

CHAPTER 8

Socio-Economic Reconstruction

In the report on COMSA's first phase, we cited the huge disparities in wealth in South Africa as a root cause of violence.

The richest 5 per cent of the population in South Africa owns 88 per cent of the wealth, while over 50 per cent of the population (and 60.5 per cent of the African population) lives below the poverty line.

This has given rise to the curious mix in South Africa of first world sophistication and third world underdevelopment. The resulting political crisis, and the international sanctions campaign, have had a detrimental effect on the economy. That coupled with drought and – until recently – falling gold prices has conspired to lead to a continuous economic decline for the last four years: the longest recession in the country.

Overall unemployment is running at close to 50 per cent, and investment as a share of gross domestic product (GDP) has fallen from 23 per cent in 1983 to 16 per cent at present. Foreign and local investors are sitting tight while political uncertainties prevail.

For most governments, international organisations and funding agencies, the establishment of a transitional government in South Africa will be the essential trigger for the lifting of remaining sanctions, and active involvement in socio-economic reconstruction. In preparation for this inevitability, COMSA began during the second phase to make some cursory enquiries into economic policy issues.

We met with representatives of the Consultative Business Movement, COSATU, a variety of business people, Econometrics (a policy think-tank), the South African Foundation, and Robin Lee Associates (a consultancy firm involved in a study by a cross-section of 22 South Africans entitled 'Growing Together' on future economic policy). We also met with senior officials of the ANC economic department, and a variety of government officials involved in economic planning.

At a grassroots level, our association with the structures set up under the NPA, which makes provision in Chapter 4 for the establishment of permanent subcommittees on socio-economic reconstruction and development, has brought us into contact with efforts by communities to overcome poverty and despair.

Recognition of the crucial role played by women in the development

process – and the fact that COMSA enlisted its first woman observer in the second phase – prompted us to look more closely at the struggle by South African women for equal rights, as well as their potential contribution to socio-economic reconstruction.

Policy Issues

Much less in the news than the multi-party negotiations that have been going on at the World Trade Centre, yet perhaps equally as important in the long run, are a series of negotiations between business, COSATU (which is allied to the ANC) and the Government.

These negotiations fall under the rubric of the National Economic Forum (NEF), which was launched, at the initiative of COSATU and after considerable resistance from the Government, late last year. Around this Forum revolve 140 regional and sectoral forums. An example of the latter is the Vaal negotiating forum, mentioned in Chapter 4.

The clout which the NEF is gaining is illustrated by the fact that it was to the NEF that Finance Minister Derek Keys first presented his five-year 'Normative Economic Model' in March this year, in his words to be 'ripped to pieces and put together into a new synthesis which will hopefully command democratic support'.

In an important symbolic gesture – because it represented for the first time the ceding of financial control by the Government to a multi-interest group – the 1992/93 budget allocated R70 million to the NEF and National Housing Forum to be used in policy formulation and creating jobs.

There have been suggestions that the NEF and its satellite negotiating forums may eventually amalgamate into a socio-economic council, that will advise whatever new government comes into being.

In our interaction with participants in the NEF we have observed the following:

- A marked easing of tension between business and labour, as well as labour and the Government.
- A narrowing of the gap in thinking on policy issues. The Government, while putting the accent on growth, acknowledges the need to redress the glaring inequities created by decades of apartheid. The ANC Alliance has backed away from its earlier stance on nationalisation, and called for a lifting of remaining trade and investment sanctions once a TEC is in place.
- From the old rigid debate of privatisation versus nationalisation, the economic policy debate has now shifted more to ANC proposals on anti-trust laws for breaking up the six conglomerates that own 86 per cent of the shares on the Johannesburg stock exchange. Business generally argues that such corporations give South Africa muscle overseas. But the recent announcement by the Government that draft legislation is soon to be introduced to support 'unbundling' of the country's large corporations

suggests that there is some agreement that the conglomerates occupy an unfair position in the local market.

- There is agreement on the need for new foreign investment, expressed most recently by Mr Mandela on his trip to Britain in May 1993.
- There is general agreement on a philosophy of growth and redistribution, rather than the previous extremes of growth or redistribution on the one hand, or that of growth through redistribution on the other.

Major problems remain, however. These relate largely to the oft-referred to 'crisis of legitimacy' faced by the Government which can only be resolved through representative structures being put in place.

A classic example of this is the problems faced in the social sector. In the 1992/93 budget, the Government increased social spending from 41 to 44 per cent of the budget: a figure that is high by international standards. Yet social services for blacks remain in a sorry state for a number of reasons:

- **Racial inequities in spending:** Although social expenditure on every white person has been narrowed down from 18 times that spent on every black person to a factor of four, the racial gap still needs to be closed.
- **Corruption, waste and inefficiency** have surfaced in several areas. Cases of inappropriate expenditure in the 'homelands' have been widely publicised. The economists working on 'Growing Together' estimate that there could be a saving of at least R2.5 billion out of the R16 billion education budget through improvements in efficiency. Other prominent economists have pointed to the sum of R2 billion spent on constructing a mere 15,000 homes last year as inviting serious questions on how money is being utilised.
- **Misguided expenditure:** In health, to cite one instance, expenditure is still heavily biased towards expensive, curative medicines, which benefit the wealthy, rather than preventative health care, vital for stemming the most basic diseases that continue to afflict the majority population.
- **Unrest:** The violence wracking the country has impeded development efforts. For example, the Department of Education, in its most recent annual report, records 16,000 instances of disruption throughout schools in the country, and the loss of 11 million pupil days last year. The near anarchy in black schools, which is directly linked to the political crisis in the country, has bred a whole generation of scholars who, according to the report, 'have never known a role model or normality'.
- **Conflict within communities and the inability of the Government to relate to them:** A classic example of this is the chequered policy being followed with regard to upgrading hostels, cited often in this report as flash-points for violence.

In a briefing with government officials, we were informed that although a very substantial amount had been set aside for the upgrading of hostels, very little of this had been spent.

One of the difficulties faced has undoubtedly been political. Embarking on the upgrading of one hostel supporting a particular party could immediately spark allegations of favouritism.

Complicating matters are the different policy positions on what to do with hostels. The ANC has been urging the fencing off of hostels as an immediate measure, and upgrading them to family units thereafter. The IFP rejects fencing, and says that not all hostel dwellers favour the creation of family units, which would be more expensive, and oblige them to bring their families (who remain in the rural areas) to town, with the attendant problems of supporting them, finding schools, etc., in an urban setting.

Hostel dwellers themselves have firm views on what they want for their individual hostels. A government which is not representative – no matter how good its intentions – is not in a position to consult effectively with the communities it seeks to serve.

The above observations point to the imperative of a new political dispensation. In the interim, however, we endorse the calls, made by the 'Growing Together' panellists and others, for bodies such as a performance auditing agency and independent fiscal commission which will serve as useful watchdogs on government spending far into the future.

We also endorse the efforts of the NEF short-term working group to create jobs through a public works programme, and of the long-term working group to tackle policy issues.

Related negotiating forums – such as the housing forum – provide representative platforms for beginning to tackle some of South Africa's daunting problems. Through reaching out to local communities, and bringing together actors who might otherwise never associate, they contribute to peace and reconciliation. We therefore urge that these forums mushrooming across the country be given maximum encouragement.

Socio-Economic Reconstruction through the Peace Accord

Recognising the close relationship between peace and development, the regional and local structures of the NPA have changed their names from dispute resolution to peace committees.

A subcommittee of the NPC, headed by a full-time national executive director, has been working to ensure the establishment of socio-economic reconstruction subcommittees at local level.

There are Socio-Economic Reconstruction and Development Subcommittees (SERDs) in various stages of establishment in eight of the eleven regions. These identify projects and prioritise needs, for which funds are sought.

Many SERDs are still bogged down by legal and administrative obstacles. Political infighting has also hampered some efforts.

In the following section, we cite a case study of socio-economic reconstruc-

tion efforts with which we have been closely associated, and which offers hope for the future.

Socio-Economic Reconstruction in the Ensimbini Valley

As part of the peace settlement in the Ensimbini Valley (see Chapter 4), committees for reconciliation, resettlement and development were established in KwaNdwalane and KwaMavundla principally to oversee the return and resettlement of the refugees and the reconstruction of houses destroyed in the violence. A representative of the Reconstruction and Development Subcommittee of the Port Shepstone Peace Committee was co-opted on to the local committees to provide the necessary liaison.

With the return of peace to the Valley, an inventory of all the houses needing repair was prepared by joint teams of ANC and IFP representatives on the basis of which a project proposal was drawn up. As of 25 January 1993, 281 householders had been identified as requiring assistance to repair well over 560 rooms. The estimated cost was put at R663,000. The budget has since been approved by the Reconstruction and Development Committee of the NPS and a project co-ordinator appointed. The reconstruction is due to begin shortly.

In addition to the resources of the NPS, COMSA has also been exploring other ways of consolidating the peace process on the Lower South Coast. It made preliminary contact with a number of business organisations with interests in the area to see if a consortium could be put together to sponsor the establishment of a vocational training centre specialising in, among other things, carpentry, masonry, metalwork, motor mechanics and agriculture. The initial reactions have been encouraging and consultations are under way on the next step forward.

Empowering Women

South African women, who constitute 53 per cent of the population, have been among the worst victims of apartheid and of violence, as illustrated by the following statistics:

- According to 1991 figures, one out of every two girls and women in South Africa will be raped in her lifetime, one of the highest such rates in the world. Yet, an overwhelming majority of rape victims are said not to report the crime.
- It is estimated that one in six South African women is battered regularly by her male partner. This figure may be an underestimate since, again, most victims do not report the crime, partly for fear that if the concerned male gets to know, the situation will be even worse.
- There is a very large number of illegal abortions each year, and one-third of all teenage girls become pregnant.

- Despite the fact that 43 per cent of African and 52 per cent of coloured women are single mothers, almost all title deeds in South Africa are in the hands of men.
- While there is equal representation of boys and girls at primary and secondary school, there is a heavy imbalance of the sexes in tertiary education.
- Women make up 36 per cent of the work-force, and are concentrated in the lowest-paying jobs, mostly as domestic workers. Women in the same types of job as men often earn less.
- Working women are not protected from dismissal as a result of pregnancy. Maternity benefits are only 45 per cent of weekly earnings for six months, and only after a worker has contributed for at least three years.
- Nationally, less than one per cent of infants are taken care of in publicly funded crèches.
- Only five of the 178 Members of Parliament in the white Parliament are women. There are only nine women in a total of 51 officials on the ANC's National Executive Council. There were two women delegates to CODESA.

On 8 March (International Women's Day), COMSA attended the launching of the Women's National Coalition (WNC) – a broad-based movement that cuts across party lines, and aims to place the concerns of women firmly on the agenda of constitutional negotiations. We continued to follow the activities of the WNC through meetings with its representatives, and by attending a major weekend workshop organised by the group in April.

As noted at the beginning of Chapter 2, we warmly welcome the inclusion of women in multi-party talks, and hope that this does not prove to be a token gesture.

The National Party is currently in the process of promulgating a series of bills on women which include legislation on the prevention of domestic violence, the abolition of discrimination against women and the promotion of an equal opportunities bill.

While these gestures are commendable, there are flaws in the proposed legislation. For example, unmarried couples are not included in legislation on guardianship, despite the preponderance of single parents in South Africa. While there is provision for maternity leave under the proposed legislation, there is no guarantee that women who take this up will get their jobs back.

More relevant for the longer term are the efforts by the WNC to solicit inputs from across the country for a Women's Charter that would be incorporated into the new constitution.

At the heart of the campaign is what the WNC describes as a 'multi-method programme of participatory research' which will involve 100 trained field workers being deployed across the country to consult with women from all walks of life. Methods employed will include in-depth interviews, questionnaires, public meetings, hearings and media surveys.

The WNC hopes that by October this year, its researchers will have completed gathering and analysing their data. From November onwards this information will be debated and popularised, and then submitted to the body charged with drawing up a new constitution.

Among the issues being discussed are: equal opportunity, pay, treatment and benefits for equal work; equal taxation for men and women; an end to battery, and rape law reforms.

We recommend that consideration also be given to the following:

- Ensuring participation of women in the IEC (see Chapter 2) so that the particular concerns of women with regard to elections are effectively addressed. These include the fact that the majority of people living in the 'homelands' (where elections are likely to be most problematic) are women; that because of the high level of illiteracy among women voter education has to be especially tailored to reach women, and that there should be adequate security arrangements so that women are not deterred from voting.
- Inclusion of women in transitional arrangements: this is important, if the current participation of women in the multi-party talks is to be meaningful.
- Ensuring that the gender implications of decisions on a new constitution are carefully weighed. The extent to which power is devolved to the regions, for example, could have serious implications for the realisation of women's rights. If provinces have the power to legislate on social welfare issues such as abortion and the application of customary law, this could have profound repercussions on efforts to enhance equality.
- COMSA also recommends that – in light of the particular effects of violence on women, and the violence specifically directed at women – there be a conscious effort to recruit women into law enforcement agencies. This issue is addressed in greater detail in Chapter 7.