used to develop low-income housing. According to studies carried out on behalf of the PWV, land was available in the Klip River basin, between Midrand and Modderfontein, Roodepoort, Sandton, and in the eastern suburbs of Johannesburg between the central business district and Observatory. Most of the land identified was owned by the Johannesburg City Council, although some was privately owned including 2 000ha in the mining belt.[231] [[231] *The Citizen* 8 June 1994, *Business Day* 27 June 1994]

Mr Tshepiso Mashinini of the Project Facilitation Group estimated in June 1994 that between 40 000ha and 60 000ha of undeveloped land around greater Johannesburg was well located for development of low-cost housing because it was close to employment opportunities and transport routes and had bulk

infrastructure (road network, sewerage treatment works etc).[232] [[232] *Business Day* 27 June 1994]

In 1992 the Central Witwatersrand Metropolitan Chamber (CWMC) conducted a land availability study with the help of a consultancy firm, Plan Africa. Mr John Rosmarin of Plan Africa agreed with the PWV government in June 1994 that there was enough land in the PWV to meet the province's short-term housing needs. The CWMC's Land Task Team, which at the time of writing had released two volumes of site analysis, identified some of the most suitable land for low-income housing as belonging to Rand Mines Properties, AECI, Sage Land Holdings and the Johannesburg Consolidated Investment Company (JCI).[233] [[233] *Finance Week* 21 July 1994]

The Central Witwatersrand Regional Services Council had initiated the two studies to assess the viability of using mining land between Roodepoort and Alberton and land in the Klip River area, for low-income housing. The studies were subsequently taken over by the CWMC. Mining companies, which were part of the Mining Land Steering Committee established by the Central Witwatersrand Regional Services Council in 1993 to identify land suitable for low-income housing, said that they would want market rates for the land sold for low-income housing. The chief executive of JCI, Mr Kennedy Maxwell, said in June 1994 that he was positive about using mining land for low-income housing provided it was 'safe'.[234] [[234] *Business Day* 3 June 1994]

The most common geological constraint in the PWV was the prevalence of dolomite land, which covered about 30% of the area and formed a girdle around the core of the province. Dolomite rock, which is highly soluble in ground water, weathers quickly, causing underground caves which cause surface ground movement and can give way to sinkholes (see also chapter on the *Environment*). Consultants Messrs Dave Buttrick, Isak Venter and Kallie Strydom estimated in August 1994 that more than 2,5m people in the PWV province lived on dolomite land. They noted, however, that dolomite land was not uniform in terms of potential risk and therefore urban development on certain dolomite was feasible, adding that it was not more expensive to provide serviced stands on dolomite than on other rock types.[235] [[235] *Housing in Southern Africa* August 1994]

Figures published by the Department of Housing in 1994 revealed that there were altogether some 720 000 unused serviced sites in South Africa. The following table shows the number of unused serviced sites in each province during 1994 as a proportion of serviced sites:[236] [[236] De Vos and Mayekiso, *Housing: A Key Factor in the Success of the RDP*]

Unused serviced sites in South Africa by province: 1994

Number

Proportion

Eastern Cape

71 736

10,0%

Eastern Transvaal

44 856

6,2%

KwaZulu/Natal

80 666

11,2%

North-West

56 668

7,9%

Northern Cape

18 314

2,5%

Northern Transvaal

21 926

3,0%

Orange Free State

154 027

21,4%

PWV[b]

221 594

30,8%

Western Cape

50 213

7,0%

Total

720 000

100%

a

Pretoria-Witwatersrand-Ver

Land Invasions

The Urban Foundation (UF) stated in March 1994 that land invasions (defined as an overt collective process whereby people illegally occupy land for residential purposes) had been taking place on both public and private land since 1985. Public land invasions were more common. Invasions peaked in 1990 and 1991, the illegal occupation of houses in 1993 adding a new dimension to invasions.[237] [237 *Development Strategy and Policy Unit of the UF,UFresearch, March 1994; Cape Times* 18 April 1994]

Land invasions created difficulties in providing services, which were much more complicated after invasions than the servicing of unoccupied land. Although most urban land invasions were on publicly owned land, the UF reported that in many cases the land had been 'earmarked' for development and township residents had decided to invade the sites in order to 'gain control of housing developments'. The UF also reported that most people involved in land invasions were not new rural migrants, but homeless or poorly housed urban residents.[238] [238 Ibid; *Business Day* 1 June 1994; *The Star* 8 June 1994]

The minister of housing, Mr Joe Slovo, said in June 1994 that squatting would have a detrimental effect on the government's housing strategy, adding that the government would respect individuals' constitutional land rights and guard against unlawful land occupation.[239] [239 *The Citizen* 8 June 1994]

Ms Ann Bernstein and Mr Tim Hart of the UF warned in June 1994 that land invasions might increase if the pace of land delivery to the landless did not satisfy expectations. They said that land invasions were an international phenomenon adopted by poor people to acquire access to land.[240] [[240] Development Strategy and Policy Unit of the UF, *UFresearch*, March 1994; *Business Day* 1 June 1994; *The Star* 8 June 1994]

The PWV MEC for urban and rural planning and development, land reform and the environment, Mr Sicelo Shiceka, announced in November 1994 that illegal land invasions would no longer be accepted by the PWV government. He said at a land crisis conference held in Johannesburg in December 1994 to discuss the identification, release and servicing of land in the province, that land invasions were a symptom of the 'landlessness and homelessness' in the PWV.[241] [[241] *Sowetan* 17 November 1994, *The Citizen* 7 December 1994]

At the same conference the MEC for housing and local government in the PWV, Mr Dan Mofokeng, said that land invasions undermined planning and the allocation of development finance. Mr Mofokeng reiterated his announcement of October 1994 that the PWV government was considering establishing serviced temporary 'transit settlements' or 'reconstruction and development waiting zones' in order to defuse the threat of squatters' invading land earmarked for housing. Mr Mofokeng said that the settlements would not be like the 'transit camps' used by the old Transvaal Provincial Administration because they would be located near towns and cities and would have schools, clinics and other services, and because they would be established in areas where people would eventually settle permanently.[242] [[242] *The Star* 20 October 1994, *The Citizen* 7 December 1994]

Proposed Government Land Remedies

In its white paper on housing, the Department of Housing stressed that housing should not be subordinated to other land uses and no form of human settlement should be regarded as less legitimate than any other. The white paper said that land development policy, administrative practice and legislation should promote integrated development in several ways, including the following:

• locating residential and employment opportunities close to each other;

• providing for a diverse range of land uses;

• discouraging urban sprawl;

• developing compact settlements, towns and cities; and

• correcting distorted racial settlement patterns in towns, cities and rural areas.[243] [[243] Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p52]

The white paper envisaged that in areas under their control, metropolitan and local governments would be responsible for the 'identification and designation' of land for housing purposes, the regulation of land use and development, and land planning. Each local authority should make public notification of any land within its area earmarked for low-income housing. Furthermore, land use planning should ensure that housing was developed on well-located land, which would allow the physical, social, economic and institutional integration of society, the white paper said.[244] [244 Ibid, pp36, 53, 57]

Gaps in Housing Policy

What is 'adequate' Housing?

Although views about what physically constituted 'adequate' housing varied during the year under review, all parties recognised the desirability of minimum standards of accommodation. 'Adequate' housing was defined by the De Loor Commission report in 1992 in terms of ethical beliefs about what standards of accommodation families needed to live minimally healthy, productive and dignified lives.[245] [245 Fast Facts no 12, 1994]

In August 1994 the manager for housing policy at the Urban Foundation, Mr David Gardner, said that emerging government housing policy defined 'adequate housing' as access to property, basic services and some formal housing structure.[246] [246 *Business Day* 18 August 1994]

In August 1994 the minister of housing, Mr Joe Slovo, said at the plenary of the National Housing Forum (NHF) that the government could not begin its housing programme by building 50m^2 houses for the poorest segment of the population who were unable to secure home loans from lending institutions. Adding that he did not propose a return to site-and-service schemes, Mr Slovo said that an incremental approach would be followed in which people would be given technical assistance to add on to their 'starter homes'.[247] [247 *NHF News* August 1994]

A document published jointly by the Department of Housing and the NHF in October 1994 outlined the government's national housing vision. The document defined housing as a 'variety of *processes* through which habitable, stable and sustainable public and private residential environments would be created for viable households and communities'. There was no single formula for providing housing and a national strategy had to adopt a 'multi-faceted' approach whereby households entered the housing delivery process at a level 'commensurate with the means at their disposal' and then improved their housing on a 'progressive basis'. The strategy recognised the importance of the environment in which housing was located and proposed that well-located land should be used to allow residents access to economic opportunities as well as education, health and social amenities.[248] [248 Department of Housing and the NHF, *Proposed National Housing Strategy*, October 1994]

Mr Mofokeng said in September 1994 that the incremental housing policy envisaged by the Department of Housing proposed dwellings of less than 15m^2. The Independent Development Trust (IDT) had

argued in July that incremental houses should begin with a multi-use room, corridor and bathroom measuring 15m^2 in total.[249] [249 *The Citizen* 3 October 1994] Mr Mofokeng said that the government should ensure that houses built for the poor were between 48m^2 and 50m^2 with two bedrooms, a kitchen, and a bathroom and lavatory.[250] [250 *Financial Mail* 7 October 1994]

The former president of the South African National Civic Organisation, Mr Moses Mayekiso MP (ANC), said in a paper presented jointly with Dr Tobie de Vos of the CSIR in October 1994 that poor people in South Africa would have to accept housing that was not a 'final product' but was 'commensurate with their levels of affordability'.[251] [251 De Vos and Mayekiso, *Housing: A Key in the Success of the RDP*, p10]

The executive director of the Building Industries Federation South Africa, Mr Ian Robinson, said in May 1994 that most low-cost housing which would be built as part of the government's plan to address the housing shortage would be low-rise (ie between two and four storeys). Mr Robinson added that the design of the housing would be formulated in 'close co-operation' with end users.[252] [252 *The Leader* 6 May 1994]

According to the chairman of the New Housing Company Group, Mr Mike Rosholt, those requiring housing in South Africa were in favour of immediate delivery of the 'most basic of housing products', and were willing to accept serviced sites with permanent tenure which could later be upgraded.[253] [253 NewHco, annual report 1993, p6]

In October 1994 the director of corporate housing policy at Bernhardt Dunstan and Associates (a member of the Murray & Roberts group), Mr Paul Hendler, said that local authorities should reduce their building standards in accordance with 'structures the urban poor could afford'. South Africa did not have time to provide formal housing for the 'rapidly growing and urbanising population' and the 'orderly' (planned) development of informal settlements should be seen as part of the solution to the housing crisis. Mr Hendler said that self-help projects should be made part of national and provincial housing policy and that informal settlements could become formal townships in ten to 15 years with state assistance. Mr Hendler pointed out that both supply-side constraints (insufficient capacity to deliver the required units) and demand-side constraints (inability of most South Africans to afford formal housing) made the delivery of formal housing on a large scale unfeasible.[254] [254 *Business Day* 5, 12 October 1994]

An economist specialising in housing, Dr Patrick Bond, said in October 1994 that the argument that formal housing could not be provided because of fiscal constraints was untrue as the construction of 1m four-roomed houses with standard services costing about R25 000 each to build was 'financially feasible' and should be 'embarked upon without delay'. Dr Bond said that the state needed only to spend R13,75bn (R2,75bn a year over five years), while R12,5bn could be raised through the private sector (see also *Backlog* above).[255] [255 *Weekly Mail and Guardian 7 October 1994*]

What Real Powers Do the Provinces Have?

Section 26 of the transitional constitution gave the provincial legislatures 'concurrent executive competence' with Parliament to pass laws for the provinces on matters which were classified as Schedule 6 functions, such as housing. The white paper entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, stated that the classification of housing as a Schedule 6 function necessitated consensus between national and provincial governments on broad national policy and acknowledged that 'empowerment' of provincial governments had to underpin housing policy and delivery, to ensure its success.[256] [[256] *Department of Housing, White Paper: A new Housing Policy and Strategy for South Africa,* p19]

Although provincial law would prevail in most cases of an inconsistency between provincial and national laws, the white paper on housing outlined five circumstances where an act of Parliament would prevail over provincial law. They were:

• where national legislation dealt with matters which could not be regulated by provincial legislation;

• where uniform norms and standards were required nationally in order to perform an activity effectively;

• where minimum standards were required nationally in order to provide public services;

• where national economic policies had to be determined, economic unity maintained, interprovincial commerce promoted, common markets (in respect of the mobility of goods, services, capital and labour) protected and national security maintained; and

• where a provincial law prejudiced the economic, health or security interests of another province or of the country as a whole.[257] [[257] *Housing in South Africa*, September 1994; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p22]

The vice chairman of the NHF co-ordinating committee, Mr Khehla Shubane, said in September 1994 that as yet no province had established 'competence' with regard to housing. According to Mr Shubane, the difficulty provinces experienced trying to establish competence was the root cause of conflicts between national and provincial governments because they [provincial governments] were at risk of losing credibility with their electorate if they were not competent to make laws and administer funds.[258] [[258] *Housing in Southern Africa* September 1994]

In order to establish competence, provincial governments had to do certain things. Among these were:

• to show their bureaucratic capacity to administer laws in place of the national government;

• to appoint an accounting officer to be responsible for funds paid to the provinces by the national government; and

• to negotiate with the national department which held the power over which the province wished to gain competence.[259] [259 Ibid]

The white paper on housing defined five major housing functions for provincial governments to fulfil. These were:

• setting provincial housing delivery goals 'within the context and in support of national delivery goals';

• determining provincial housing policy (within broad national guidelines);

• monitoring provincial housing delivery and being accountable to the provincial legislature about its progress;

• overseeing the housing activities of the provincial housing boards and local authorities and being accountable to the provincial legislature about their progress; and

• negotiating with the national ministry and national statutory bodies (National Housing Board) regarding fiscal transfers for housing to the provinces and national housing policy and programmes.[260] [260 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa,* p36]

The financial director of the Development Bank of Southern Africa (DBSA), Mr Richard Kirkland, said in July 1994 that delays in granting borrowing powers to the provinces were one of the major reasons why the bank had 'virtually stopped' granting new loans for development. The DBSA could not make new loans while there was uncertainty about contractual obligations, Mr Kirkland said.[261] [261 *Business Day* 20 July 1994] The white paper pointed out that it was necessary to balance the functions and powers of the national and provincial governments because, while provincial governments were accountable to their electorates, the minister of housing was accountable to Parliament for the performance of the housing sector.[262] [262 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p36]

The Future of Hostels

It was reported in August 1994 that 181 government-owned hostels containing 280 000 beds accommodated between 40% and 50% of people living in hostels (including private sector and 'grey-sector' hostels) at an overall average of 1,2 persons per bed in the public sector hostels.[263] [263 *Business Day* 18 August 1994]

In March 1994 the National Hostels Co-ordinating Committee (NHCC) (established in July 1993 by the Department of Housing and the NHF) announced its proposal for a R325,5m upgrading programme of the 181 government-owned hostels. The committee's proposal included the creation of both single rental accommodation and family-owned units. Family-owned units would have to be acquired through the government's new housing subsidy scheme, the committee said. The minister of housing, Mr Joe Slovo, approved the hostels redevelopment programme (HRP) in June 1994. In July 1994 the HRP was allocated an additional R100m.[264] [[264] *Cape Times* 31 March 1994; *Sunday Times* 16 October 1994]

In July 1994 the National Hostel Residents' Association (Nahora) rejected the upgrading proposal, saying that most hostel residents required single rental accommodation instead of family-owned units. A spokesman for Nahora, Mr Thulani Mlotshwa, said in August that only 2% of hostel residents wanted to buy family units and that most hostel residents regarded themselves as temporary residents in Johannesburg. Nahora said that the single rental accommodation proposed in the NHCC policy document (in terms of which four people share a 15m*2* unit) was too small and that they preferred two people to share a single unit with 11 people sharing bathroom and kitchen facilities. A senior lecturer in the Department of Architecture and Allied Disciplines at the University of Natal (Durban), Mr Dan Smit, said that in most hostels an average of 100 people shared one lavatory.[265] [[265] *Sunday Times* 31 July 1994, 14 August 1994; *Finance Week* 8 September 1994]

In August 1994 the NHCC reported that more than R71m had been spent in the Pretoria-Witwatersrand-Vereeniging province on hostel upgrading, while R19m had been spent in KwaZulu/Natal, R13m in the Eastern Transvaal, R5m in the Western Cape and R3m in the Northern Cape. In October 1994 the co-chairman of the NHCC, Mr Piet du Plessis, said that upgrading had been completed at 27 hostels and that a further 31 hostels were under construction. A five-year budget of R1,4bn had been set which would ensure the addition of a further 100 000 beds over the existing 280000, Mr du Plessis said.[266] [[266] *Sunday Times* 14 August 1994, 16 October 1994]

It was reported in September 1994 that the Transvaal Hostel Residents Association (THRA), which represented about 25% of hostel residents in South Africa, had sent a memorandum to the minister of housing in June 1994 in which the THRA expressed dissatisfaction with the slow pace and the lack of consultation in hostel renovations. The THRA said that although some repairs had been made to their hostels, little had been done to 'improve the quality of their lives'. The chairman of the THRA, Mr Joseph Kubheka, said in July that although the THRA supported the upgrading of hostels, it believed that hostel accommodation should be converted into family-owned units with only the residents' consent.[267] [[267] *Business Day 7 July 1994; Finance Week* 8 September 1994]

Catering for the 'Poorest of the Poor'

Mr Harry Touzel of the Division of Building Technology at the CSIR, pointed out in a paper that although there was a need for 1,3m houses in South Africa in 1994 (a figure extracted from the De Loor report, published in 1992), the 'effective demand' for houses would only range between 300 000 and

575 000 because demand would be restricted by consumers' ability to afford housing.[268] [[268] Harry Touzel, Forget About Building 300 000 Houses per Annum, *Rode Report* 94:1] In line with Mr Touzel's argument, surveys conducted by the Bureau for Economic Research at the University of Stellenbosch during the third quarter of 1994 showed that 41% of building contractors reported that 'insufficient demand' for residential building was the most serious constraint on their building activity.[269] [[269] BER, *Building and Construction*, October 1994]

In September 1994 Mr Touzel proposed a 'multiphased' approach to housing delivery, to make housing available to households earning less than R1 500 per month (see *Affordability* above). Mr Touzel identified three stages in the proposed multiphased approach:

• an assessment of need so that the government had a basis upon which to allocate funds, the regional housing boards had a basis upon which to direct development to areas of greatest need (ie rural or urban, loor high-income) and private developers had a basis for assessing likely demand;

• the provision of serviced sites and bulk infrastructure before the erection of houses, thereby providing secure tenure as households could improve top structures incrementally but could not provide their own services on a self-help basis. The provision of serviced sites would use up a 'significant proportion' of the available government subsidy, leaving very little for the erection of a top structure; and

• the construction of houses with the remainder of the subsidy after the cost of servicing the site had been covered. Households should be given technical advice to enable them to find housing solutions within their affordability constraints.[270] [[270] *Ibid*]

In an attempt to ensure that the government housing subsidy policy did cater for the needs of the poorest households, the white paper on housing, published in December 1994, created a fourth subsidy category for households with monthly incomes of less than R800 (see *Government subsidy scheme* below and *Affordability* and *End-user finance* above).

HOUSING: THE SOLUTION

The Department of Housing said in its white paper entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, that future government housing policy would not separate provision of housing from provision of other physical and social services. Socially and economically integrated development would be encouraged in order to create 'viable communities' close to economic opportunities, health, education and social amenities. The white paper defined housing as a 'variety of processes through which habitable, stable and sustainable public and private residential environments [could be] created' giving progressive access to:

• a permanent residential structure with secure tenure, privacy and protection from the elements; and

• potable water, adequate sanitation facilities and a domestic electricity supply.[271] [[271] *Department of Housing, White Paper: A new Housing Policy and Strategy for South Africa, p21*]

The new housing policy depended on the co-operation and co-ordination of the state, communities and the private sector. The government aimed to secure the commitment of the three groups through seven main strategies. These were:

• stabilising the housing environment, thereby ensuring private sector investment;

• creating institutional, technical and logistical housing support mechanisms to support people who wanted to improve their housing progressively;

• mobilising private savings and housing credit at scale and on a sustainable basis;

• providing subsidy assistance on a sliding scale to households with joint incomes of less than R3 500;

• rationalising institutional capacities in the housing sector and creating a sustainable institutional framework;

• releasing and servicing land quickly; and

• co-ordinating public sector investment on a multifunctional basis.[272] [[272] *Ibid, p27*]

The government's housing policy also favoured:

• implementation of a 'multifaceted' approach to address the housing shortage combining the resources of individuals, communities, the government and the private sector;

• acquisition of housing on a 'progressive basis' whereby households gain access to housing 'at a level commensurate with the means at their disposal' and thereafter improve their circumstances over time;

• support and involvement of local initiatives and smalor medium-sized businesses, and labour-intensive approaches;

• the involvement of the state as deliverer at seconand third-tier government in assisting the poor to acquire adequate housing; and

• the implementation of a subsidy policy which made subsidies available to people with varying tenure options.

By not restricting housing policy to a limited range of delivery options, the government made provision for incremental housing delivery for those households which could not immediately afford a formal complete house. The white paper acknowledged the ability of poor households to 'look after their own housing needs, with technical and institutional support and financial assistance (state housing subsidies) from government'.[273] [[273] *Department of Housing, White Paper: A new Housing Policy and Strategy for South Africa*, p28]

The executive director of the Building Materials Suppliers Consortium, Mr J P Landman, said in October 1994 that the perceived shift in government housing policy towards incremental housing raised 'uncertainties' in the building materials supply sector about the amount of labour and building material required for the government's housing drive. A move away from provision of formal houses meant that fewer materials were required in the short term, hence some materials suppliers were hesitant to invest in new plant equipment to increase supply capacity.[274] [[274] *Financial Mail* 21 October 1994]

Government Subsidy Scheme

According to the white paper, the aim of the government's housing subsidy scheme was to provide home seekers with security of tenure and access to basic services and to provide the 'poorest of the poor' with a rudimentary starter formal structure.[275] [[275] Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p43]

The white paper introduced a fourth category of subsidy for households with joint incomes below R800 a month. With the introduction of the fourth category, households earning below R800 a month qualified for a government subsidy of R15 000; those earning between R800 and R1 500 qualified for R12 500; those earning between R1 500 and R2 500 qualified for R9 500; and those earning between R2 500 and R3 500 qualified for R5000. Subsidies were adjustable by up to 15% (on an area basis only) for locational, topographical or geotechnical reasons.[276] [[276] Ibid, p9]

Five types of subsidies either under consideration or already introduced, were outlined in the white paper. These were:

• an ownership subsidy, which enabled individuals to acquire ownership of residential property through either project-based or individual government subsidies;

• a collective ownership subsidy, allowing individuals acting collectively to acquire housing;

• a social housing subsidy, which aimed to subsidise institutions that provided social housing to the bottom end of the market;

• a rental subsidy, for institutions providing subsidised rental accommodation to the bottom end of the

housing market (subsidies would go to the institution not the individual); and

• a consolidation subsidy, which aimed to provide a supplementary grant for some people who received a grant under previous policies such as the Independent Development Trust site-and-service schemes.[277]
[277 Ibid, p30]

End-User Finance

Nonconventional Lending

National Housing Finance Corporation

In the white paper on housing the Department of Housing proposed the establishment of a National Housing Finance Corporation (NHFC) to 'promote' and 'facilitate' the long-term mobilisation of housing credit. The white paper said that the NHFC would be a 'wholesale institution' and would replace the national housing bank originally envisaged by the reconstruction and development programme. The document proposed a number of functions for the NHFC, including the following:

• accreditation of lending institutions for the savings-linked credit scheme (see *Conventional banking* below) and monitoring of the lending patterns of those institutions;

• encouragement of innovative approaches to the mobilisation of housing credit;

• monitoring of lending patterns of registered lenders;

• management of the proposed national housing education fund;

• monitoring of the national builders' defect warranty scheme;

• execution of risk interventions, through instruments such as the Mortgage Indemnity Scheme;

• management of capacity building and fund mobilisation;

• administration of the credit-linked savings scheme;

• partial underwriting of fund mobilisation by lending institutions for experimental lending to low-income borrowers;

• partial underwriting or direct funding of rental and social housing retailing institutions;

• partial underwriting of paper issued, or issuing of own paper for funding activities;

• management of a proposed equity assistance fund for socialised lenders such as state corporate retail lending institutions; and

• research and development of retail credit provision and wholesale funding in South Africa.[278] [[278] Ibid, p49; Department of Housing and the NHF, *Proposed National Housing Strategy*, October 1994]

Community Bank

In June 1994 the Community Bank was established with an initial capital of R200m, raised from the Industrial Development Corporation, the Development Bank of Southern Africa, the Independent Development Trust and commercial banks in the form of ten-year loans at an average fixed interest rate of 8%. The first branch was opened in Benoni (east Rand) in July 1994 and the second in Johannesburg in September 1994. The bank aimed to provide home loans for formal houses costing less than R30 000, or incremental housing costing less than R10 000 to people who were not able to acquire mortgage finance from commercial banks because they were perceived as high-risk borrowers. By the end of 1994 the bank had also opened branches in Athlone (Cape Town) and Hillbrow (Johannesburg), and aimed to establish 20 branches by 2000, with 150 outlets nationwide and an asset base of R1,5bn. It was reported in July 1994 that the South African Reserve Bank had granted the Community Bank provisional registration as a mutual bank in terms of the Mutual Banks Act of 1993. The Community Bank was the first bank to receive provisional registration under the act. Conventional banking operations do not fall under the Mutual Banks Act, which allows for clients of a mutual bank to become shareholders and influence the management of the bank.[279] [[279] *The Citizen* 9 July 1994, 8 September 1994; *Business Day* 8 September 1994; *Sowetan* 15 September 1994; *Enterprise* September 1994]

The Community Bank had four components. They were:

• the Community Banking Trust, in which ownership of the bank was vested through the share equity. The trust consisted of community leaders but could be passed over to ordinary individuals who purchased shares in the bank;

• the Community Bank, which constituted the formal operational structure such as branch offices and community outlets;

• community outlets with local boards of directors which linked into the area branches; and

• the Community Banking Foundation, a development organisation funded through grants from the European Union, the United States Agency for International Development and other foreign donors. The Community Banking Foundation aimed to carry out development and training at community level.[280] [[280] *Sowetan* 15 September 1994; *Housing in Southern Africa* August 1994]

The chairman of the Community Banking Trust, Mr Cas Coovadia, said in July 1994 that the bank was the first in South Africa to give ownership to its users and that it would operate on commercial lines without any direct link to the government. The Community Bank aimed to narrow the gap between the formal banking sector and informal savings schemes such as stokvels. The general manager of the Council of South African Bankers (Cosab), Mr Nico van Loggerenberg, said in July 1994 that the Community Bank would issue shares to different communities based on their savings and borrowing needs. Anyone requesting a loan from the bank would have to have a savings record of more than six months at one of the community bank outlets, Mr van Loggerenberg said. In order to become a member of the bank, individuals would have to purchase a share costing R20, which would confer individual voting rights for local and national boards of directors.[281] [281 *Weekend Star* 16 July 1994; *Enterprise* September 1994]

Although housing loans for properties worth less than R30 000 would account for 70% of the Community Bank's business, the bank would also make loans to those starting their own businesses (small enterprise loans) and for education purposes (consumer loans). Small enterprise and consumer loans would not exceed R15 000.[282] [282 *Weekend Star* 16 July 1994; *Sowetan* 15 September 1994; *Financial Mail* 5 August 1994]

Conventional Banking

The commercial banks were identified in the white paper as the most significant 'short term' source of financing for low-income housing. A two-pronged incentive-based approach to ensure that conventional banks offered lending facilities to the low-income housing sector was outlined in the white paper. This approach involved:

• a provincial and national campaign to encourage resumption of rent, services, rates and bond payments (see *Rent, services and bond boycotts* above); and

• private investment, chiefly in the form of housing credit, in areas which had stabilised (rent and bond payments were being made and the rule of law prevailed).[283] [283 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa,* p27]

In October 1994 the minister of housing, Mr Joe Slovo, the president of the Association of Mortgage Lenders, Mr Johan Myburgh, and the chief executive of the Council of South African Bankers, Mr Piet Liebenberg, signed a *Record of Understanding between the Department of Housing and Association of Mortgage Lenders for Resumption at Scale of Lending to Low Income Borrowers* ensuring that government and the banks would co-operate in breaking the 'logjam' at the lower end of the housing market. The agreement contained an undertaking by the signatory banks (Absa Bank, First National Bank, Natal Building Society, Nedcor, Saambou Bank and Standard Bank) to make loans of some R2bn available over an initial 12-month period in 1995 and 1996, to borrowers in that sector of the housing

market. In so doing the banks hoped to advance 50000 loans to the lower end of the market over the initial period, growing to 100 000 loans a year by 1999. The agreement fixed the minimum loan amount at R10 000.[284] [284 Information supplied by the Department of Housing, 20 October 1994]

Fixed Instalment Mortgage Instrument

Also contained in the agreement was an undertaking by the banks to investigate a 'fixed instalment mortgage instrument' to alleviate the financial burden of fluctuating interest rates for loan recipients (this instrument would keep home loan instalments in low-income areas constant for a specified period). In its white paper the Department of Housing said that the banking industry had indicated its intention to introduce the fixed instalment mortgage instrument by the end of 1994 and that this was encouraged by government.[285] [285 Ibid; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p48]

Fixed instalment mortgage loans were likely to result in a higher interest rate than normal bonds due to the principle of pricing for risk and cost, the department said. Mr Liebenberg said in November 1994 that the fixed instalment mortgage instrument would probably involve an agreement between the institution and its particular client, fixing the instalment amount for between 12 and 36 months. It was reported, however, that other banking sources had predicted that fixed instalments might last up to five years. The agreement also aimed to link loans to a 'demonstrated consistency in saving' by limiting them to applicants who had built up a savings record over at least nine months, unless the application was made under the government's project-linked subsidy scheme, in which case the savings record could be reduced to three months. The white paper said that it was the government's intention to allocate a portion of the national housing budget to individual subsidies linked to the savings-linked credit scheme.[286] [286 Ibid; *Business Day* 21 November 1994]

Mortgage Indemnity Scheme

According to the provisions of the government's Mortgage Indemnity Scheme (MIS), included in the *Record of Understanding* signed in October 1994, the government would offer a full guarantee to banks suffering irrecoverable losses on non-repaid bonds, where banks could not repossess properties, owing to the breakdown of either civil or criminal law enforcement. The guarantee would extend for a maximum period of three years. If, after three years, the banks had not required the risk cover, it would fall away. This scheme was to be funded from the general fiscus and managed by the proposed NHFC (see *National Housing Finance Corporation* above). The scheme had not been approved by the cabinet at the time of writing.

The MIS covered new loans under the scheme as well as existing mortgages on homes up to R100 000 in value. In the case of properties in possession of financial institutions, where court orders could not be executed because of a breakdown in the due process of law (16 000 such properties existed at the time of writing), the *Record of Understanding* stipulated that the properties would be individually assessed over the three years that the MIS was in force. If the financing institution could not gain possession of the property due to the breakdown of law in the area, the state would take over part or all of the holding

costs of the property for the remainder of the three years that the MIS was in force. If, upon the expiry of the three-year MIS cover, the property in possession had not been disposed of and a breakdown in the process of law still existed, the MIS would purchase the property from the institution. (It was reported in August 1994 that bank sources estimated that properties worth some R700m—14% of total lending in African townships since 1988—had been repossessed.)

Failure to recoup on unpaid mortgages had been a major obstacle to the banking sector's involvement in the low-income housing finance market. Of the total home loan market (estimated at R100bn in August 1994) only R5bn or 5% had been lent in the townships. Banking sources said that 85% of repossessions were against African borrowers, while 14% were against white borrowers and 1% against coloured and Indian borrowers.[287] [[287] *Cape Times* 1 August 1994; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, pp46–47]

The *Record of Understanding* envisaged the joint establishment of a service organisation (Servco) by mortgage lenders and the government, which would assist households occupying properties for which they could not afford the mortgage repayments, by helping them find affordable accommodation.

The *Record of Understanding* included a banking code of conduct for housing finance, as well as disclosure and monitoring mechanisms compelling mortgage lending institutions to disclose information regarding the income profile, sex, loan size and geographical distribution of borrowers. This mechanism would enable government to monitor bank lending. In terms of the agreement, members of the Association of Mortgage Lenders would be guided by a code of conduct designed to ensure that mortgages were advanced on a nondiscriminatory basis, and an ombudsman would deal with complaints.[288] [[288] Information supplied by the Department of Housing, 20 October 1994; *Business Day* 21 October 1994]

The white paper on housing outlined the government's approach for stabilising the housing environment to facilitate a resumption of mortgage lending to low-income communities. The strategy entailed identifying reconstruction areas in which the government would make housing subsidies and mortgage indemnity cover available, thereby signalling to the private sector that it was viable to provide housing credit and other investment in those areas. The government would identify which areas were suitable for investment on the basis of criteria which would include:

• whether a local authority constituted under the Transitional Local Government Act of 1993 existed;

• whether primary local government functions were being effectively exercised;

• whether there was an acceptable level of civil responsibility and civil and criminal law enforcement; and

• whether service charges, rates, rental and mortgage repayments were being paid to an acceptable extent.[289] [[289] Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa,* pp33–34]

Development Facilitation Bill

The white paper entitled *A new Housing Policy and Strategy for South Africa*, published in December 1994, said that the Development Facilitation Bill, once enacted, would provide 'enabling legislation' to establish institutions which would formulate comprehensive land development policy at national and provincial levels in the medium term.[290] [[290] Ibid, p51]

The Development Facilitation Bill, published in the *Government Gazette* in October 1994, provided the general framework and principles for planning and land development reform, but had not been passed by Parliament at the time of writing. The bill aimed to increase the rate and scale of land development by creating a 'fast track' option for land development as an alternative to present legislation (which would not be repealed, thus allowing developers a choice of development routes). If passed, the bill aimed to establish:

• nationally uniform standards for land development;

• national legislation for urban and rural land development as an alternative to (but not as a replacement of) existing provincial laws;

• mechanisms to facilitate faster land delivery by bypassing bottlenecks in existing regulations governing the establishment of townships and the registration of bonds through the establishment of provincial planning 'tribunals' which would be given power to authorise land developments; and

• amended land title registration procedures which would make end-user financing such as subsidies and mortgage loans available earlier.[291] [[291] *Financial Mail* 14 October 1994; *Business Day* 9, 12 October 1994; *The Star* 12 October 1994]

Mr Johan Latsky, an attorney who helped draft the bill, said in July 1994 that existing laws which regulated the development of land were sometimes 'not appropriate' because they could not create the conditions needed for 'fast-track development'. The pace of government decision making using existing legislation was often slow and led to higher development costs as a result of the high holding costs of land and services, Mr Latsky said. The minister of housing, Mr Joe Slovo, said in October 1994 that the proposed procedures could shorten development time by between a year and 18 months in the case of 'complicated' land developments. The MEC for urban and rural planning and development, land reform and the environment in the Pretoria-Witwatersrand-Vereeniging province, Mr Sicelo Shiceka, said in the same month that approvals for the establishment of townships could be obtained within weeks 'or even days', under the proposed new regulations.[292] [[292] *Financial Mail* 22 July 1994; *The Star* 12 October 1994; *Business Day* 14 October 1994]

The proposed provincial tribunals would be responsible for approving land developments. They would

form the backbone of the new regulations and would be able to exercise 'extraordinary powers' such as lifting restrictive conditions on title and servitudes delaying developments or suspending 'inappropriate' laws in relation to particular developments (for example, the tribunal could decide that laws governing subdivision should not apply). Provincial tribunals would also have the power to subpoena various parties to a development (for example electricity and water suppliers and the education and roads departments) to attend tribunal hearings (under existing legislation suppliers of infrastructure were only given *notice* of development applications). Any person found in contempt of the provincial tribunal would be guilty of an offence. The proposed provincial tribunals would be staffed by property development experts from outside the public service as well as public service staff. The bill did not restrict the size of the tribunals, giving provincial premiers flexibility when appointing the provincial tribunal.293 [293 Mr Johan Latsky, keynote address to the workshop on the proposed Development Facilitation Bill, Johannesburg, October 1994; *Finance Week* 20 October 1994; *Business Day* 19 October 1994]

Although there were no restrictions on the type of land developments that could make use of the proposed legislation as an alternative to existing laws, Mr Slovo said in October 1994 that the procedures were designed to 'favour the poor' and to reduce costs. Mr Latsky said in the same month that while any developer would be able to make use of the new regulations, provincial tribunals would give priority to reconstruction and development programme (RDP) projects. Commercial and industrial developments would still have existing legislation at their disposal, but could also make use of the Development Facilitation Bill in the light of the emphasis the government had placed on linking employment opportunities with low-income residential developments. The tribunals would filter applications and give priority to RDP developments.294 [294 *Financial Mail* 14 October 1994; *The Citizen* 12 October 1994]

The director of the National Property Academy, Mr Harold Ovsiowitz, said in October 1994 that the Development Facilitation Bill would not only speed up the transfer of housing to more people, but would also result in lower land prices. The bill made it possible for developers to start selling stands as soon as the outside boundaries of the township had been approved by the surveyor general and the beacons for individual stands had been placed by the surveyor, thus reducing developers' holding costs. This would result in lower costs for the end user. This new form of ownership, known as 'initial ownership', also meant that buyers could register their ownership in the Deeds Register and take out mortgage loans as soon as the surveyors' beacons had been placed for individual stands in accordance with the layout plan.295 [295 Mr J Latsky, keynote address to the workshop on the proposed Development Facilitation Bill; *The Star* 25 October 1994]

Mr Latsky said that the bill aimed to prevent urban sprawl by moving away from locating townships on the outskirts of major cities and encouraging higher-density suburbs. Mixed-use zoning (a combination of residential and nonresidential buildings in the same area) could result from the relaxation of zoning regulations, according to Mr Latsky.296 [296 *Finance Week* 20 October 1994]

The Development Facilitation Bill made provision for the establishment of a development and planning

commission to advise national and provincial governments on tenure issues, planning instruments, survey methods and land taxes and would also investigate ways to release land for development for poor communities, Mr Latsky said. The white paper stated that the commission would formulate planning policy and be responsible for administration and legislation regarding land use planning. The proposed commission, if constituted, would comprise 24 members appointed by the minister of land affairs in consultation with the minister of housing and the minister without portfolio. Nine of the members would be nominated by the premiers of each of the nine provinces, three would be from community groups representing consumer interests, three from the business sector (suppliers and financiers) and nine would be experts in relevant fields.297 [297 *Business Day* 18 October 1994]

The Development Facilitation Bill was designed as a common national procedure to be applied parallel to the laws which the new provinces had inherited from the old provinces, six non-independent homelands and four 'independent' homelands. The Development Facilitation Bill gave provinces substantial power to change aspects of the bill and to remove chapters of the legislation, and replace the bill with provincial land legislation in 'due course'.298 [298 *Financial Mail* 14, 20 October 1994; *Business Day* 14 October 1994]

Mr Shiceka said in October 1994 that his department had established a team to formulate draft provincial legislation, the Development Planning and Environment Bill, which would complement the proposed Development Facilitation Bill in providing a mechanism to bypass other property laws.299 [299 *Business Day* 14 October 1994]

Building Warranty Scheme

In November 1994 the Association of Mortgage Lenders (AML) together with the Building Industries Federation South Africa (Bifsa) and the Department of Housing agreed in principle to establish a building warranty scheme which would cover all homes costing less than R100 000, although the details of the scheme had not been finalised at the time of writing. The scheme aimed to protect consumers against shoddy work (which had been part of the reason for bond boycotts in some areas) and thereby to make housing credit more readily available.

The AML had been pressing the construction sector to guarantee its products against poor workmanship before it would resume lending to low-income borrowers.300 [300 Ibid 24 October 1994, *Sunday Times* 20 November 1994] Although the commercial banks had suggested in September 1994 that building contractors guarantee their products for ten years, the mortgage lenders and the construction sector agreed in October 1994 that houses should be guaranteed for only three years, allowing enough time for soil condition defects to become evident.301 [301 *Business Day* 24 October 1994]

The executive director of Bifsa, Mr Ian Robinson, said in October 1994 that a centralised fund into which construction firms would pay a proportion of the final selling price of houses which they built to insure against defects, would be established to finance the scheme. Although no decision had been made

about the amount of the contribution to the fund, sources close to the negotiators said in November 1994 that the amount would probably be set at between 2,5% and 5% of the price of houses which they built. Mr Robinson said in November 1994 that the fund would be administered by a board comprising mainly members of the building industry but including members from banks and the government. The board would decide which contractors could participate in the scheme and what their contributions to the fund would be.302 [302 Ibid, 15 November 1994; *Sunday Times* 20 November 1994]

The scheme also made provision for the establishment of teams of inspectors with authority to 'delist' contractors whose products did not conform to specified minimum requirements.303 [303 *Sunday Times* 20 November 1994] Bifsa expressed concern in August 1994 that many emerging and informal building contractors and smallscale building material manufacturers would be hesitant to subscribe to the warranty scheme. Formal sector developers and building contractors who subscribed to the scheme would have to be 'selective in their choice' of subcontractors. In September 1994 Bifsa said that only contractors registered with the warranty scheme should be permitted to participate in residential home-building projects and attract mortgage loans. In the Department of Housing's white paper entitled *A new Housing Policy and Strategy for South Africa* published in December 1994, the government said that it was considering a mechanism whereby emerging contractors would be financially assisted by the government to facilitate their accreditation, thus enabling them to participate in the home-building process despite a 'lack of resources and adequate track record'. The department also said that consumers may be given the choice to contract with either an accredited contractor or one who was not accredited, in which case they would waive cover under the warranty scheme.304 [304 *Financial Mail* 26 August 1994; *Business Day* 12 September 1994; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, pp29, 48]

Mr Robinson said in November 1994 that the building warranty scheme would increase the cost of housing for the consumer because building contractors would try to retrieve their contribution to the scheme by raising their prices.305 [305 *Sunday Times* 20 November 1994] A professional steering committee established in November 1994 after the merger of the Bifsa task group (established in August 1994 to investigate the feasibility of the warranty scheme) and the National Housing Forum task group, undertook to finalise the scheme to have it ready for the delivery of housing in 1995.306 [306 *Business Day* 15 November 1994]

Exploitative Practices

The Housing Consumer Protection Trust was launched in March 1993 through co-operation between Lawyers for Human Rights, the Urban Foundation, the Urban Sector Network, the Legal Resources Centre and the South African National Civic Organisation. The trust aimed to educate low-income consumers in their 'housing rights' and to reduce the exploitationof aspirant home owners and tenants. At the time of writing the trust had received Rl,5m from the Independent Development Trust, the Kagiso Trust, the Estate Agents Board, the United States Agency for International Development, and the Anglovaal mining and industrial group. The first of Five advice centres which were to comprise a

housing advice centre network was opened in Johannesburg in September 1993. Four more centres were subsequently established in Bloemfontein (Orange Free State), Cape Town, Durban and Port Elizabeth (Eastern Cape) to support the trust's consumer awareness campaign.[307] [307 UF, annual review 1993, p18]

INFRASTRUCTURE

Energy

Statistics and Disparities

The Energy for Development Research Centre at the University of Cape Town estimated in December 1993 that 23m people in South Africa did not have domestic electricity, including most people in rural areas. The Southern Africa Labour and Development Research Unit estimated in 1994 that 46,5% of all households in South Africa were not linked to the electricity supply grid. In September 1994 the minister of water affairs and forestry. Professor Kader Asmal, said that 70% of all South Africans did not have electricity and that 10m people relied on wood for energy.[308] [308 *The Star* 13 September 1994; *Business Day* 10 December 1993; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p11]

In October 1994 the chairman of Eskom, Dr John Maree, said that Eskom was electrifying homes at a rate of 1 000 per day.[309] [309 *Business Day 26 October 1994*]

In January 1995 Eskom reported that there were a total of 3,5m structures of various types and standards which had electricity in urban areas in South Africa. (There were a total of 7,3m homes in South Africa at the end of 1993.) Of these 3,5m homes, 81,9% were formal houses, 7,8% were informal houses in formally planned areas, 1,4% were informal houses in unplanned areas and 1,3% were informal backyard shacks. Eskom also said that there were a further 263 361 public buildings used for community purposes such as schools, clinics and community halls which were electrified, constituting 7,6% of the total.[310] [310 *Information supplied by Eskom, 3 January 1994*]

Eskom reported in January 1994 that only 1,8m of the estimated 4m homes without electricity in South Africa were suitable in structure and proximity to the electricity network. The remainder (2,2m) were informal dwellings which could not be considered for electrification, Eskom said.[311] [311 *Engineering News* 28 January 1994, 27 May 1994]

The following table shows the percentage of urban households in the nine provinces (according to three categories of household income) which were electrified as at January 1995, according to statistics supplied by Eskom:[312] [312 Information supplied by Ms Dana Gampel of Research and Intelligence, Eskom, January 1995]

Urban electrification levels (by income) in the provinces: 1995

Household income

R 1-R1099

R 1 100-2 999

R3 000+

Eastern Cape

40%

84%

91%

Eastern Transvaal

50%

77%

b

KwaZuln/Natal

72%

b

87%

North-West

54%

88%

c

Northern Cape

70%

b

100%

Northern Transvaal

49%

95%

22%

Orange Free State

54%

96%

93%

PWV[a]

52%

53%

98%

Western Cape

67%

92%

85%

a

Pretoria-Witwatersrand-Vereemging.

b

Data not updated.

c

Urban dwellers do not fall into this bracket.

The programme manager of the co-operative programme at the Human Sciences Research Council, Dr Ina Snyman, and the manager of technology for development at the CSIR, Dr Tobie De Vos, conducted a survey in July 1993 which revealed that more than 70% of their representative sample of South Africans spent money on non-electrical energy. Their study concluded that:

• there was a 'considerable dependence' on non-electrical energy in South Africa (especially among Africans and in rural areas);

• non-electrical fuel was not necessarily cheap. Some 61 % of Africans in South Africa spent more than R50 per month on non-electrical energy compared with 10% of other race groups; and

• electricity costs in some areas were very high. Electricity prices had risen by about 60% between 1988 and 1993 and 25% of African households which had electricity paid more than R50 per month in electricity charges, while 63,5% of coloured households with electricity paid more than R50 per month. Dr Snyman and Dr de Vos also found that 20% of respondents in their survey who lived in the Pretoria-Witwatersrand-Vereeniging province or the Orange Free State paid R200 or more a month for electricity.[313] [313 *Affordability* August/September 1994] The Institute for Futures Research at the University of Stellenbosch reported in 1994 that 65% of the total population in South Africa used fuelwood as a source of energy. Wood was the primary source of energy for 12m people (about 30% of the total population) in both rural and urban areas. The consumption of fuelwood amounted to 12m tonnes a year, which accounted for 6% of total primary energy use in South Africa. At 1993 rates of consumption the natural timber resources of southern Africa would be completely exhausted within

The Institute for Futures Research reported in 1994 that many households in South Africa which had electricity did not always use it.

Citing an article published in the *Journal of Energy in Southern Africa* in November 1993, which reviewed energy consumption patterns in the Eastern Cape, the institute pointed out that households in that area used a combination of fuel types and that 'the fact that households had access to or were using electricity did not necessarily result in these households using electricity exclusively'. The institute also

cited a paper published in 1994 by the Energy for Development Research Centre at the University of Cape Town which said that households in the Western Cape retained paraffin and gas appliances because electricity supply was not reliable.[315] [315 Ibid]

The following table shows the percentage of households living in and around four metropolitan areas in South Africa which used four different types of energy in 1994 (figures do not add up because many households use more than one form of energy):[316] [316 Ibid]

Energy types used in and around four metropolitan areas in South Africa: 1994

Coal

LPG[a]

Paraffin

Electricity

Cape Town

4%

24%

60%

41%

DFR[b]

22%

30%

87%

6%

Port Elizabeth

1%

14%

90%

15%

PWV[c]

69%

17%

47%

39%

a

Liquid petroleum gas.

b

Durban Functional Region.

c

Pretoria-Witwatersrand-Vereeni

Policy, Promises and Debate

In September 1994 the cabinet approved a plan to provide new electricity connections to 500 000 homes a year over five years beginning in 1995. This followed a proposal by the National Electrification Forum (Nelf) earlier the same month to the cabinet committee on the reconstruction and development programme (RDP) and the parliamentary standing committee on the RDP on ways to achieve the electrification targets set by the RDP. 317 [317 *Sowetan* 16 September 1994] " The plan would cost about Rl,2bn a year to implement, according to the chairman of Nelf, Dr lan McRae.318 [318 *Engineering News* 16 September 1994]

Previously, Nelf said in July 1994 that South Africa had sufficient capacity to cope with the government's electrification programme and that no new power stations would have to be built. 319 [319 *National Electrification Forum* 12 July 1994] Dr McRae said in August 1994 that the cost of electrification in the rural areas was much higher than in the urban areas because there were fewer homes, spread more widely than in the urban areas and there was a lack of infrastructure. Dr McRae added that electrification in rural areas would have to be subsidised.320 [320 *The Citizen* 6 August 1994]

Dr McRae said in September 1994 that Eskom would provide electrical connections to about 350 000 homes a year, while the balance (150 000) of the connections would be installed by local authorities. Dr McRae said in the same month that the government's five-year programme to supply 2,5m new connections would increase the proportion of homes with electricity in the rural areas from fewer than 10% to more than 30% while increasing the proportion of homes with electricity in urban areas from 40 % to between 60% and 70%.321 [321 *Weekend Star* 10 September 1994; *Engineering News* 16 September 1994] The minister of mineral and energy affairs, Mr Roelof (Pik) Botha, said in September 1994 that at that time only about 35% of South Africans enjoyed electricity at home and that through its five-year electrification programme the government would increase that to 60%.322 [322 *The Citizen* 16 September 1994]

In October 1994 the chairman of Eskom, Dr John Maree, said that Eskom would spend R250m over five years electrifying 2 500 schools and clinics nationwide.323 [323 *Business Day* 26 October 1994]

Institutional Rationalisation

In March 1994 Nelf called for electricity supply to cease being the responsibility of local authorities. However, the chief executive of Eskom, Mr Alien Morgan, said in April 1994 that Eskom was reluctant to become an electricity retailer,324 [324 *Sunday Times* 3 April 1994] In June 1994 Dr McRae said that the forum would propose to the cabinet that a sole national electricity supplier should be established by 2000. Later, in November 1994, Dr McRae said that he hoped that non-payment of electricity charges would end if local governments no longer supplied electricity as many were regarded as illegitimate by consumers. However, local governments could continue supplying electricity in the interim period provided that they satisfied certain criteria established by the regulating body (the electricity control board—replaced by the National Electricity Regulator), Dr McRae said.325 [325 *Engineering News* 3 June 1994; *Sunday Times* 5 June 1994; *The Citizen* 16 September 1994; *Business Day* 24 November 1994]

A spokesman for Nelf, Mr Johan du Plessis, reported in July 1994 that there were more than 450 electricity distribution authorities in South Africa, each with its own equipment, staff, policies and tariffs. While Eskom acted chiefly as a generator of electricity, distribution functions were fragmented among the various local authorities. Mr du Plessis said that this fragmentation was inefficient because of the multiplication of resources and the lack of standardisation.326 [326 *Business Day* 31 March 1994; *National Electrification Forum* 12 July 1994]

Some 47% of the income of any municipality came from the profit on electricity sales, according to a consulting engineer, Mr Terry McKenzie Hoy. In September 1994 Mr Botha said that some municipalities were charging rates which were 50% higher than the price of electricity which they bought from Eskom.[327] [327 *Engineering News* 3 June 1994; *Sunday Times* 5 June 1994; *The Citizen* 16 September 1994; *Business Day* 24 November 1994]

National Electricity Regulator

Mr du Plessis said in July 1994 that there was a critical need for a national body that would regulate the entire electricity supply industry and monitor the progress of the government's electrification project. The task of such an electricity regulator would also be to improve the quality of power supply and address the problem of unequal tariffs.

The Electricity Amendment Act which was tabled in Parliament in October 1994 and gazetted in December provided for the establishment of a national electricity regulator board. In December 1994 Mr Botha appointed the nine member National Electricity Regulator board under the chairmanship of Dr lan McRae, who was also the chairman of Nelf and a former chief executive of Eskom.[328] [328 *National Electrification Forum* 12 July 1994; *The Citizen* 16 September 1994; *Business Day* 24 November 1994, 6 December 1994]

Tariffs

A spokesman for Nelf, Mr Johan du Plessis, said in July 1994 that Nelfdid not propose that every household in South Africa should pay the same electricity tariff because that would be 'neither fair nor practical'. Mr du Plessis said, however that the tariff system had to be 'equitable' and limits needed to be placed on the distribution of electricity. The chairman of Nelf, Dr lan McRae, said in August 1994 that electricity tariffs would have to be increased by between 8% and 10% over the first five years of the government's RDP. It was reported in August 1994 that electricity industry sources believed that cross-subsidisation would take place and that electricity tariffs would increase by different amounts for different users.

In September 1994 Dr McRae said that although tariffs would not be the same all over the country, the basis upon which they were determined would be the same. Dr McRae added that electricity tariffs in the cities (which were lower than in the rural area) would increase. Earlier, in May 1994, Dr McRae had reassured the industrial sector that it should not become too concerned about tariff increases, following concerns expressed by the sector that it would have to carry the bulk of the cost of the government's electrification projects. Dr McRae said that the forum was conscious of the need to keep electricity charges to industry down in order to keep industry competitive. [329] [329 *The Natal Mercury* 16 May 1994; *National Electrification Forum* 12 July 1994; *Business Day* 8 August 1994, 28 September 1994] Dr McRae said in December 1994 that the National Electricity Regulator (of which he had been appointed chairman) would start devising a national domestic tariff system in January 1995 to eliminate regional electricity price differences. The new tariff system would bring to an end more than 2 000 tariffs which existed

nationally, Dr McRae said.[330] [330 *Business Day 6 December 1994*]

Achievements

A member of the secretariat of Nelf, Mr Hendrik Barnard, said in July 1994 that electricity suppliers had electrified 506 000 homes between 1991 and 1993. Of these, Eskom had supplied 414 000 connections at a total cost of Rl.lbn. More than 385 000 of the connections were in townships (including informal settlements), 28 700 were to farmworkers' houses and more than 92 000 were installed by local municipalities. During 1993 alone Eskom made almost 210 000 domestic electricity connections. The chairman of Nelf, Dr lan McRae, said in November 1994 that Eskom had installed 280 000 new electricity connections during 1994, while local governments had installed a further 50 000.[331] [331 *Ibid 20 January 1994; Sunday Times* 3 April 1994; *Financial Mail* 22 July 1994]

Public Facilities

The Department of Housing stated in the white paper on housing published in December 1994 that although no accurate statistics existed on 'sociocultural amenities' (schools, health care facilities, sports facilities, cultural and community centres, and libraries), most informally housed and many formally housed people had poor access to such facilities.[332] [332 Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*, p11]

Telecommunications

Statistics and Disparities

The chairwoman of the National Telecommunications Forum, Ms Lyndall Shope-Mafole, said in January 1994 that while 70% of white households in South Africa had telephones, fewer than I % of African communities (rural and urban) had telephones. The managing director of Telkom, Mr Danie du Toit, said in January 1994 that 65 % of Telkom's revenue came from 10% of the population and that Telkom had estimated that more than R20bn was required 'over a period of time' to create adequate infrastructure to provide telephones throughout South Africa.[333] [333 *Business Day 19 January 1994*]

A spokesman for the CSIR, Mr Christoff Pauw, said in January 1994 that econometric tests had shown that by increasing the telephone penetration from one telephone per 100 people to two per 100 people over a period often years gross domestic product would increase by 3,5%.[334] [334 *Ibid*] The production manager of Alcatel Altech Telecoms, Mr Roland Shaw, said in March 1994 that a Business and Marketing Intelligence TechKnowledge study had shown that telephones could be installed in 23% of African homes by the end of 1994 provided the rate of installation of direct exchange lines was increased by 30%.[335] [335 *Ibid 17 March 1994*]

It was reported in October 1994 that South Africa had 3,7m main telephone lines (40% of all telephones in Africa) but that there was a backlog of 120 000 residential and business telephone connections applied for. However, it was reported that there was an average telephone penetration in South Africa of only 9,2 phones per 100 people. Mr Shaw said in March 1994 that in the United States there were 96 telephones for every 100 people, in the United Kingdom there were 65 and in Brazil there were ten.[336] [336 *Ibid; Financial Mail* 28 October 1994]

The minister of posts, telecommunications and broadcasting, Dr Pallo Jordan, said in October 1994 that the 4% rate of expansion of the telecommunications network would ensure a telephone penetration of only 11 phones per 100 people by the year 2000 and that the rate of network expansion should be increased to 'at least 10%'.[337] [337 *Financial Mail* 28 October 1994]

Policy, Promises and Debate

The chairwoman of the National Telecommunications Forum (formed in November 1993 to formulate a general telecommunications policy), Ms Lyndall Shope-Mafole, said at a telecommunications conference in Johannesburg in March 1994 that rural African women would be the target market of the forum's telecommunications policy, adding that by empowering rural African women, the quality of life of all South Africans would be improved. Ms Shope-Mafole said that 59% of rural households were headed by African women, 70% of whom lived in the rural areas, and that by providing these women with telecommunications, they and their families would be economically and socially uplifted.[338] [338 *Business Day* 17 March 1994]

In October 1994 Telkom said that it would spend R6,3bn over five years and provide telecommunications services to 40% of households in urban and peri-urban areas as well as 26 000 lines to rural areas. Earlier, in March, Telkom had said that the demand for telephones in the rural areas was expected to increase by more than 200 % over the next ten years and that it would provide a community telephone within walking distance of every rural home in South Africa by 1998. According to Telkom, it hoped to provide telecommunications services to 16 000 schools and 1 500 clinics within two years.[339] [339 Ibid; *Financial Mail* 28 October 1994]

As a result of the high capital cost of providing rural telecommunications services, and the low return on investment (income from rural services ranged between R400 and R800 per community), rural services had traditionally been neglected, according to Telkom's network planning manager, Ms Maggie Salmon.[340] [340 Ibid]

Ms Salmon said in March 1994 that Telkom intended automating its network by 2000. However, she said that Telkom's ability to meet its objectives was dependent on the 'financial well-being of the company'. In the financial year ending March 1994 Telkom, which was a self-financing state-owned company, reported a net profit of R760m.[341] [341 Ibid]

Achievements

In March 1994 Telkom reported a growth in main services (all new installations—including businesses, private homes and public telephones) of 81 567 in 1992, 133 869 in 1993 and 134099m 1994.[342] [[342] Information supplied by Ms Ronelle Myburgh from Telkom: Corporate Communications, 7 March 1995]

Water and Sanitation

Statistics and Disparities

A scientific officer at the Freshwater Research Unit in the Department of Zoology at the University of Cape Town, Ms Gate Brown, said in November 1994 that only 12% of the water consumed in South Africa was used for municipal and domestic purposes, while 52,4% was used for agricultural irrigation and stock watering, 14,5% for ecological uses, 7,6% for industry, 7,5% for forestry, 2,7% for mining, 2,3% for power generation and 1% for nature conservation. However, domestic consumption was expected to increase to 17,3% by the year 2010, Ms Brown said.[343] [[343] *The Star* 8 November 1994]

The Southern Africa Labour and Development Research Unit (Saldru) estimated in 1994 that about one quarter of functionally urban households in South Africa did not have access to a piped potable water supply, while 48 % of all households did not have access to either flush lavatories or ventilated improved pit latrines. Saldru also found that 16% of all households in South Africa had no access to any type of sanitary system.

An adviser to the minister of water affairs and forestry, Mr Len Abrams, said in May 1994 that 30 000 children had died in South Africa during 1993 as a result of illnesses caused by poor sanitation.[344] [[344] *Business Day* 20 May 1994; *Financial Mail* 30 September 1994; *The Star* 8, 16 November 1994; *Weekly Mail and Guardian* 18 November 1994; Department of Housing, *White Paper: A new Housing Policy and Strategy for South Africa*]

The Department of Water Affairs and Forestry said in its white paper entitled *Water Supply and Sanitation Policy*, published in November 1994, that more than 12m people in South Africa did not have adequate drinking water and nearly 21m lacked basic sanitation (7m in urban areas and 14m in rural areas). Some 17,5m people in South Africa did not have piped water (internal household water or yard taps). According to the white paper, piped water was a long-term goal and was not regarded as a realistic standard for basic servicing (see *Policy, promises and debate* below). The white paper stated that 56,7% of Africans in South Africa did not have piped water, compared with 4,6% of coloured people and 0,1% of whites. The white paper said that 100% of indians enjoyed piped water distribution.[345] [[345] Department of Water Affairs and Forestry, *White Paper: Water Supply and Sanitation Policy*, November 1994]

Ajoint study conducted by the Central Witwatersrand Regional Services Council (CWRSC) and the Central Witwatersrand Metropolitan Chamber in August 1994 to determine the spare capacity of the bulk civil engineering infrastructure in the central Witwatersrand found that 10% of the CWRSC area

had sufficient spare bulk-service capacity to manage major developments at minimal cost, while some 60 % of the area could accommodate some additional densification with limited upgrading. The study's findings indicated that a high proportion of the CWRSC area had sufficient water, sewage treatment and road infrastructure to cope with urban growth without major expenditure. The CWRSC area could accommodate an additional population of 2,5m people on the existing bulk-water supply. The study indicated that although 22% of the CWRSC did not have sewerage services, the area could support an additional population of 1m people without modifying treatment works or bulk sewer outfalls.[346] [346 *Engineering News* 26 August 1994]

The Palmer Development Group, a private development consultancy, estimated in September 1994 that it would cost the government R3,51bn over ten years to cover the capital investment costs of providing full internal township reticulation throughout South Africa. The company said, however, that providing additional full bulk-water services would cost a further R10,57bn.[347] [347 *Financial Mail* 30 September 1994]

Policy, Promises and Debate

The Department of Water Affairs and Forestry stated in its white paper entitled *Water Supply and Sanitation Policy,* which was published in November 1994, that it aimed to ensure that all South Africans had access to basic water supply and sanitation services 'within seven years or less'. In May 1994, the minister of water affairs and forestry, Professor Kader Asmal, had said that his department would regard water security (assurance of supply) as a basic human right. Professor Asmal said in November 1994 lhat between R7bn and R19bn would be required in order to provide clean drinking water and basic sanitation to everyone in South Africa. Professor Asmal's adviser, Mr Len Abrams, said in the same month that it would cost between R200 and R250 per person to provide enough water to satisfy basic needs, while basic sanitation would cost between R300 and R350 per person.[348] [348 *Business Day*, *The Citizen* 20 May 1994; *The Star* 16 November 1994]

The Department of Water Affairs and Forestry said in the white paper that it aimed to provide a minimum of 25 litres of potable water per person per day within 200m of each home as well as one ventilated improved pit lavatory per dwelling (the Department of Water Affairs and Forestry did not regard the bucket system as adequate and said in the white paper that it should be phased out). The World Health Organisation recommended 50 litres of water per person a day.[349] [349 *The Star 8, 16 November 1994; Weekly Mail and Guardian* 18 November 1994]

Institutional Reform

According to the white paper, institutions responsible for water resource management and the provision of water and sanitation had become fragmented under the previous government's 'separate development' policies. Many organisations had been involved in water resource management and service provision, including, among others, the three houses of the tricameral Parliament, the departments of water affairs of the ten homelands, the four provincial administrations, 16 water boards,

and various metropolitan authorities with water and waste departments and local authorities responsible for service provision.[350] [[350] Department of Water Affairs and Forestry, *White Paper: Water Supply and Sanitation Policy,* pp5, 6]

Therefore, the government's new water supply and sanitation policy stated that national water resource management would in future be carried out by a central agency because water was a strategic national resource and its management was defined as a national function in the transitional constitution. The white paper said, however, that the central government's role in providing water and sanitation services would be indirect and would comprise such things as the establishment of policy guidelines, setting minimum service standards and monitoring and regulating service provision. Professor Asmal said in January 1995 that local government was responsible for the provision of services.[351] [[351] Ibid, p10; Television interview on the *Agenda* programme with the minister of water affairs and forestry, Professor Kader Asmal, 15 January 1994]

Where effective local governments had not been established, the Department of Water Affairs and Forestry would amend the Water Act of 1956 to expand the mandate of the water boards so that they could provide water and sanitation directly not only to local authorities but also to final consumers. The white paper said that the water boards would be the department's primary agents in the development of water supply at a regional level (in addition to the department's own regional offices). The water boards would have two main functions in the future. These would be:

• to supply water to both organised communities and individual consumers; and

• to assist the government in the establishment of statutory local water committees (LWCs) and to offer technical, administrative and training assistance to such committees and local authorities.[352] [[352] Department of Water Affairs and Forestry, *White Paper: Water Supply and Sanitation Policy,* pp12, 27]

According to the white paper, the department would table legislation to enable the minister of water affairs and forestry to establish statutory LWCs to provide water and sanitation at a local level in areas where local governments did not exist. The proposed LWCs would be empowered to act as legal persons and to trade, own materials and take out loans and would eventually be integrated into local government structures.[353] [[353] Ibid]

Referring to the role of provincial governments, the white paper said that although the provinces did not share legislative competence with central government to manage or develop water resources they did share the responsibility of service provision because it was their duty to promote effective local government. Regional water supply and sanitation offices (under the Department of Water Affairs and Forestry) would respond to demands for services from communities and ensure that the minimum standards set by the government were achieved. In areas where no water board had been established, the regional water supply and sanitation offices would act as the executive arm of the Department of Water Affairs and Forestry, the white paper said.[354] [[354] Ibid, pp11, 26]

An important policy initiative in the white paper was the department's proposed establishment of a national water advisory council to advise the minister on water supply and sanitation priorities. Professor Asmal said in January 1995 that the council would represent a wide cross-section of interested parties including all water users. The minister added that the council would be established later the same month and that unanimous decisions by the council would be binding on the minister of water affairs and forestry.[355] [[355] Department of Water Affairs and Forestry, *White Paper: Water Supply and Sanitation Policy,* p12; Television interview with Professor K Asmal, 15 January 1994]

Financing

The Department of Water Affairs and Forestry said in the white paper published in November 1994 that budgetary allocations made to the department would have to be increased from 1,28 % of the national budget in 1994/95 (Rl ,6bn) to 2,24% of the national budget (R2,8bn at 1994 prices) to provide basic water supply and sanitation to all South Africans.[356] [[356] Department of Water Affairs and Forestry, *White Paper: Water Supply and Sanitation Policy*, p20]

According to the white paper, services should be self-financing at a local and regional level. In cases where a community could not afford to pay for basic services, government would subsidise the cost of construction but not the operating, maintenance or replacement costs of basic minimum services.[357] [[357] Ibid, p19]

The Department of Water Affairs and Forestry rejected the notion of a uniform tariff for water in South Africa because it could result, in poorer communities with low-cost systems subsidising better-off communities with better systems and because the cost of service supply varied so widely from one place to another.[358] [[358] Ibid, p24]

In the white paper, the Department of Water Affairs and Forestry endorsed a policy of sliding tariff scales for water. Three tariffs were outlined by the department. They were:

• a life-line (social) tariff, which would charge the user for only the operating and maintenance costs of supplying water. Users would be restricted to the use of 25 litres per person per day;

• the normal tariff, which would charge the user the cost price of the supply of water (operation and maintenance plus capital) including the losses incurred through the life-line tariff. Users would be restricted to the use of 250 litres per person per day; and

• the marginal tariff, which would charge the user the marginal cost of supplying the water. This tariff would be applied when the user used more than 250 litres per person per day.[359] [[359] Ibid, pp24, 25]

Achievements

In August 1994 the president, Mr Nelson Mandela, announced that 12 water projects costing an estimated R280m had been approved by the government and would be funded out of the special reconstruction and development programme fund. The money would be spent over a three-year period (R59m in 1994/95, R135m in 1995/96 and the remainder in 1996/97).[360] [360 *Financial Mail* 30 September 1994]

The Development Bank of Southern Africa (DBSA) said in its 1994 annual report that it had approved 42 water-related projects worth R311m in loan and grant finance during the year in rural and urban areas .[361] [361 Ibid]

By August 1994 more than 400 rural communities in South Africa had submitted applications to the Mvula Trust for help in water supply projects. The Mvula Trust was a nongovernmental organisation established jointly in July 1993 by the DBSA, which pledged R50m in loan finance, the Independent Development Trust, which pledged R50m in aid and the Kagiso Trust, which pledged R50m in aid money (chiefly from the European Union) to be spent on the supply of water and sanitation. The executive director of the trust, Mr Piers Cross, said that the trust had committed R30m to such projects.[362] [362 *Business Day* 4 August 1994]

KEY PROJECTIONS

• Natural population growth and new household formation might add 200 000 to the number of urban housing units needed a year. By 2000 improved housing will have to be provided for some 4m households, according to Dr Tobie de Vos of the CSIR and Mr Moses Mayekiso MP (ANC).

• The Building Industries Federation South Africa (Bifsa) said in August 1994 that the government would need to increase spending on training in the building industry by 780% from R25m to R220m a year. This would supply the industry with 600 000 new employees (including 120 000 artisans) which Bifsa believed the industry needed to provide 350 000 low-cost houses a year.

• According to the chairman of the management committee of the National Electrification Forum, Dr Ian McRae, the government plan to provide new electricity connections to 2,5m homes in 1995–2000 would cost about R1,2bn a year.

• Better housing for 1m households by 2000 may do no more than freeze the housing backlog at its present level (1,5m in the urban areas).

• The government white paper entitled *Water Supply and Sanitation Policy*, published in November 1994, said that more than 12m people did not have adequate drinking water and nearly 21m lacked basic sanitation. According to the white paper, the government aimed to provide a minimum of 25 litres of potable water per person per day within 200m of each home as well as one ventilated improved pit

lavatory per dwelling within seven years.

• The minister for posts, telecommunications and broadcasting, Dr Pallo Jordan, said in October 1994 that the present expansion rate of 4% in telephone connections would ensure telephone penetration of only 11 telephones per 100 people and that the rate should be increased to 10% over the next five years.

• According to Telkom, the demand for telephones in rural areas was expected to increase by 200% over the next ten years.

Sidiropoulos, E., et al., Race Relations Survey 1994-1995, (Johannesburg: South African Institute of Race Relations) 1995.