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## **Prospects for Reconstruction and Development in the New South Africa**

'We promised them change, and change is what we will give them' (Nelson Mandela, Sept. 1994)

'My plays are not political; they are about desperate people. But even in the darkest days, after 30 years of official apartheid and centuries of unofficial apartheid, the vast majority of the people, I mean the blacks, never lost hope.' (Athol Fugard, BBC Radio 4, 29.1.1996)

'South Africa's own history provides the most positive evidence imaginable that intervention led by the state can help reduce historical disparities between ethnic/language groups. From 1924, but more specifically from 1948, the state took radical measures to ensure that the Afrikaners would receive benefits to reduce existing disparities with English-speaking whites. It has been done. It can be done again.' (Munslow and Fitzgerald 1994)

The legacy of apartheid has set its own agenda of wrongs to be righted, basic needs to be met, economic and social restructuring to be tackled, and democratic institutions to be substituted for those of a secretive, repressive, racist regime. Apart from the lunatic fringe of discredited white extremists, and small pockets of black racism, there is little controversy over the basic objectives of the Government of National Unity (GNU). The questions are rather *how* these objectives are to be achieved, and how fast, whether they can be afforded, which – necessarily limited – priorities are to be set for the first five years, and what compromises will have to be made. The ANC has already had to make concessions to their partners in government, in order to keep on board the sometimes restless NP and the always volatile IFP (see List of Acronyms, p. 112 below), not to mention others such as the Freedom Front, whose broad co-operation is desirable in the National and some Provincial Assemblies (see Reynolds 1994, pp. 202 – 203, for seat distribution in each of these). But above all they have to retain the support of the deprived black majority, who voted for peace, prosperity, jobs, decent housing, a fair share of land for themselves, and a proper education for their children. How is the Government, in five years of office, going to meet these limitless expectations and contain the impatience of the poor? The activists of the 1980s were only too successful in their struggle to make the country ungovernable, a technique that is unlearned with difficulty. Mandela knows that

his firm rejection of anarchy, and his insistence that the GNU has not got 'a big bag of money', will not remove the need to produce rapid and visible improvements in people's daily lives.

After a brief overview of the *Reconstruction and Development Programme*, this article will focus on a few of the target areas, namely, land, housing, education and health, in the context of the enormous deprivation directly caused by apartheid. The GNU inherited a flagging economy, with high levels of inflation (over 15% in 1991) and interest rates (16% in March 1992), though fortunately prices had fallen from their peak in the 1980s and have remained stable under the GNU. The GDP had actually been falling – by 2.4% in 1992 – and manufacturing output fell steadily from 1989 to 1993, while there was a massive decline in agricultural production in the first quarter of 1994 (GNU Prospectus 1994; McGrath and Holden 1994). There had been a serious reduction in both domestic and foreign investment. The economy was starved of overseas capital, where sanctions bit deepest, and severely damaged by the continued low price of gold. As a result, the payments deficit was deepening, so that foreign reserves and the value of the rand – in spite of a complex dual exchange rate system – were falling, and have continued to do so. Above all, there was an appalling level of unemployment, 50% or more among blacks, with a national average of 29% in October 1993. The legacy of apartheid posed a severe challenge.

But there were also grounds for optimism. The well developed infrastructure, designed by and for the white ruling elite, meant that the new South Africa inherited plentiful supplies of electricity, at prices cheaper than in most industrial countries, an excellent road network, modern telecommunications and ample water supplies in most areas, a modern industrial base actually stimulated by sanctions, though heavily dependent on defence, and a highly developed financial and banking system. All of these were available for the wider public benefit.

### The ANC's Reconstruction and Development Programme (RDP)

It was in exile, at the 1990 Harare Workshop on Economic Policy for a Post-Apartheid South Africa (see 'Recommendations', in *Transformation*, no. 12, 1990), that the ANC first began to formulate its policy for transforming a skewed economy and an unjust society. Once the party was unbanned in 1990 – though still lacking a home base until the exiles began to return – the RDP continued to evolve through at least six discussion drafts, during many months of consultation with party cadres and trade union leaders in the ANC-led alliance (i.e. including the SACP and COSATU) and with 'other key

mass organisations', NGOs and research centres. Eventually it was to become virtually an election manifesto and finally the official, sacrosanct commitment of a coalition government, though continually being elaborated and expanded.

A crucial role was played by the Macro-Economic Research Group (MERG); and a significant research input came from the ANC's London-based Department of Economic Planning, and from several institutes of London University. Several of the academics involved later became full- or part-time consultants to the GNU in South Africa. Exploratory contacts with South African business had already been made, even in exile, and other sectors of civil society were now drawn in. The ANC has claimed, with considerable justification, 'This inclusive approach to developing and implementing policy is unique in South Africa's political history.' In fact, few democratic governments anywhere, and none that I know of in Africa, have come to power on such a basis of detailed discussion and consensus.

The consultative process culminated in the Conference on Reconstruction and Strategy in January 1994, after which the definitive, 147-page version of the RDP (ANC 1994a) was presented as 'an integrated, coherent socio-economic policy framework', although it also served as an exceptionally detailed party manifesto for the April elections. The free popular summary, *A Basic Guide to the RDP* (ANC 1994b) – 29 illustrated pages in large print – was distributed only after the elections, illustrating the fact that, unlike many party manifestoes elsewhere, it was to serve as a set of guidelines for the new coalition government. Moreover, since the elections the official planning and policy-making process has revolved around further refinement and elaboration of the Programme, serving as a constant reference point for the political discourse of both government and party.

The RDP sets out six incontrovertible principles. The programme must be:

- (a) integrated and sustainable, (b) a 'people-driven process', (c) based on peace, security and equality before the law, and (d) on nation-building, designed to eradicate inequality rather than waiting for the discredited 'trickle-down effect'; it should (e) link reconstruction, development and redistribution as inseparable parts of an integrated process; finally, it must depend on (f) the 'thoroughgoing democratisation of our society', requiring fundamental changes in the way that policy is made and implemented.

The specific problems to be tackled were categorised under four heads: Meeting Basic Needs; Developing Human Resources; Building the Economy; and Democratising the State and Society. The *basic needs* to be addressed make a daunting catalogue: – 'land reform, housing and services, water and sanitation, energy and electrification, telecommunications, transport, environment, nutrition, health care, social security and social welfare'.

The most eye-catching target here is 1 million low-cost houses to be built over 5 years. The Programme also envisaged a 'massive expansion and qualitative improvement in the education and training system' under the heading of *human resources*, a section which includes the ANC promise of 10 years' compulsory schooling, as well as basic adult education and a restructured training system. Meanwhile, under *building the economy*, the task was to 'eliminate the extreme inequalities in wages and wealth generated by the apartheid system ... address economic imbalances and structural problems' and achieve 'a substantial increase in net national investment'. The goal here was specific: a 5% growth rate and the creation of 300,000 to 500,000 non-agricultural jobs per annum within five years. This section of the original Programme is the most fully detailed, and clearly draws on the detailed macro-economic policy framework set out in the MERG Report, *Making Democracy Work* (1993).

The targets were so comprehensive that some criticised the Plan as a shopping list without priorities (e.g. Natrass 1994, and Simkins 1995, and see below, pp. 17 – 18). But this was a misreading of the purpose of the document: to set out the aims of an ANC-led government in terms which could be widely understood, and which would encourage participation from the grass roots upwards. There was no doubt in the minds of the collective authors that 'Attacking poverty and deprivation is the first priority', with the emphasis on affirmative action to 'address the deliberate marginalisation from economic, political and social power of black people, women, and rural communities'. The Programme marked a decisive departure from the economic policy of the NP, even after the cosmetic changes of its last few years, and signalled the determination of the ANC to create a radically new, post-apartheid society, by empowering the people and firing their aspirations.

Nelson Mandela's original preface described the RDP as 'a vital step ... towards an actual programme of government', and invoked the consultative tradition of the *Freedom Charter* (1955). Consultation has been an ongoing process. In September 1994 the Government published a draft discussion document on the RDP as 'an important step in establishing the dialogue in which all South Africans will take part'. This time Mandela's foreword carried Presidential authority, and declared, 'Our people have elected us because they want change. Change is what they will get.'

The draft White Paper was addressed 'to all of the personnel of the GNU, and to all South Africans who are taking an active role in the implementation of the RDP', who were invited to contribute to the debate; and it was accompanied by a short information brochure, *RDP Challenges*, summarising the White Paper, which 'must be discussed in all sectors, organisations, businesses, trade unions, communities, women and youth organisations and churches'. The RDP was by now the formal responsibility of the Minister

without Portfolio (Jay Naidoo) in the President's Office. Comments from the public were to be incorporated into the final draft for submission to the Cabinet. Interestingly, the brochure listed not only the opportunities but also the constraints on the Programme, neatly summarising the political, administrative and financial problems thus:

- '1. The wheels of government move very slowly and attitudes have to change.
2. The civil service needs reorientation and retraining to deliver the RDP.
3. The bulk of the 1994/5 budget is already committed.'

The paper also set out the specific role of each of eight groups of 'stakeholders in the RDP', including business, NGOs, 'civics', politicians, parastatals and local authorities. For example, 'Trade unions must organise workers to respond to the goals and objectives of the RDP. They must bring democracy into the floors of every workplace' and work for the restructuring and rebuilding of the economy, 'to respond to the challenges of the global and Southern African economy'. MPs, *inter alia*, 'must assist the setting up of representative local RDP forums and give feed-back to Parliament to enrich the debates.' This was not mere lip service to vague ideals. Nine separate projects were listed for immediate implementation, including the free health care for children under six and pregnant mothers which had already been introduced in July, a primary school feeding scheme – now in place – pilot land reform and restitution projects, a national literacy campaign, rural water supplies, and the building of clinics and schools. Five further targets were set out for 1995.

A revised and enlarged White Paper was then presented to Parliament, claiming to incorporate 'the oral and written submissions to the Select Committee', although the changes were in detail and emphasis rather than in substantive matters. For example, affirmative action was given greater prominence; under 'Public Sector Restructuring', the Government promised not only to address 'disparities created by apartheid' (instead of the original, 'racism wherever it persists'), but also 'to establish a proactive programme which will serve to eradicate racism, gender inequality and other forms of inequality', a notable clarification. Oddly, however, women in the public service were no longer given a separate paragraph, although the promise still stood to address the position of the 'very many capable women in the Public Service', very few of whom were in senior positions, by special programmes and a review of promotion practices. But it must be said that South African women still await the easing of their 'triple disadvantage' (by race, class and gender), and remain impatient.

The brief concluding chapter was substantially rewritten, to deal with the reorganisation of central government and the introduction of new local authorities (the first local elections, scheduled for the end of 1994, took place

in 1995, but not in all provinces; KwaZulu-Natal in particular still presents tremendous problems). In conclusion, the White Paper restated the grand objectives:

'The RDP must be a people-driven programme and this can only be achieved within a vibrant civil society. The government cannot deliver on its own ... The RDP is the instrument ... to accomplish the urgent, difficult, but great historic task [of] the equitable development of the life opportunities of all its citizens.'

The meat of the document, however, lay in Annexures I and II, which together took up nearly half the paper.

The first of these set out the list of 'Lead Projects' in Rural and Urban Development, Human Resources and Health, including: 12 named areas for rural water development, six to start immediately; one pilot project per province for land reform; ten communities for land restitution and seven for redistribution of land; six named communities, from Cape Flats to Thabong in the OFS and Katorus in East Rand, for urban renewal, plus the rebuilding and upgrading of unspecified urban areas in KwaZulu/Natal affected by violence. R 25 million was allocated for 1994 – 95 for clinic building; and the primary school nutrition scheme, with R 472.8 m for 1994 – 1995, was implemented in 50 schools per province in September 1994. By the end of December 1994, four million schoolchildren were being fed, 336,513 households had been 'electrified', and a total of R 1.06 billion had already been disbursed on the various lead projects (*Weekly Mail and Guardian*, 23 Dec – 5 Jan 1995). The RDP could now scarcely be described as a mere statement of intent.

Annexure II of the White Paper, 'Summary of Departmental Programmes to Advance the RDP', set out in tabular form for each programme the policy objective, the target dates, the leading ministries, the institutional reforms involved, the legislative programme (details often rather sketchy here), and the financial arrangements. Programmes were listed alphabetically by ministry, but beginning with the Office of the President, assigned 33 projects, classified under five key policy headings: -

1. The Provision of Basic Needs;
2. Increasing Efficiency and Effectiveness of Government;
3. Democratisation and Institutional Reform;
4. Economic Restructuring;
5. Human Resource Capacity Development' – the last but not the least item here being No 5.4, 'Mass Communication', to 'inform and involve all sections of the public and civil service'.

The leading role of the President's Office indicated Mandela's close personal involvement in the planning and implementation of the Programme. Moreover, the allocation of specific responsibilities to named Ministries both

clarified the new framework of government and provided a stick with which to beat foot-draggers – both civil servants and their political masters – if required.

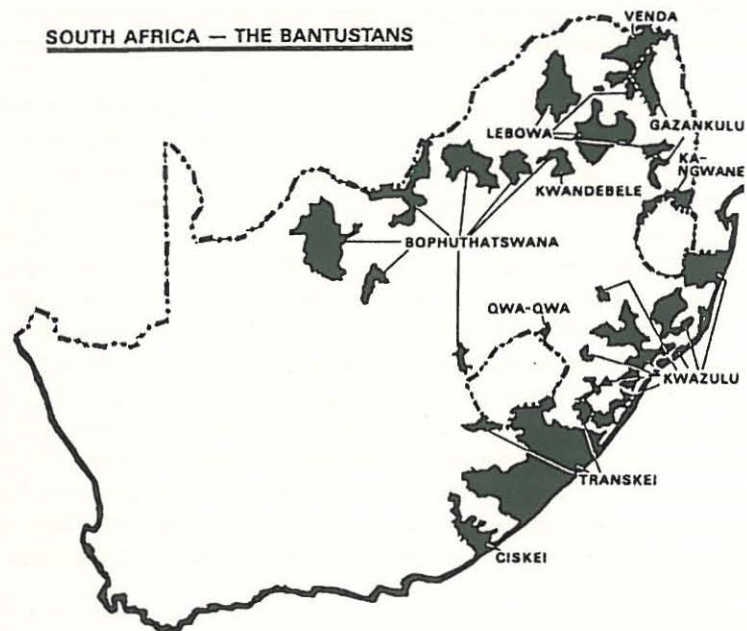
The gradual nature of the policy-making process illustrates not only the ANC's habit of lengthy consultation before issuing binding statements, but also the toning down of some of the more radical promises made in exile. A very similar path – of radical declarations in exile, followed by a pragmatic accommodation with the realities of government – was followed by SWAPO in Namibia. (They also pioneered a policy of national reconciliation, four years before South Africa.) The acid test for the RDP will be the speed and efficiency of implementation. In an interview on the day of the White Paper's publication, Jay Naidoo stressed that, although R 2 billion had already been allocated to key projects, 'The main problem is capacity', especially at local and provincial level, 'the hands and the feet of the RDP'. He also mentioned the recent salary cut at executive level, and the need to freeze senior civil service salaries in order to improve opportunities for 'those who have been discriminated against' (Interview, 15.11.1994). Meanwhile, yet another White Paper was promised, to evaluate progress and set out further details.

## Land

Land reform has a high priority within the basic needs programme, and faces some of the worst legacies of apartheid. The current distribution of land and people is a major indicator of inequality. The total South African population in 1991 was 37.7 million. In round figures, this was distributed as follows:

|          |            |     |
|----------|------------|-----|
| Black    | 27 million | 75% |
| White    | 5 million  | 14% |
| Coloured | 3 million  | 8%  |
| Indian   | 1 million  | 3%  |

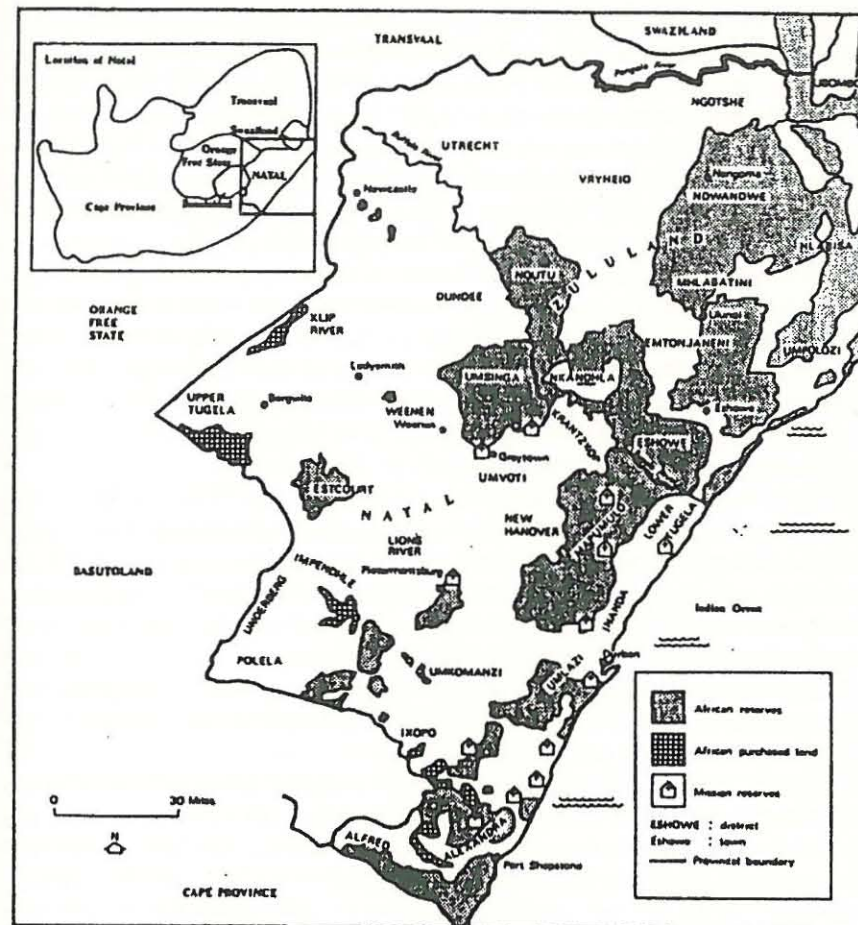
The projection for the year 2000 is a total of 47 million, with the fastest growth rate among Africans. Among whites, 90% are urbanised, compared to 50% of Africans. According to the Land Act of 1913, as amended in 1936, the black 75% of the people were confined to a maximum of 13.7% of the land – though not all of that was allocated before the system began to break down in the 1990s – and virtually none was officially allocated to Coloureds and Indians. In the tragic execution of the policies of segregation and apartheid, very large numbers were forcibly removed – probably at least four million since 1948, and possibly twice that number (Unterhalter 1987, p. 3). This



Map 1  
Source: IDAF, 1991.

created intolerable pressures on land and living conditions in the Bantustans, the so-called 'homelands', in which the thousands of blacks expelled from the towns were consigned to land unwanted by whites. It should not be imagined that these were entirely a post-war creation. The crazily fragmented map of KwaZulu in 1991 (IDAF 1991) bears a striking resemblance to the Zulu 'native reserves' as demarcated in 1910 (Marks 1986); see maps, p. 92/93.

The 1991 Land Reform Act was one of De Klerk's first initiatives after unbanning the ANC and releasing their leaders. It repealed the Acts of 1913 and 1936, but gave no clear indication of actual reforms. Africans could buy land where they liked – if they had the money – but the white minority retained the best farmland, which some were disposed to defend by force if necessary. Under the 1992 Land Reform Programme, an Advisory Committee on Land Allocation (ACLA, later CoLA) was set up. ACLA was purely advisory, dealing only with rural land, and closely tied to private ownership, although the State was to acquire and redistribute land – a compromise typical of South Africa, old and new. But the ANC was already planning more radical reform.



Map 2: Natal and Zululand, 1910  
Source: Marks, *The Ambiguities of Dependence in South Africa*.

The RDP contains two clear promises: –

- (a) redistribution, using 'land already on sale and land acquired by corrupt means', expropriation 'where applicable', and aiming to redistribute 30% of agricultural land within five years.
- (b) restitution of land to those 'dispossessed by discriminatory legislation since 1913' – thus tacitly disallowing claims arising from earlier annexations of African land.

There is a basic dilemma for the ANC, in deciding how far to meet claims for restitution – where African land hunger meets the rock of white farmer

occupancy – and how to organise the redistribution even of unoccupied land. The latter has given rise to an even more intense debate than the former. Who is to qualify? How will this be decided? Which land will be affected? What will be the mechanism of transfer? The demand, however, was for action, rather than agonising over definitions and procedures. Considerable pressure had been placed on the ANC government-in-waiting by the National Land Conference held in February 1994, a large gathering representing 357 rural and landless communities, which had declared,

We the marginalised people of South Africa, who are landless and land hungry, declare our needs for all the world to know ... We have seen our land dry up and blow away in the wind, because we have been forced into smaller and smaller places ... We will not sit back and watch as wealth builds up in the cities, while on the edges of these cities, in the small towns and in the countryside, we continue to starve.' (Land Conference: Charter; Murray and Williams 1994; Wixley 1994; Khosa 1995)

The GNU had to be seen to act quickly and decisively. Their first legislation was the Land Restitution and Reform Act, passed in November 1994, under which a Commission on Restitution and a Land Claims Court were set up, each being assigned an office in each Province. The Court replaced CoLA, which was already inundated, and unable to deal quickly, with 2,100 land claims, mainly from individuals, to the new Department of Land Affairs. But it deals only with restitution, not with redistribution, and has to create its own procedures, interpret an Act that is at best 'opaque' (Beinart 1995) and build up a body of case law.

By 1993 there were already provisions enabling black communities to purchase land for resettlement, and in some provinces pilot schemes have been set up, to provide housing and infrastructure for poor families on land so purchased. But the scheme has not gone beyond pilots, and faces many problems. There is a risk of allowing too many people to settle on land that cannot support them. On the other hand, such is the pent-up demand that some have become impatient and taken the law into their own hands. In 1994, for example, black squatters were evicted from white farmland by gunfire, while later others moved in on a white suburban area of Johannesburg, only to be evicted by the City Council, to the grave embarrassment of the ANC minister. Here, as in so much else, the possibility of conflict between the central government and the old municipal councils, not to mention the unofficial 'civics' in the townships, will remain until the new system of local government is firmly in place.

An even more embarrassing situation was the KwaZulu land deal of April 1994. KwaZulu territory, whose nightmare patchwork has no marked boundaries, has now been absorbed into the new Province of KwaZulu-Natal, but is still clearly identifiable by its inhabitants and traditional rulers.

Early in 1994 the old 'homeland' assembly had nodded through – but had not discussed – a measure tabled by Chief Minister Buthelezi, vesting all KwaZulu land in the absolute control of a trust headed by King Zwelithini. This was authorised by President De Klerk only days before the election, without even consulting his partners in the Transitional Executive Council; but it came to light shortly after he had stepped down. The ANC was furious at this clandestine transaction, which appeared to negate their power to allocate any vacant Zulu territory to the landless. The situation was defused by the ANC Lands Minister, Derek Hanekom, who announced that the controversial Act would not be annulled, but would be amended by consultation with King Zwelithini – who in any case is now at odds with his uncle Buthelezi, over both land and constitutional issues.

There are immense administrative, as well as judicial and political tasks ahead, on the crucial matter of land. There have been clashes between Hanekom's Lands Department, whose strategy favours the development of small-scale African farming, and the NP Minister of Agriculture, Van Niekerk, who emphasises the efficiency of existing large-scale, white farms (Lipton 1995; she also points out that agriculture was never a priority for the urban-based ANC). In June 1995, however, President Mandela spoke firmly in support of the small-farm strategy. It has to be noted that land redistribution is still one of the most intractable issues in the ex-apartheid 'colony' of Namibia, where little progress has been made in implementing some excellent plans for land reform, which had been seen as a model for South Africa itself (Kimble 1992). The necessary new institutions are now being set up in South Africa. Some progress has been made. Over 4,000 dispossessed families have had their land restored, in seven provinces, and a further 2,500 families have been resettled on new land. But one cannot help doubting whether the ANC target of redistributing 30% of agricultural land within five years can be realised.

## Housing

'The urban housing backlog in 1990 was conservatively estimated at 1.3 million houses. Including hostels and rural areas, the backlog rises to approximately three million units.' (RDP 1994)

'The apartheid city is characterised by a low-density urban sprawl segregated, often at a long distance, from high-density townships.' (MERG 1993, p. 75)

The large-scale influx of people into the urban areas, following the abolition of the Group Areas Act, has probably accelerated since April 1994, with people flocking to the towns to look for the 'better life' of ANC election

promises. The immense deprivation, and the glaring inequities, so long unseen or rather ignored by the white minority, have been exacerbated, if anything, by this. In the towns and townships, land hunger becomes transmuted into a demand for housing and living space, rather than for farmland. Some better-off Africans have built comfortable modern houses in Soweto, for example, and many had moved unofficially into former 'white' areas such as Hillbrow in the late 1980s – with some exploitation by estate agents (MERG 1993, p. 82). The burgeoning of the informal sector has brought a cheerful black bustle to the pavements of Johannesburg, but the streets are by no means paved with gold. Nothing can disguise the depth of the problem, which is almost certainly worsening in the overcrowded, under-resourced townships, and the appallingly deprived squatter areas. Around Durban, for example, 16 squatter townships sprang up in the 1980s beyond the four 'official' townships (Unterhalter 1987), and the current influx from the countryside, continually adds to the congestion and squalor.

Ethnic rivalries have been fomented, and often created, by the policy of segregating the townships into 'ethnic' areas since the 1950s. Outside Johannesburg, for example, Soweto was officially designated as 'black', and Lenasia as 'Indian', with three separate 'Coloured' townships. Within the African areas, the government tried to segregate people by 'tribes', but intermarriage and innate African common sense defeated most of these attempts, with the exception of the explosive situation created by the segregation of migrant workers. Their squalid hostels, as much a product of apartheid as squatter camps and informal settlements, remain a festering sore. Always a degrading dumping ground for migrant mineworkers, crammed at least eight to a room and separated for months from wives and families, the hostels are notorious for ethnic violence and crime. The aim now is to integrate the men into local communities, and turn some hostels into family accommodation.

Official housing statistics for 1991 revealed the severe racial disparities (see Table 1, overleaf), as well as the failure to meet basic health standards; over half of all rural houses were inadequate, in all but one region (see Table 2). Since the deprived 'homelands' were excluded from the old regions, by definition, the actual picture was even worse. Apart from the cramped conditions of informal housing, and the widespread failure to meet basic health standards, there is no official information on the abysmal conditions in the squatter camps.

| Racial Group                 | Floor Area per Person (m <sup>2</sup> ) |
|------------------------------|-----------------------------------------|
| White                        | 33.2                                    |
| Coloured                     | 12.0                                    |
| Asian                        | 18.2                                    |
| Black (formal housing)       | 8.9                                     |
| Black (backyard shacks)      | 4.8                                     |
| Black (squatter settlements) | 4.2                                     |

Table 1: Floor Area per Person, by Racial Group  
Source: World Bank 1991

| Region             | % of rural population |
|--------------------|-----------------------|
| Eastern Cape       | 27%                   |
| Northern Cape      | 33%                   |
| Western Cape       | 52%                   |
| Natal              | 39%                   |
| Orange Free State  | 45%                   |
| Northern Transvaal | 41%                   |
| Southern Transvaal | 16%                   |

Table 2: Rural population in housing with 'health protection', % by region 1991  
Source: MERG 1993, citing SAIRR 1993

Table 3, below, shows the distribution of informal housing in the major urban areas, but since the unofficial estimate of the population of Soweto alone in the early 90s was 4 million, the figure of 2.26 million informally housed in PWV alone seems far too low. Even on these figures, over half of urban Africans live in 'informal' housing. There is even less reliable information for the rural areas, where self-built houses are possible for some, but where the Bantustan policy of population control created intolerable pressures on land and living conditions. Apartheid is set in concrete in the townships, and entrenched in the eroded rural landscapes.

| Area           | Total African Population | Informally Housed |     |
|----------------|--------------------------|-------------------|-----|
| Bloemfontein   | 470,100                  | 150,100           | 34% |
| Cape Town      | 570,000                  | 330,000           | 58% |
| Durban         | 2,600,000                | 1,800,000         | 69% |
| East London    | 342,800                  | 105,000           | 31% |
| Port Elizabeth | 580,000                  | 320,000           | 55% |
| PWV            | 5,213,000                | 2,260,000         | 3%  |
| Total          | 9,775,900                | 4,975,100         | 51% |

Table 3: Distribution of Informal Housing in Major Urban Areas 1990  
Source: MERG 1993, citing SAIRR 1993

To re-integrate a deeply divided population, and to provide basic housing for the majority, will not only be costly, but will demand new institutions as well as new policies. Up to now, the imperfections of a complex housing market, with a system of limited state subsidies, have meant no provision at all for the poorest households. The ANC quickly announced a massive shift from previous policies of providing a determinate number of houses for owner-occupation, to the state delivery of rented accommodation, by a variety of methods including loans, subsidies and direct building programmes. They realised the impossibility of financing the enormous backlog of need, and plan to subsidise self-building wherever this feasible. The first Minister of Housing, Joe Slovo, set a target of a million houses in five years.

An important indication of the depth of feeling over housing among the newly-enfranchised electorate was the Botshabelo Housing Accord, *Housing for the Nation*, signed on 27 October 1994 by the

'representatives of: the homeless; the communities and civil society; government at national and provincial level; established and emerging builders; the building materials industry; the finance industry; and the international community. [The Accord was presented as a] programme of action: – for building viable communities across the country, overcoming the disastrous legacy of the past ... and as a path to dignity for the millions of South Africans whose shelter is today inadequate.'

The language was not only ambitious, but strong in condemnation of the past 'decades of neglect', when housing was seen as 'the instrument of an oppressive state', often 'shoddily erected, ... the product of construction and banking industries which sought to avoid their responsibilities to the consumer'. Farm workers and rural communities lacked adequate water and sanitation, while 'For the vast majority, the only option lay in the erection of squatter cities made of mud, plastic, hessian, and corrugated iron.' But these makeshifts were seen as 'a victory in the struggle for survival'. The problem of the rent and bond boycotts, 'once aimed at specific ills', which had 'taken on a life of their own', was squarely faced. The five groups of representatives listed above each pledged themselves to a series of commitments; for example, the communities promised 'to bring to an end the tradition of non-payment for services', and the financial sector undertook to provide 'more accessible credit for lower income earners ... innovative banking, lending and repayment products', including fixed-rate mortgages, and 'to access further wholesale funds which can be dedicated to the housing market'.

The participation of the builders and their suppliers was significant. Earlier in 1994 they had met Tokyo Sexwale, the Gauteng (former PWV) Premier, and their warm support for the RDP's housing plans had (mis?)led him into promising 150,000 houses for the Region (withdrawn after a central/local

policy clash). The construction trade's commitment in the Housing Accord, rather more muted, was to 'price discipline and value for money', along with 'a regular and reasonably priced supply of building materials'. The last part of the Housing Accord set out the government's Proposed National Housing Strategy, which fleshed out the bare bones of the RDP. The backlog was then assessed at 1.3 million houses, to be eradicated in 10 years (rather than five), at a rate of plus or minus 150,000 per annum; in addition, a further 200,000 houses would be needed annually to keep pace with rising population and new households (cf. Gallocher 1994)

Almost until the day he died, in January 1995, Slovo was working on plans for a national housing bank and a loan guarantee fund, to provide radical new sources of finance and overcome previous institutional inertia. Slovo, a leading figure in the SACP, was pragmatic in his insistence on involving the private sector in central planning. But his successor, Sanki Mthembu-Nkondo, has dropped the original plan – which had initially been resisted by some provinces – for basic 'incremental starter houses', i.e. state assistance to provide for a minimum multi-purpose room with separate toilet, to be extended by occupants according to their resources. She has opted for providing complete houses, perhaps conscious of the stigma attached to the former 'site and service' schemes. But this will severely reduce the number that can be built, and remains controversial.

A new allocation of about R 1.4 billion was promised in the 1995 budget (about 1% of the total), but this is not enough to finance the construction of 'a minimum standard complete house' for each household at state expense. Only limited state subsidies are now to be offered, even for the 45 – 55% of those in need who cannot afford to pay or obtain credit. Given budgetary constraints, there will be 'a multi-faceted approach', mobilising private savings, encouraging private sector credit provision by identifying viable areas for development, and offering mortgage indemnity cover. The scaling down of state plans recognises the acute shortage of resources facing the ANC. But there is no doubt that, in spite of the tragic death of one of their most able and energetic ministers in January 1995, the ANC regards housing as a crucial and visible indicator of their government's ability to fulfil the RDP.

## Education

There are ample statistics of the havoc wrought by the grossly skewed educational system. 'Bantu education', and the imposition of Afrikaans, which sparked the Soweto riots of 1976, indirectly caused the exclusion of a whole generation of children from the schools; but even without this there would have been a terrible backlog to be addressed. It is estimated that over two

million children do not attend school at all; but for all those who do, the average period of schooling is seven years, while for whites only it is 13. Thus it is not surprising that 99% of whites are literate, compared to 48% of Africans, most of whom were denied more than bare literacy. School expenditure per white pupil was R 4,448 in 1991, compared to R 1,248 for Africans. The white minority benefits from 33% of government spending and 45% of private spending, approximately 36% of total expenditure. Pupil/teacher ratios in the homelands in 1992 ranged between 32.6 to 1 in Bophuthatswana and 72.5 to 1 in the Transkei. By comparison, the ratios were 20 to 1 in white primary schools and 15 to 1 in secondary. Yet in 1992 there were thousands of empty classrooms, and tens of thousands of surplus places, in white schools (see Table 4, and further details of education spending in MERG 1993, pp. 92 – 95, and 128 – 130). The low standard of African teachers was another problem facing the new government. The pass rates for those who entered the Standard 10 exam tell their own story: in 1990, 95.8% of white pupils passed, but only 36.7% of blacks (MERG 1993, p. 129).

|                    | Transvaal | Cape   | Natal  | OFS   | Total  |
|--------------------|-----------|--------|--------|-------|--------|
| <i>Primary</i>     |           |        |        |       |        |
| Surplus places     | 9,954     | 27,984 | 19,512 | 9,744 | 67,194 |
| Surplus classrooms | 249       | 700    | 488    | 244   | 1,681  |
| <i>Secondary</i>   |           |        |        |       |        |
| Surplus places     | 27,041    | 27,935 | 21,020 | 6,010 | 82,006 |
| Surplus classrooms | 773       | 798    | 601    | 172   | 2,344  |

Table 4: Surplus Capacity in 'White' Schools 1992

Source: MERG 1993, citing Taylor and Smoot 1992 [Primary totals corrected – H. K.]

Part of the problem for the incoming government was the fact that education was administered by 15 separate departments – at least three for separate White, Black and Coloured schools in each of the five old regions – and that is without counting the Bantustan education authorities. There was no national system of education and training. The ill-starred Bantu Education system had attempted to fragment black society further, by early teaching exclusively in the many local languages, followed later by compulsory Afrikaans. In any case, black schools were still intended by the architects of apartheid to provide the minimum of literacy and numeracy for menial jobs. Segregation was just beginning to break down in the late 1980s, with a few private initiatives to set up mixed-race schools. But the official system was locked into its racist tradition. Several universities – notably Cape Town and

Wits – have been admitting students of all races for some years; and the rapidly expanding University of the Western Cape has directly addressed the problems of black educational deprivation, both in its intake and its research programmes. But in 1994 both primary and secondary schooling were in need of total transformation. The results of deprivation and underfunding could readily be seen by any visitor to township and rural schools: overcrowding, broken windows and furniture, shortage of books and desks, the aftermath of violence and vandalism. But the most telling witnesses, the children out of school, were absent by definition – an estimated 1.8 million of them, aged 6 – 18 (Dept of Education 1994).

Unsurprisingly, the ANC intends to phase in the 10 years of compulsory education 'as soon as possible', and the RDP proposes a radical reform of the existing curriculum, because it 'bears the mark of racism, sexism, authoritarianism and outmoded teaching practices'. Although 'Curriculum change takes time,' it continues, 'we must find points of entry to permit reconstruction to start in 1994.' The RDP also proposes a higher education commission to report urgently, and a substantially restructured and expanded training system. The MERG Report endorsed the approach in terms of the high rates of return (10 – 20%) to education, while pointing out that these would depend on job prospects as well as reducing family deprivation, economic and social, which affects the current high drop-out rates among black students. But it rejected 'unsatisfactory' earlier reforms. 'The goal is not to deliver white educational standards to the whole population but, rather, to offer a different and more equitable educational level to all.' (MERG, p. 96). Given the aim of universal state-funded schooling, MERG estimated the annual costs at:

|                           |                |
|---------------------------|----------------|
| Salaries                  | R 14.0 billion |
| Teacher training          | 1.0 billion    |
| School supplies           | 1.0 billion    |
| School building programme | 0.5 billion    |

The first step in the familiar process of consultation was a Draft White Paper – in all 10 official languages – published by the national Minister of Education, Professor S.M.E. Bengu, in September 1994, 'for general information and comment', although only just over a month was allowed for this. It addressed widespread concern, stating general policy goals: universal access to '*life-long education and training* [underlined in the text] irrespective of race, class, gender, creed or age'; teaching methods which 'encourage independent and critical thought'; equality of opportunity; and representative governing bodies drawn from the community. Such aims might seem commonplace and unremarkable to Western European readers. It is necessary to realise that, coming from a South African government, they were nothing short of revol-

utionary, and rightly described as 'a new vision'. This central element in the RDP's human resource programme would admittedly take time, and be expensive to achieve. The new provincial Departments of Education had not been set up at the time, so expenditure estimates had to be made on the basis of the old structures, and provincial Ministers of Education were unable to assume full responsibility. The paper openly admitted frustration, and looked forward to the 1996/97 financial year, when the provinces would set their own budgets, under only indirect national control.

The paper set out four pressing needs for additional spending on education:

- (1) Redress and rehabilitation, including making good the current shortfall of 76,000 classrooms, and previous underfunding for maintenance and repairs;
- (2) Extended and new services, including free and compulsory general education to Standard 7, adult basic education, early childhood development, expanded technical training, special educational needs, enhanced pre-service and in-service teacher training and student loans or bursaries for tertiary education.
- (3) Demographic factors, with about half a million new learners to enter the existing system annually, even before it becomes free and compulsory.
- (4) Administrative reorganisation.

Perhaps the most specific reform proposals concerned the creation of a new National Qualification Framework, worked out in consultation with the Ministry of Labour Affairs, organised labour and business. This is to cover eight qualification levels, starting with GCE at the end of the 10-year compulsory schooling period to Grade 9; there will be three possible Further Education Certificates, at Grade 12 (Standard 10), or on completing Technical College or industrial training; and higher education will offer National and Higher National Diplomas as well as existing university degrees.

The paper contained no total cost estimates, although it presented new funding proposals to replace the present 'patchwork'. Education spending was of course included in the November interim budget of July 1994, at 22.5% of the government total. The paper admitted that this might be high by international standards, but still regarded it as inadequate for demand, since 'circumstances are not normal'. Even a restructured system could not be expected to generate sufficient funds. Therefore a direct appeal was made to the Cabinet for 're-allocations from other functions to education' (p. 44). While accepting the RDP line that development must be funded by economic growth and increased revenues – taking time – and internal savings – difficult in education – the paper made a direct plea for special treatment:

'The Ministry of Education, in the face of extreme budgetary pressure, requests recognition: (1) of the significant social and economic payoffs

accruing from a well-functioning education and training system ... (2) for its goal of budget restructuring and associated reforms ... (3) for the conclusion that the education budget from all sources needs to increase by a sufficient margin in real terms over the population growth rate for two to three years, in order to absorb the bulk of the essential capital cost ... the consequent operational expenses, and the costs arising from rationalisation.' (p. 45)

The Minister had a strong case. He did secure a rise in education's share of the 1995 Budget to 26%, in face of many competing claims for reconstruction and development spending. It is perhaps worth remembering that in Mandela's first public speech after his release he had firmly ordered young Sowetans to 'go back to school'.

## Health

Here again the statistics of inequality tell their own story. Infant mortality per 1,000 live births is 7.3 for whites and 52.8 for blacks, while whites live several years longer than Africans. Nearly one-third of South African children are underweight due to malnutrition. In KwaZulu, a sample survey showed a high incidence of gastro-intestinal disease, in the absence of hygienic water supplies and access to latrines, while TB is increasing in the townships as a result of overcrowding. The inefficiency of the existing system is perpetuated by 14 separate departments of health, with three or four clinics in many small towns serving the different 'races' (Munslow and Fitzgerald 1994; MERG 1993, pp. 104 – 105, 112).

A unitary national health service is the declared aim of the ANC's National Health Plan, prepared with the assistance of WHO and UNICEF and presented to the GNU in 1994, after the now customary process of consultation on three separate drafts; a national workshop was held to discuss the first. MERG recommended a single department of health as a first step. The Plan lays great stress on primary health care, especially for vulnerable groups such as mothers and children, on immunisation and preventive measures, and on nutrition. Health would continue to be financed out of general taxation, but with no increase in its share of the budget, which would not, however, be allowed to fall below the existing level of 11 – 12%.

The paper sets out an extremely elaborate plan for a National Health System, covering four separate levels – community, district, provincial and central – besides specifying the role of the private sector, independent doctors and NGOs. An 'Organogram of the NHS at Central Level' scarcely simplifies the picture. One is forced to wonder whether there is sufficient administrative capacity to set up and run such a complex system, let alone

finance it. Perhaps the committee was too heavily weighted with international civil servants. But nothing could be worse than the existing Byzantine system, which was 'geared to the needs of a minority' (p. 13), with an inadequate public sector failing to meet the needs of the poor. For example, in 1991 the 44% of the population living in the ten 'homelands' were allocated only 19% of the national health budget (p. 17) and had one doctor to 10,000 – 30,000 people, compared to a ratio of 1:700 in the towns (p. 15). Yet there is nothing at all in the paper about opening up the training of doctors, securing the extra numbers necessary to operate the system, or attracting them into the rural areas. Nor, surprisingly, is there any discussion of the possibility of 'barefoot doctors', with only basic training, for the rural areas, on the Chinese model which has been successfully introduced in other African countries. However, the Medical University of Southern Africa (Medunsa) aims to train not only African doctors and nurses, but also to produce 300 community health workers. Ironically, this private initiative is directed by a leading member of the SACP. It seems that the partnership between public and private enterprise urged by the government is already taking off in health care.

The official Health Plan proposes 17 different health programmes, from chronic diseases to oral health, including policy on drugs and HIV/Aids, besides problems of occupational, mental, rural and women's health. This section – indeed, the whole paper – adds little to the RDP itself, and offers only a broad statement of aims rather than tackling the question of how they are to be achieved. Since health is one of the areas where even in highly developed countries an unlimited demand has to be met out of finite resources, the authors of this paper do not seem to have faced up to the problem. There is clearly a great deal more work that has to be done on health planning and implementation for South Africa. Nevertheless, the government takes the plan extremely seriously, and the first major social reform to be put into practice was Mandela's announcement in June 1994 – on target – of free health care for children under six and for pregnant and nursing mothers. Since then, an immunisation programme has been launched, 172 new or upgraded clinics will be completed by April 1996, and 400,000 children have begun to receive free school meals – known as the 'Mandela sandwich'.

### Economic Policy: Employment and Growth

We have looked at the main social initiatives of the RDP. In fact, employment creation is perhaps the major economic preoccupation of the GNU, corresponding with the main pre-election concerns of most South Africans. In a 1993 survey, asked how they would judge a future government, 38% of

blacks mentioned 'more employment', 13% 'improved education, more schools', and 11% 'more housing'. Other groups put greater emphasis on 'less violence'; but 'more employment' came second in importance for both Asians and 'Coloured' groups, while for Whites 'minority protection' unsurprisingly came second (HSRC, Markdata Omnibus, October 1993, reported in *Indicator South Africa*, Summer 1994). The RDP White Paper of November 1994 stated: 'The fundamental goal of the RDP is an employment-creating, labour-absorbing economy which will ultimately lead to full employment.' (p. 22) Since this objective has proved elusive for most countries in the world of the 1990s, it is scarcely surprising that South Africa has not yet been able to produce detailed plans for job creation. Many aspects of the Programme, especially the desired increase in investment, with its attendant multiplier effects, are related to this central goal. Economic policy objectives, the paper continues, are:

'to meet the social and economic needs of the people and to create a strong, dynamic and balanced economy', which will 'create jobs that are sustainable, and increase the ability of the economy to absorb new job-seekers in both the formal and less formal sectors ...

'alleviate the poverty, low wages and extreme inequalities in wages and wealth generated by the apartheid system to meet basic needs ... and thus ensure that every South African has a decent living standard ...

'address economic imbalances and structural problems ...

'integrate into the world economy ...

'address uneven development within the regions of South Africa and between the countries of southern Africa.

'ensure that no one suffers discrimination in hiring, promotion or training on the basis of race or gender ...

'develop the human resource capacity ... so the economy achieves high skills and wages ...

'democratise the economy and empower the historically oppressed ...' (White Paper, Nov 1994, p. 20)

The targets for economic growth were revised downwards to 2.5% for 1994, but were planned to increase in subsequent years, and these are the core of the Programme. Redistribution of income, as well as land, is fundamental, but is seen as heavily dependent on growth, which must also provide the revenue to finance the later stages of the RDP. But both domestic saving and domestic investment (net) 'have declined to alarmingly low levels' (ibid., p. 22).

Foreign direct investment has been actively sought, but investors have been slower to appear than some had hoped (but 1995 saw a record inflow of \$ 6.68 billion in overseas portfolio investment). The fear of political instability is a potent factor. Up to April 1994, political violence, especially in

the townships and in KwaZulu/Natal, was seen as a serious threat to democracy. With the election accord between the ANC and IFP, it vanished almost overnight. But now it is again a very serious problem in that province. Elsewhere, the violence is now largely criminal, and the overall level is much lower than before the elections. But the problem is to reassure overseas investors, given the inclination of the international press to highlight violent incidents, or the saga of Winnie Mandela, rather than to report positive developments.

Global economic conditions will also be crucial to success. Recession and exchange fluctuations, such as the collapse of the Mexican peso, have had a discouraging impact on international investment everywhere, including Africa. Meanwhile aid programmes are diminishing. Many rich countries, especially the US, are in arrears with their contributions to the UN and multilateral agencies, and the new Republican leaders of Congress want to cut out all foreign aid, not to mention welfare at home. The EU at first refused to give South Africa access to the preferential trading regime of the Lomé Convention, on the grounds that this would be contrary to the new GATT regulations, although restricted access now seems likely. Meanwhile, the European Development Fund is being cut back, largely due to Britain's intransigence, thus further reducing Europe's aid to Southern Africa. The British Government is now to offer aid to only 20 of the world's poorest countries, of which South Africa will not be one. It is in any case handicapped in applying for aid by its developed-country status, in spite of the fact that the vast majority of its people live in poverty as bad as anywhere in the Third World. But South Africa has placed great reliance on regional co-operation for development within SADC. Until new capital is forthcoming, plans for the social and economic infrastructure – in housing, education, health, transport and communications, not to mention their multiplier effects on the economy – will be seriously hampered.

Nevertheless, the RDP stands as a set of minimum acceptable targets, being realistically pursued in the face of overwhelming odds. I do not accept some of the fiercest criticisms of it. Natrass (1994), for instance, has described the first draft of the White Paper as

'a disappointing shopping list of principles with no clear statement of priorities. It fails to offer a coherent policy programme ... and passes responsibility on to an ill-defined consultative process ... Thus despite many good ideas, the White Paper fails ... both as a policy framework and a discussion document.'

Having missed the whole point of the consultative process and failed even to read the document carefully, she proceeds to a flippant, ill-judged and dismissive caricature of the planning process. Rather more substance is to be found in Simkins' complaint (1995) that the lack of a fiscal model raises a problem of 'fiscal credibility'.

## Problems of Implementation

A major requirement for sustainable and equitable development is to secure the necessary political consensus. South Africa has already gone far towards the reconciliation of what were once thought irreconcilable differences. It was predictable that the new government – a coalition of the ANC, the SACP, the National Party and the Inkatha Freedom Party – would show some signs of strain, once the initial euphoria had worn off. Chief Buthelezi was given a major Cabinet post, after (probably) winning a disputed majority in the KwaZulu/Natal provincial legislature. His power – largely built up in an unholy alliance with the NP and the clandestine security forces – was seen at its peak in the violent anti-election campaign waged in KwaZulu; since then, his determined sidelining of the Zulu King, his former client, seems to indicate that he is winning the battle for the primacy of political over traditional loyalties.

Many problems remain. The walk-out of Inkatha members from Parliament early in 1995 and their demand for drastic devolution of powers, which led to their withdrawal from the constitution-making process, indicate an alarming capacity to undermine national unity. Although Buthelezi's national reputation has waned, his provincial power base in KwaZulu/Natal remains strong. Mandela knows the Chief would be more dangerous out of the Cabinet than in it. But bitter confrontations between IFP and ANC leaders, and their grass-roots supporters, have resurfaced, and the power struggle has yet to be resolved, at national and provincial level. The 1995 arrest of the deputy general secretary of the IFP on 13 murder charges (dating back to 1987) both confirmed ANC suspicions and sharpened IFP anger.

Since the elections, when the National Party won only the Western Cape Province, the NP has been much weakened ('dogged by an identity crisis and internal dissension' – *Southscan*, 19.1.1996). In Parliament, De Klerk was forced by his restive backbenchers to claim the right to oppose his own government's proposals. Now there are moves to transform the organisation into a 'Christian Democratic' party, even perhaps to change its name; all will be announced on 2 February. Neither the Freedom Front, on the right, nor the Pan Africanist Congress, on the left, carry much political weight; they won only 9 and 5 seats respectively, while the Democratic Party's unexpectedly low vote (1.7%) gave it only 7 seats, undermining its claim to the middle ground. Those who boycotted the elections, notably the Conservative Party, have as they should have foreseen lost much of their limited support, while the AWB has been shown up as a lunatic fringe of violent 'thugs' (Sparks 1995), rather than a serious political force. Nevertheless, there is a groundswell of white minority demands for some sort of homeland. The ANC has always firmly resisted anything that could fragment a unitary state; but

Mandela has sometimes blown hot and cold on this issue in his anxiety to keep whites on board. As for the ANC, its 62.6% majority, with 252 parliamentary seats, seems unshakable. There have always been differences between their right and left wing in government, but these remain muted. Their main problem is that the pace of change will inevitably seem unbearably slow when set against the limitless expectations of the dispossessed majority, who put them into power.

Mandela completes his second year as President on 10 May 1996. His charismatic personality and insistence on reconciliation have impressed citizens of all races as well as outside observers. The 'Mandela factor' has been less significant for the trade unions, who were disappointed when Thabo Mbeki was preferred as First Deputy President over Cyril Ramaphosa, the leader of the NUM and COSATU, whose negotiating skills helped steer the country towards the elections. (He now presides over constitution-making.) They also attacked Tito Mboweni's 1995 Labour Bill, while recurrent strikes have indicated a deeper, pent-up anger over wages and working conditions. The fact that these are now officially admitted for the first time to be inadequate and unjust has no doubt encouraged the emergence of industrial disputes, which could even endanger the process of reconstruction.

But we return to the three constraints listed above (p. 4) as the most serious problems of implementation. The first, the slowness of government machinery, is intensified by the second, the lack of qualified and experienced administrators, which is particularly acute. The new constitution, while not yet finalised, has already involved setting up nine Provinces – incorporating the Bantustans – to replace the old regions, and totally reorganising most government departments and ministries, which between them carry the burden of the RDP. The ANC leaders had to negotiate the political transition, then to finance and conduct an election campaign, when only recently returned from exile or imprisonment, with their internal organisation destroyed. Hundreds, if not thousands, of exiles had taken the opportunity to study abroad and gain useful qualifications; but nearly all of them lacked administrative experience. White senior civil servants have been given every encouragement to stay on, by the 'sunset clause' which guarantees their jobs and pensions – ironically, first suggested by Joe Slovo, the conciliatory and pragmatic Communist. But there is bound to be some friction while they learn to serve their new political masters, as so many newly independent countries have found.

Thirdly, the financial constraints are extremely tight, especially the lack of foreign investment discussed above. Although the first Finance Minister, Derek Keys, brought the inherited public sector deficit down to 7% of GDP, it was only slightly reduced during 1994/95, and threatens to rise again, especially as world interest rates determine the amounts needed to service

the debt. But this concentration on fiscal rectitude tends towards the widely discredited World Bank/IMF prescriptions for 'sound finance', which have helped to increase poverty in so many developing countries (see World Bank 1993 and 1994; and critiques by e.g. Comia et al. 1987, Stoneman 1993, and Williams 1993 and 1994). The GNU has shown keen awareness of the need to control public spending, and in particular its consumption element (White Paper, p. 22). But South Africa cannot afford to pursue the World Bank's ideal of completely free markets, with all the imperfections these are subject to. Stoneman notes that South Africa will be pressed to follow 'the new orthodox open-market policies', and urges the GNU to be 'more radical than Zimbabwe' in its actions, but less so in its rhetoric. In fact, the new government has kept its options open, for an eclectic mix of free markets and central planning, and is now considering more privatisation, to attract investment funds. However, there remain some questions concerning the political accountability of a strongly centralising government, which has no effective parliamentary opposition, in what Southall (1994b) describes as a 'dominant-party state'.

Even the first post-election budget in 1994 was merely a holding operation, designed to reassure nervous businessmen and investors; it allocated only a modest R 2.5 billion to the RDP for the current financial year. By December 1994, the RDP allocation for the next financial year had been set at R 6 billion. But most of these figures have been arrived at by cutting back other spending plans, and the 1994/95 budget involved a series of reallocations within the pre-existing total, rather than new money. Even then, the rand continued to fall on financial markets. The 5% levy on businesses and richer taxpayers, a 'once-only' measure, hit only a minority of taxpayers, given the inadequate coverage of the system. Some had been hoping for a 'peace dividend'. But the conversion of the old SADF into the SANDF, especially the incorporation of thousands from MK, the armed wing of the ANC, has not gone smoothly and has proved very costly. At city and township level, newly democratic councils are suffering from the legacy of rent boycotts against unelected authorities, while local elections have not yet been held in some areas, even after postponement to November 1995.

The 1995 Budget similarly trod a cautious, rather than a radical path. The new Finance Minister, Chris Liebenberg, was well aware of external reactions to his every move, and anxious to prop up the falling rand. Budget sweeteners for investors included dropping the import surcharge and the tax on non-resident shareholders, while corporate taxes were unchanged. The tax on higher incomes, however, was raised from 43% to 45%. But even after the end of the dual exchange system, and the abolition of the 'financial rand', intended to stimulate both exports and the inflow of development capital, the rand has continued to fall, and investment remains sluggish.

More the economy grew by 2.3% in 1994, with a forecast 4% for 1995, which may well have been exceeded. The 1995 Budget was described as 'mildly expansionary', with an increase of 9.5% in total spending, although this would actually mean a drop in real terms. Within the total, social spending was to take a higher share – 57.4%, compared with 52.8% – mainly for education, health and housing at the expense of defence. The 1995 annual allocation for RDP directly-financed projects was again held at R 2.5 billion. The fiscal deficit was to be reduced from 6.4% of GDP to a projected 5.8% in 1995 – 96. But the biggest share of expenditure, after 26% on education, will be 18.5% on servicing the state debt, which at R 246 billion stands at over half the GDP and leaves little room for further borrowing. The inevitable question follows.

### Can the Programme be Afforded?

This is a difficult question to answer, given the absence of detailed cost figures. The total cost of the RDP was originally estimated at R 10 billion, but has now risen to over R 20 billion for the first five years. The MERG Report (1993) assumed that a 3.75% real annual growth in non-interest government expenditure over ten years was feasible, and that 'a coherent and comprehensive national development strategy' could raise the growth capacity of the economy to about 5% over four years, principally through spending on human resources, social infrastructure and the expansion of productive capacity. In other words, the redistribution of resources, often presented as an alternative to growth, is seen as a prerequisite for growth. On this basis, the report concluded that the expenditure plan would be both sustainable and fiscally responsible. But MERG warned that the projected GDP growth rate would not be achievable 'if increased public expenditure simply goes to higher, consumption-oriented social welfare and low productivity employment in the public sector.' (p. 27)

Such an outcome would raise the spectre of massive and damaging intervention in the form of a structural adjustment programme (SAP) imposed by the World Bank/IMF, with its rigid conditionality and imposition of inappropriate market forces, as a condition of 'rescue'. As Munslow and Fitzgerald (1994) put it, 'It would be a tragedy if the new democratic South Africa escaped from one SAP tyranny, that of the South African police force, only to fall under another SAP tyranny ... with all the harsh austerity measures that entails.' So far South Africa has managed to avoid this. But perhaps the key question should rather be, Can South Africa afford *not* to undertake a radical programme of reconstruction and development? This is a country where 18 million people, 99.5% of them Africans, exist below the currently

acceptable 'minimum living level' of R 750 per month per household, and 60% of this group live in total poverty; a country where 64% of the economically active population are black, yet they occupy only 15% of professional, semi-professional, technical, managerial and executive positions (ANC Health Plan 1994); and where each potential worker in the poorest regions, employed or not, has from 3 to 5 other people to support (data on regional dependency ratios available from the Development Bank of Southern Africa). No country can afford for long the extravagant waste of human resources implied by current unemployment rates. There was a clear danger of violent revolution before De Klerk's pragmatic change of course. The threat of KwaZulu secession remains serious. Failure to fulfil the main targets of the RDP within a reasonable time carries clear dangers of civil chaos, possibly leading to attempted coups from disaffected groups, on the right or the left.

We need not expect the Domsday scenario, however, unless things go very badly wrong indeed. The Goldstone Commission appears to have lanced the boil of the Third Force, and the Truth Commission under Archbishop Tutu, in spite of earlier disputes over its remit, is generally agreed to have chosen the right path by exposing – without avenging – past wrongs. Even Gerry Adams of Sinn Féin went to South Africa in 1995 for advice on the Northern Ireland peace process. South Africa's Promotion of National Unity and Reconciliation Act is an international first and could be a model for others.

South Africans have a remarkable capacity to forgive, personified not only by Mandela but by all those who suffered and studied with him in the 'University of Robben Island'. Even the South African Police, at least at ground level in all the many stations we visited during the elections, have changed beyond recognition, and are enthusiastically co-operating with the new regime. They have seen the future, and it means loyalty to a black President. The senior men in the security services may find that more difficult; only some of those implicated in assassinations and gun-running to Inkatha have been charged with crimes. Above all, as my epigraph from Munslow and Fitzgerald suggests, the Plan is not only affordable, but possible, given the vast economic potential and the manifest political will for success in the new, democratic, non-racial South Africa.

### Abstracts

*Die Wahlen in Südafrika im Jahr 1994 riefen weltweite Aufmerksamkeit und Bewunderung hervor. Seit damals wurden bemerkenswerte Fortschritte in bezug auf nationale Aussöhnung und, entgegen allen Erwartungen, in bezug auf Wiederaufbau sowie Entwicklung gemacht. Leider bieten Presseberichte in Europa wenig positive Informationen, sondern konzentrieren sich auf*

politische Konflikte und die inherente Gewalt, die eine Erbschaft des Apartheid Regimes ist. Dieser Artikel untersucht das Wiederaufbau- und Entwicklungsprogramm des ANC, seine Entstehung im Exil, den Dialog mit der Bevölkerung und die bemerkenswerte Vision, die es für das neue Südafrika bietet. Die Probleme der Durchführung und die Aussichten auf Erfolg werden diskutiert, mit genauer Berücksichtigung sozio-ökonomischer Aspekte des Programms – Land, Unterbringung, Erziehung, Gesundheit und Arbeit – sowie einer Einschätzung von politischen, administrativen und finanziellen Rahmenbedingungen. Die letzte Frage, die sich stellt, ist, ob dieses Programm überhaupt finanzierbar ist. Der Artikel schließt mit der Feststellung, daß das Programm nicht nur finanzierbar sondern auch durchführbar ist. Ein so zutiefst gespaltenes Land, mit seiner von den Reichtümern des Landes ausgeschlossenen und verarmten schwarzen Mehrheit, kann es sich nicht leisten, kein radikales Programm zum Wiederaufbau und zur Entwicklung zu unternehmen.

*The 1994 elections in South Africa attracted worldwide attention and admiration. Since then remarkable progress has been made in national reconciliation and – against all the odds – in reconstruction and development. Unfortunately press reports in Europe offer little positive information and prefer to focus on political conflicts and the endemic violence inherited from the apartheid regime. This paper examines the ANC's Reconstruction and Development Programme (RDP), its genesis in exile, the process of consultation with the people, and the remarkable vision it offers for the new South Africa. The problems of implementation and the prospects of success are discussed, with detailed consideration of the socio-economic aspects of the Programme – land, housing, education, health and employment – and an assessment of the political, administrative and financial constraints. The final question is: Can the RDP be afforded? The paper concludes that the Programme is not only affordable, but possible. Such a deeply divided country, with its deprived and impoverished black majority, cannot afford not to undertake a radical programme of reconstruction and development.*

### Acronyms and Abbreviations

|        |                                        |
|--------|----------------------------------------|
| ACLA   | Advisory Committee on Land Allocation  |
| ANC    | African National Congress              |
| CoLA   | Commission on Land Allocation          |
| COSATU | Congress of South African Trade Unions |
| EU     | European Union                         |
| EROSA  | Economic Research on South Africa      |

|        |                                                                    |
|--------|--------------------------------------------------------------------|
| GDP    | Gross Domestic Product                                             |
| GNU    | Government of National Unity                                       |
| IBRD   | International Bank for Reconstruction and Development (World Bank) |
| IMF    | International Monetary Fund                                        |
| MERG   | Macro-Economic Research Group                                      |
| MK     | Umkhonto we Sizwe                                                  |
| MP     | Member of (the South African) Parliament                           |
| OFS    | Orange Free State                                                  |
| NGO    | Non-Governmental Organisation                                      |
| NHS    | National Health System                                             |
| PWV    | Pretoria/Witwatersrand/Vereeniging (former Region, now Gauteng)    |
| ROAPE  | Review of African Political Economy                                |
| RDP    | Reconstruction and Development Programme                           |
| SADC   | South African Development Community                                |
| SACP   | South African Communist Party                                      |
| SAP    | South African Police                                               |
| SAP    | Structural Adjustment Programme                                    |
| SOAS   | School of Oriental and African Studies                             |
| SWAPO  | South West African People's Organisation (Namibian ruling party)   |
| UNICEF | United Nations Children's Fund                                     |
| VAT    | Value Added Tax                                                    |
| WHO    | World Health Organisation                                          |

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## Education in Contemporary Rural Vietnam: Problems and Possible Reforms

### Introduction

In 1987, due to international isolation and appalling economic conditions, the Socialist Republic of Vietnam (SRV) committed to a renovation policy (*doi moi*). Changes in domestic and foreign policies and economic reforms have produced impressive results. In rural areas, however, 33.3 million of the 37.6 million people live in absolute poverty.<sup>1</sup> Therefore, a consistent strategy for rapid and sustained development of rural areas is needed. Education plays a crucial role in such a strategy, in terms of improving the human resources and of empowering the people to make decisions on and participate in the development process.

To date, massive investment in formal and standardised education increased the national literacy rate to 89% (1992) and expanded participation in education considerably. Nevertheless, rural areas lag far behind the cities and their surrounding areas. Literacy rates in Northern and central Vietnam are often below 50%.<sup>2</sup> School drop-out rates in some areas amount to 40%.<sup>3</sup>

A first step is to remove the various physical, economic and social barriers which hinder access to education in rural areas. The full potential of education, however, can only unfold if two essential aspects are respected: the consistency of education with the general development strategy and the quality of education. Consequently, education policies for rural areas should be planned in tandem with policies concerning the rural diversification. Educational planning needs to focus on quality issues such as curriculum reforms, improved teacher training and educational research.

Experience in the People's Republic of China which began its reform-programme more than a decade ago and which is in *some respects* comparable to the SRV, indicates that the reform of rural education is a necessary (albeit not sufficient) condition for the development of rural areas which in turn stimulates the acceptance of education:

"... The future of rural education is quite promising because political and economic reforms ... stress the need for expertise and knowledge. With

1 UNDP 1994, p. 133.

2 CCSC 1989, p. 52.

3 UNICEF 1990, p. 3.